



HSB Solar Shortfall Insurance

HSB, part of Munich Re, is a technology-driven company built on a foundation of specialty insurance, engineering and technology, all working together to drive innovation in a modern world.

Overview

HSB Solar Shortfall coverage is designed to help facilitate new or existing solar photovoltaic (PV) projects by mitigating the technology risk for interested parties including owners, developers, investors or financiers.

Technology risk solution

Solar photovoltaic (PV) projects face a wide range of technological and physical risks. HSB Solar Shortfall coverage allows financiers or investors to concentrate on creditworthiness by reducing the technical risks associated with solar PV projects. It helps manage the financial impact of a solar PV installation not performing as designed.

HSB Solar Shortfall insurance provides coverage for technology risks associated with the impact on revenue from lower than anticipated solar irradiance. The coverage also protects against the financial consequences caused by projects not being installed as designed including errors in performance calculations during the design phase. HSB Solar Shortfall insurance provides a financial floor to a modeled P50 output, typically a percentage of the modeled output for each annual policy term .

Coverage summary

Covers solar PV revenue shortfalls caused by:

- Unintentional errors in the calculation of the expected production
- Defect of the insured energy installation
- Impact of lower than expected solar radiation on revenue



Coverage is triggered if actual annual output falls below a specified retention level and then pays up to a percentage of the amount short of the projected yield. Policies are typically issued for multi-year, pre-paid terms, with claims submitted for each year a loss occurred.

HSB Solar Shortfall coverage is typically packaged with our Property All Risk coverage and can be effective immediately upon commissioning. Coverage does not apply to losses otherwise covered under the Property All-Risk coverage including performance shortfall resulting from physical loss or damage.

Benefits

- Provides an additional level of confidence that the projected revenue stream for the project is secure.
- May enhance the creditworthiness of the project to lenders resulting in more favorable financing terms.
- HSB's analysis provides reassurance to project financiers. HSB engineers have the expertise and industry experience to analyze solar PV projects to help identify operational issues that affect solar power generation and the revenue stream.

Target market

Target markets include solar PV project developers, banks or investors with a financial interest in the performance of solar PV facilities. HSB Solar Shortfall coverage is designed for larger commercial or utility scaled installations depending on project design.

Underwriting requirements (in addition to the property underwriting requirements)

- PVsyst model
- Technical due diligence including energy yield analysis
- Operational report data (for plants in operation three or more months)
- Design / engineering drawings, site plans or construction drawings
- Power purchase agreement (PPA) or equivalent
- Operations and maintenance (O&M) contract / agreement
- Engineering, procurement and construction (EPC) agreement



For questions and inquiries,
call HIMI: (808) 208-8300

Send submissions to:
himiquotes@hemic.com