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## Press release

### Battery performance now insurable – Innovative Munich Re coverage paves the way for renewable energy

Peter Röder, Member of the Board of Management at Munich Re: “The ability to insure battery performance is a key piece of the puzzle in decarbonising our energy sector. For the first time, battery manufacturers can insure against the risk of their products not delivering as promised. With this new coverage, Munich Re has again demonstrated its pioneering role in the insurance of climate-friendly technology.”

- World’s first long-term insurance for battery performance
- Munich Re covers manufacturer performance warranties for 10 years
- US battery manufacturer ESS Inc. is first customer

Munich Re is the world’s first insurer to offer a product that covers battery performance. The product allows manufacturers in the booming battery market to offer long-term performance guarantees – whose value is backed by the insurance coverage.

The new coverage allows battery manufacturers to insure their customer warranties. For example, if the repair or replacement costs of defective or weak battery modules exceed a predetermined amount, the insurance then covers the rest. Manufacturers can thus unburden their balance sheets.

It will also become easier to obtain project financing, because the maximum costs for any warranties are capped by the insurance cover. This constitutes a distinguishing feature for investors. The product makes it significantly easier for manufacturers to ramp up deployment of battery capacities, thus making renewable energy more dependable and widely available.

The coverage can optionally be expanded to protect selected investment projects directly, so that the insurance will pay even if the manufacturer who issued the warranty files for insolvency within the warranty period.

The insurance cover is primarily aimed at major projects, such as those to ensure grid stability or to cover peak demand periods. In a second phase, the product will be introduced onto the mobility market, for example to insure performance of batteries in electric vehicles.

The first customer for the new insurance product is the US battery manufacturer ESS Inc. ([www.essinc.com](http://www.essinc.com)), whose redox flow batteries will now be sold with Munich Re's performance warranty cover. ESS produces stationary battery modules that allow energy from solar parks and network operators to be stored over long periods.

Munich Re is a world leader in the development of new insurance solutions for climate-friendly technologies. In addition to its new battery performance insurance, Munich Re has been offering performance coverage in other areas of the renewable energy sector for several years, for example for solar and wind parks and fuel cells.

**Munich Reinsurance Company**

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**Munich Re**

Munich Re is one of the world's leading providers of reinsurance, primary insurance and insurance-related risk solutions. The group consists of the reinsurance and ERGO business segments, as well as the capital investment company MEAG. Munich Re is globally active and operates in all lines of the insurance business. Since it was founded in 1880, Munich Re has been known for its unrivalled risk-related expertise and its sound financial position. It offers customers financial protection when faced with exceptional levels of damage – from the 1906 San Francisco earthquake to the 2017 Atlantic hurricane season and the California wildfires in 2018. Munich Re possesses outstanding innovative strength, which enables it to also provide coverage for extraordinary risks such as rocket launches, renewable energies, cyber attacks, or pandemics. The company is playing a key role in driving forward the digital transformation of the insurance industry, and in doing so has further expanded its ability to assess risks and the range of services that it offers. Its tailor-made solutions and close proximity to its customers make Munich Re one of the world's most sought-after risk partners for businesses, institutions, and private individuals.

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