



# New insurance paves the way for more sustainable construction

**WTW and GreenDozer have developed a new insurance solution that makes it easier for construction companies to supply and use recycled materials and reduce the construction industry's CO<sub>2</sub> emissions.**

*By Kristine Seest*

The construction industry produces 35 percent of all waste and, together with the production of building materials, accounts for 10 percent of Denmark's total carbon dioxide (CO<sub>2</sub>) emissions – according to the Climate Partnership for Construction (Klimapartnerskabet for Byggeri og Anlæg). This makes the industry one of the key players in the efforts to strengthen the circular economy and reduce Denmark's environmental impact.

As of 1 January 2023, limits have been introduced on CO<sub>2</sub> emissions from new buildings – limits that will

be gradually tightened until 2029. A majority in the Danish Parliament has also decided that from 1 January 2024, recycled materials will count with 0 percent in the CO<sub>2</sub> emissions report for new buildings to make it more attractive to consider recycling in the construction process.

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**Christoffer Larsen**

Insurance Broker, WTW

## A stumbling block

Until now, however, it has been difficult to use recycled building materials because it has not been possible to insure recycled materials in the same way as new materials. But WTW and GreenDozer have changed that with a new insurance solution that makes it possible for building owners to deliver recycled materials without the risk of liability if the materials cause damage.

»Fortunately, several stakeholders in the construction industry are focused on recycling and reducing waste, but it has been difficult to insure used building materials, and this may be part of the reason why the use of recycled materials is not more widespread. The uncertainty about who will have to pay compensation if the materials cause damage has been a stumbling block. This is a problem that we have now solved with the new product liability insurance for recycled building materials,« says insurance broker Christoffer Larsen from WTW.

## Two birds with one stone

The purpose of the new insurance solution is to make building with recycled materials common practice and to insure recycled materials on equal terms with new building materials. This is of great importance to a company like GreenDozer, an online platform for building materials that either originate from demolition projects or have gone unused in new construction projects.

»With this solution, we have killed two birds with one stone. The insurance ensures that recycled building materials are covered with the same product liability insurance as new materials. In addition, the supplier

is insured against additional costs for insurance purposes if the recycled materials cause damage. It is crucial that insurance can solve this problem, because otherwise no one dares to commit to using recycled building materials,« says CEO Jan Rohde from GreenDozer.

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**Jan Rohde | CEO, GreenDozer**

## WTW supports green transition

At WTW, there is always a focus on creating effective insurance solutions that can reduce companies' risks and support growth, but in this case, it is also very much about making an active contribution to the circular economy and green transition.

»We want to provide security for the companies that have a sustainable approach to construction. In this case, we could see that there was a clear barrier to using recycled building materials on a large scale in the construction industry. We have now helped to remove this barrier, and of course we are very happy with that,« says co-CEO Camilla Elverdal from WTW Denmark.

The Climate Partnership for Construction has made several proposals that, according to its own calculations, will result in a total annual reduction of 5.8 million tonnes of CO<sub>2</sub> in 2030 compared to 2020.