



# Residual Value Insurance

## Your access to Lloyd's & International Insurance Markets

At Chesterfield, our specialists work with a wide range of clients to ensure that their Residual Value Insurance protects an agreed future value of an asset where the financing instrument does not fully pay-out at the expiry of the period.

Every enquiry is handled on an individual 'case by case' basis to ensure that future asset values are properly agreed between our client and the underwriter.

Wordings are carefully crafted, with a view to preparing for the clearest outcome in terms of asset valuation at the policy term, to meet the expectations of all parties.

### Contacts

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### Examples of this are:

- Aircraft
- Marine
- Rail and intermodal
- Power generation
- General commercial and industrial equipment

In addition to the above asset classes, if the asset has a liquid secondary market with low obsolescence, together with accessible market data. We will give consideration to extending cover.

The potential future value of the asset often becomes a balloon payment on the part of the lessee – borrower, which can be insured.

In some jurisdictions, the insurance can be used by lessors for accounting purposes to obtain enhanced income recognition from leases and by manufacturers to recognise the profit in a sales transaction with a buy-back.

The policy has an S&P A rating and typical periods of cover run from 3 – 12 years depending on the asset class with few restrictions of jurisdiction.

