LOCKTON®

YOUR DATA CENTRE RISK AND INSURANCE SPECIALISTS

LOCKTON GLOBAL REAL ESTATE AND CONSTRUCTION

locktonglobalreac.co.uk

Lockton stands apart

The only truly independent broker of our size on the market, we're not tied to shareholders or investors.

Which means we're free to focus on you.

Family-run and privately owned, our dedicated associates dotted all over the world go above and beyond to understand your business, tailoring strategies to your exact needs.

It's a personal, time-tested, boundary-pushing relationship. Because we're in it for the long haul.

Lockton. Your partner in People & Risk.

12,500+
Associates

96%
Client retention rate

14%
Organic global growth

65,000+
Clients in over 140 countries

135+
Offices worldwide

$3.55bn
Global revenue

$71bn+
Premiums placed

90%
Reinvestment due to our private ownership

$23m+
Charitable donations to more than 250 organisations

WHY LOCKTON?

Complete asset lifecycle solution

Lockton provides a solution that responds to the unique risks that data centres experience through each stage of the asset lifecycle. Through a single account management team we provide a seamless transition from corporate and professional related solutions to asset specific risks derived from transaction, construction to operational stages.

Bespoke insurance solutions that respond to data centre risks

Whether you are an investor, owner, developer, operator or contractor, our tailored policy wordings optimise your ability to transfer risk effectively and remove any doubts around being underinsured or having gaps in your cover.

Sector-specific claims support

Our people have an unmatched work ethic, and go above and beyond to make your business safer, smarter and more profitable. Our specialist in-house claims team guides you through the claims process, providing crucial support in the event of a complex or large claim.

Service that leaves you free to focus on core business

We provide a special customer experience that is meaningful and tailored to your requirement. The baseline is exemplary customer service, technical aptitude and easing the administrative burden on our clients through value adds which include online renewal and claims solutions that streamline routine admin tasks.

A partner with presence and scale

Lockton has the employee scale and geographic reach to support you in achieving your business objectives. Our team draws upon global resources for technical expertise and to drive innovation and consistency irrespective of geography.

Supporting our data centre clients achieve their ESG objectives

Lockton has a dedicated ESG team who provide consulting services on risk management and insurance initiatives. In addition, the team has access to insurance markets that adopt ESG principles meaning further alignment and achievement of your objectives.

Innovation

Listening to you means we understand the industry's risk challenges. That's why we constantly look for ways to innovate and create insurance products that evolve alongside you.

DATA CENTRE RISK AND INSURANCE SIMPLIFIED

Whatever your involvement in the data centre sector, you need a solution that protects you against the full range of risk exposures you face.

You benefit from a specialist risk and insurance data centres service, led by our Global Real Estate and Construction (GREAC) team in London, that responds to your professional, corporate and asset-related risks, irrespective of geographic location.

You benefit from the scale and market presence of a team with ample specialist resource dedicated to the data centre industry. This ensures a responsive service, honest advice and effective solutions.

We've amassed vast experience working closely with businesses who develop, build, own, invest in, and operate data centres. We apply our experience and expertise to designing and implementing global solutions that seamlessly protect your asset, wherever in the world you operate.

You also benefit from the global master policy placement we've developed for operational data centre assets, which is supported through our Lockton Global partners.

Examples of our experience

Location	
Austria	Norway
Belgium	Peru
Germany	Spain
Indonesia	United Kingdom
Ireland	USA
Netherlands	Japan

CONNECTED GLOBALLY

Our Lockton Global partners are leaders in insurance, risk management and benefits, who support our London team in protecting your people, property, profits and reputation.

The Lockton Global Partnership is a comprehensive network of offices and partnerships across more than 130 countries. This enables our clients to benefit from on the ground support for jurisdiction specific advice.

"Being independent is a competitive advantage. It gives Lockton the freedom to focus on serving clients and building industry leading teams without distraction. We provide seamless global service to our clients through the Lockton Global Partnership."**- Ron Lockton | Lockton**

Lockton Country Offices

Lockton Country Partners
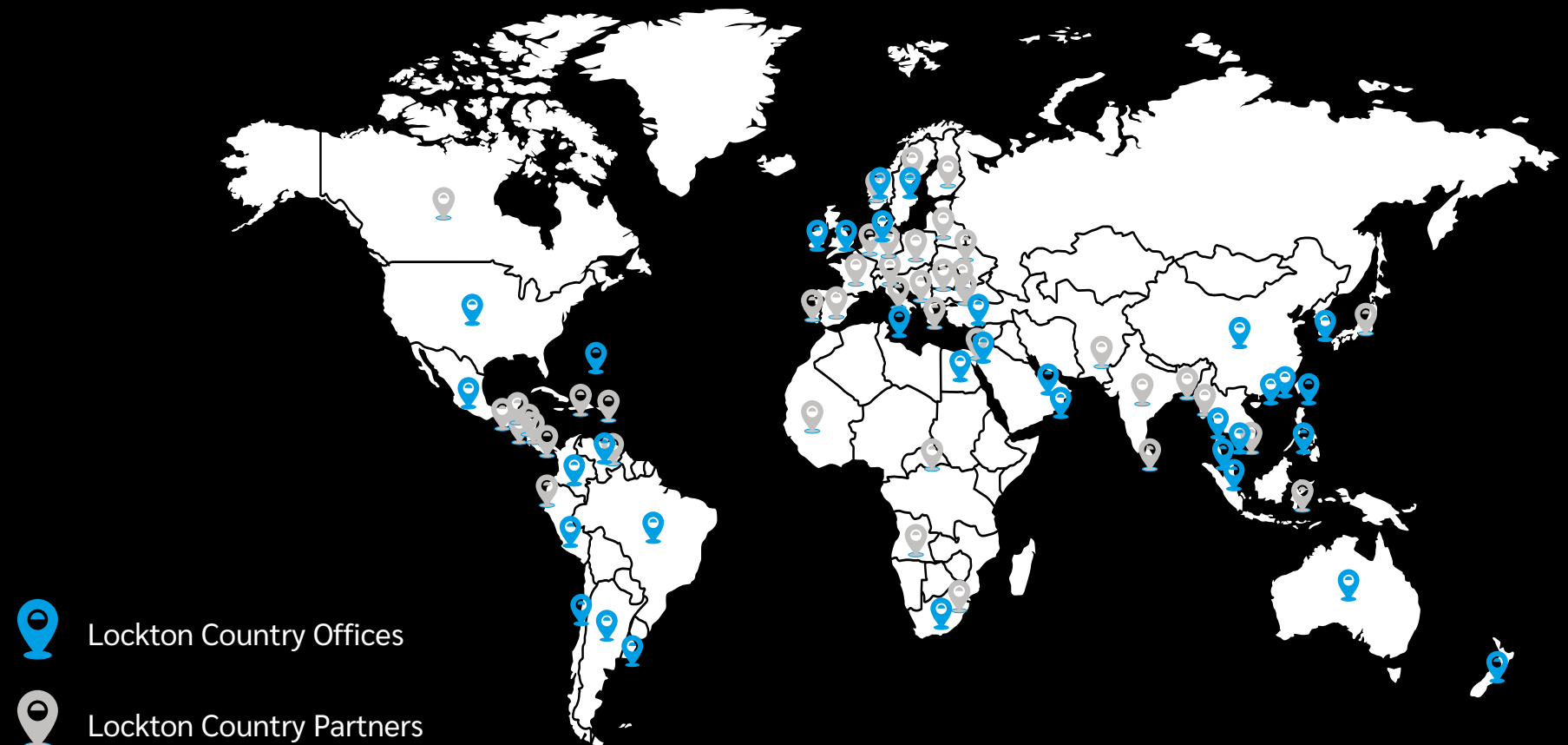
FUTURE-PROOFED DATA CENTRE PROTECTION

When you partner with Lockton, you receive a specialist risk and insurance partner that understands your current risk profile and also the emerging risks that could influence your future risk exposures in a fast-changing world.

Lockton monitors trends in the design, management and operation of data centres globally. With us, you profit from the insights that flow from a deep understanding of current and future data centre risks. This specialist knowledge enables you to stay competitive and make informed decisions, while keeping your operations efficient, reliable and secure.

Among the many trends we're currently following are:

| Artificial Intelligence

AI and machine learning are increasingly being used in data centre environments to improve operational efficiency. AI will also lead to consumers and businesses generating twice as much data over the coming five years as they did in the past 10, requiring an 18.5% increase in annual growth compounded which requires the respective storage to meet the demand. (JLL Data Centers 2024 Global Outlook).

| Greener data centres

An increased focus on environment-friendly materials, processes and practices for data centres that includes more sustainable construction methods, site location in colder climates to aid in cooling efficiencies, and shifting away from fossil fuels to onsite renewable energy solutions. Data centres are also seeking ways to reuse their heat production and consume energy more efficiently.

| Backup power systems

An uninterruptible power supply (UPS) system is crucial for any data centre. Renewable energy, BESS, substations and generators are more commonly used onsite.

| The rise of ESG

Across the business world today, the environmental, social and governance (ESG) agenda is a key area of focus. The data centre sector is increasingly seeking to adopt techniques and technology within its operations and supply chains that respond to the ESG agenda.

| Edge computing

Driven by the proliferation of IoT-enabled devices and the large volumes of data they produce that requires rapid processing, data is increasingly being processed closer to where it originates, rather than through centralised operations.

| Multilayered defence strategy

There is increased investment in advanced security and cybersecurity measures to guard against both physical risks like theft and vandalism and cyber threats like data breaches.

Specialist insurance solutions for data centre risk.

A data centre with an increased exposure to natural catastrophes

The developer of a hyperscale data centre in an area known to be at high risk of flooding turned to our team for a solution that would protect its revenue if that flood risk materialised. The client's revenue derived from a 15-year occupation and service agreement with a single occupier. Drawing on our sector expertise and market connections, we were able to provide a solution that transferred the risk of occupier termination in the event of flooding to the insurance market, for the entirety of those 15 years.

WHAT MAKES DATA CENTRES DIFFERENT

The data centre sector presents a multitude of complex challenges for developers, operators, investors and owners alike. The rapid pace of technology developments, an increasingly stringent regulatory environment, and a growing focus on environmentally, social and governance all compound the commercial pressures. So it's crucial you select a risk management and insurance partner that understands exactly what it takes to provide effective protection for your data centre assets throughout their lifecycle.

Among the many unique factors that make operating in the data centre sector unusually challenging and complex are:

1. Capacity and scale

Data centres need to accommodate an extensive array of computing equipment, from servers and storage systems to networking infrastructure and cooling systems.

2. Resilience and redundancy

Uninterrupted operation requires duplicating critical systems and components like power supplies, network connections and cooling mechanisms to provide backup in the event of failure. Balancing redundancy and resilience while maintaining optimal performance is a constant challenge.

3. Cooling and energy management

The vast quantities of computing equipment in data centres generate a vast amount of heat. Designing and implementing sophisticated cooling systems capable of handling the heat dissipation challenges that come with large data centres can be a complex undertaking.

4. Power management

The volume of computing equipment in data centres generate a huge amount of heat. Designing and implementing sophisticated cooling systems capable of handling the heat dissipation challenges that come with large data centres can be a complex undertaking.

5. Network infrastructure

Data centres need a robust high-speed network infrastructure to handle the large volumes of data traffic and facilitate connections to external networks. Designing and managing network architecture like routers, switches and cabling to ensure dependable high-performance connectivity brings its own set of challenges.

6. Security and compliance

To safeguard sensitive data and prevent unauthorised access, data centres need robust security measures in place. That includes physical protocols like access controls and surveillance systems, as well as cybersecurity measures like firewalls, intrusion detection systems and encryption. Complying with constantly evolving industry standards and regulations adds to the challenge.

WHAT MAKES DATA CENTRES DIFFERENT

7. Monitoring and management

Continuous monitoring of parameters like temperature, humidity, power usage and network performance is crucial for data centres. Maintaining comprehensive monitoring systems and management tools to ensure efficient operations, while ensuring proactive maintenance and timely issue resolution, adds another layer of complexity.

8. ESG

The increasingly influential ESG agenda will entail significant changes to how data centres are designed, operated, and managed. To meet new goals around sustainability, social responsibility, and ethical governance, businesses operating in the sector will need to make substantial investments in new technologies, processes and compliance mechanisms. This applies particularly to the E in ESG, as data centres are famously energy-intensive, resource intensive, and hard to render carbon-neutral.

9. Transitioning to renewable energy

Adopting renewable energy sources in the data centre sector involves a broad array of challenges. These include issues around intermittent power supply, high initial costs, unpredictable subsidy provisions, and an evolving regulatory landscape that varies widely from territory to territory. Integrating renewable sources with current systems only adds to the challenges associated with this necessary but demanding shift.

For all of these reasons and more, data centres need meticulous planning, design, implementation and ongoing management to ensure their reliability, efficiency and security. All of this complexity needs to be factored into your risk management and insurance programme - underscoring the importance of working with an insurance provider that genuinely understands the sector.

DATA CENTRE RISK & INSURANCE SIMPLIFIED

We support your business throughout the asset lifecycle.

When you partner with Lockton, you benefit from working with a single integrated team. This ensures a comprehensive whole-lifecycle service, with no dilution of service or knowledge across the process.

Through our data centre team, you benefit from working with a practice with sector-specific experience and expertise. Our team is aligned to respond across all phases in the asset life cycle including transaction, construction, operational and divestment. Our data centre team operates globally, providing relevant resource and expertise from Lockton's teams across both corporate and asset specific risks. This includes: Warranty & Indemnity, Construction, Casualty, Professional Indemnity, Real Estate, Operational and Maintenance, Directors and Officers, Cyber Accident & Health, Employee and People Solutions.

Managing your risks

To aid in mitigating common data centre risks, we will work with you through every phase in the asset lifecycle. Together, we'll protect the ongoing insurance viability of your asset - through a painstaking process of planning and management, with a focus on quality, reliability and cost-control. This could involve working with external contractors and consultants, conducting thorough risk assessments, and developing detailed contingency plans. Through Lockton's risk management team, we'll work with you to create and implement robust risk management strategies to mitigate these and other risks, including redundancy in critical systems, regular testing and maintenance, and ongoing monitoring and surveillance.

DATA CENTRE RISK & INSURANCE SIMPLIFIED

SITE SELECTION AND FINANCING PHASE		CONSTRUCTION AND DEVELOPMENT PHASE		OPERATIONAL ASSET PHASE		DISPOSAL PHASE	
Key risks for data centres:	**Lockton solutions include:**	**Key risks for data centres:**	**Lockton solutions include:**	**Key risks for data centres:**	**Lockton solutions include:**	**Key risks for data centres:**	**Lockton solutions include:**
• Property and asset acquisition	• Due Diligence	• Design	• Construction All Risks	• Security breach	• Latent Defects (commencement)	• Outstanding liabilities	• Transactional risk insurances
• Planning permits	• Environmental	• Engineering	• Environmental	• Equipment failure	• Property/ Buildings	• Data security and privacy	• Contingent
• Technical site analysis	• Judicial Review	• Construction quality	• Existing Structures	• Power outage	• Business interruption	• Compliance and legal.	• Tax
• Environmental diligence	• Legal Liabilities	• Scheduling	• Third Party/Public Liability	• Cooling system failure	• Loss of Rent/ Revenue		• Title
• IT, cyber and GDPR/Data Protection	• Lender Requirements	• Contractor insolvency	• Latent Defects (placement)	• Human error	• Terrorism.		• Warranty & Indemnity.
• Regulatory.	• Right of Light	• Test phasing	• Delay in Start Up/ Loss of Revenue	• Natural disaster	• Cyber Liability		
	• Risk Financing	• Cost inflation	• Partial Occupation	• Compliance and regulatory	• Technology Professional Indemnity		
	• Power Purchase Agreement (PPA)	• Natural disaster.	• Sectional Completions	• Cyber breach	• Operational and Maintenance		
	• Transactional risk insurances		• Professional Indemnity	• Cyber property damage.	• Directors and Officers		
	• Contingent		• Power Purchase Agreement (PPA)		• Engineering		
	• Tax		• Cargo		• Employee Benefits.		
	• Title		• Terrorism				
	• Warranty & Indemnity.		• Fit Out Works.				

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