

From New-for-Old to Like-for-Like: How Insurance Can Drive Circularity in Building Repairs

Authors: Toke Falk Sabroe, Partner and Lene Brix, Partner, Circue Aps



*Picture provided
by Junckers*



*Picture provided
by Matter*

From New-for-Old to Like-for-Like: How Insurance Can Drive Circularity in Building Repairs

Every year, insurance companies across Europe settle billions of Euros in building damage claims. The prevailing approach is new-for-old where damaged materials are replaced with brand-new products, while materials removed for cosmetic reasons become waste. In Denmark alone, water and fire damage repairs exceed €500 million annually. This default represents a significant but overlooked part of the insurance industry's environmental footprint.

The Re:Claim project, developed by Circue within the Circular Buildings Coalition (CBC), set out to challenge this default. Responding to CBC Open Call Challenge Area 1, which seeks initiatives that build market confidence in secondary materials through quality assurance and scalable insurance models, the project investigates what it will take for insurers to settle claims with secondary materials of equivalent quality. Working with insurance companies and industry organisations, Re:Claim explored this question across three interconnected dimensions.

Opportunities, challenges, and surprises

The first dimension concerns the insurance business model itself. Claims processes, contractor agreements, and policy terms are built around procuring new materials, reinforced by legal frameworks that establish new-value principles as the

baseline for property claims. Shifting to like-for-like means rethinking these structures in stages.

The project mapped a progression from case-based exploration, where claims handlers test reuse on suitable cases, through product-level incentives such as customer bonus schemes and preferred contractor arrangements, to formal adjustment of claims terms, and ultimately toward strategic integration where circularity becomes a core principle across relevant claims categories.

Our engagement with the industry confirmed that companies are willing to take this journey. The question is how to navigate the transition while creating positive incentive for customers and companies alike.

The second dimension is the reality of materials. The project identified and examined five categories commonly replaced in claims – doors, gypsum boards, flooring, roof tiles, and bricks – and assessed where secondary markets are mature enough to support like-for-like substitution. Parquet flooring, roof tiles, and bricks emerged as high-priority candidates with functioning markets, strong standardisation, and potential climate benefits. These findings give insurers a practical starting point grounded in what is available and viable today.

The third-dimension concerns data, and the project emphasises its foundational importance. Consistent

like-for-like practice depends on material quality, provenance, and compliance being documented and comparable across claims, suppliers, and insurers. Material passports and standardised digital records that accompany materials through multiple use cycle are what make this possible.

The project found that insurers sit at a critical intervention point in these data flows. They need passport data to source secondary replacements, and they can contribute passport data for materials their claims processes remove from buildings. When water damage affects part of a floor, for instance, the entire floor is often replaced for cosmetic consistency. With relatively modest adjustments to existing assessment practices, this material could enter secondary markets with the data needed to support its reuse.

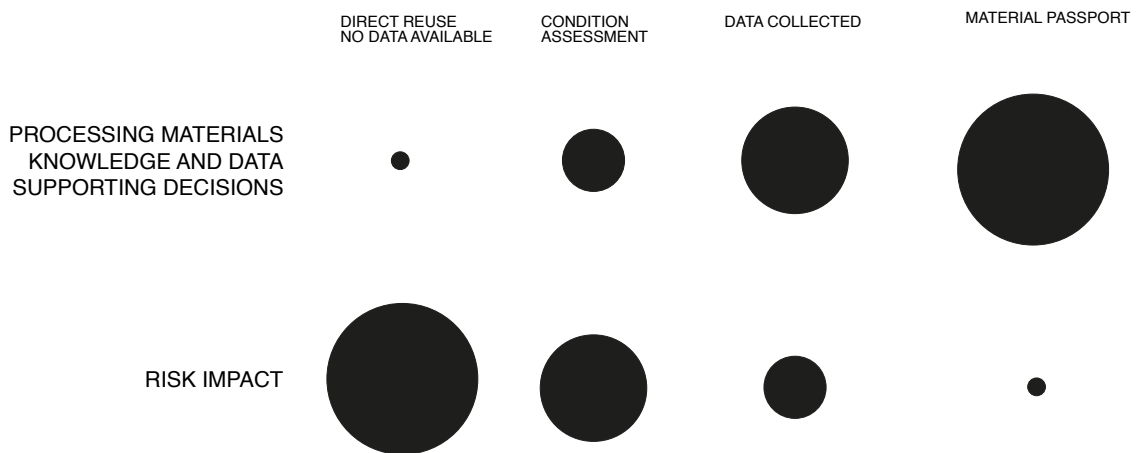


Illustration provided by Circue

Where we go from here?

To make these findings accessible and actionable, we have distilled them into a first set of industry guidelines for like-for-like practice. But these are just a starting point. The shift from new-for-old to like-for-like is not a one-off decision but a journey that requires action at multiple levels – individual companies experimenting with pilot cases, contractors and suppliers developing new capabilities, platform providers supplying data infrastructure, and industry organisations coordinating on standards and regulatory engagement.

No single actor can deliver this alone. For Circue, our role going forward is to support this transition as a data and technology partner. Our platform already automates the estimation and enrichment of material data on existing building stock, and we see a clear opportunity to connect this capability to the material passport infrastructure that like-for-like models depend on. The invitation to the industry is simple: start somewhere, choose a material category where conditions are favourable, gather data, and learn from what happens. The insights gained from practical experience will be more valuable than any amount of planning.