



Carbon delivery insurance

Product brochure
Worldwide

Overview

There is an increasing pressure on businesses to demonstrate how they are tackling climate change and to offset their carbon footprints.

Our carbon delivery insurance product safeguards the purchase of carbon credits, providing protection against potential non-delivery risks.



About CFC

CFC is a specialist insurance provider and a pioneer in emerging risk. With a track record of disrupting inefficient insurance markets, CFC uses proprietary technology to deliver high-quality products to market faster than the competition while making it easier for brokers to do business. Our broad range of commercial insurance products are purpose-built for today's risks, and we aim to give our customers everything they need in one, easy-to-understand policy.

Headquartered in London, CFC serves more than 150,000 businesses in over 90 countries. Learn more at cfc.com and [LinkedIn](https://www.linkedin.com/company/cfc).

Contact



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At a glance

What is it?

An insurance product that wraps the forward purchase of carbon credits to mitigate non-delivery from any cause.

Who is it for?

Companies purchasing nature-based carbon credits on a forward basis, to use them against their unavoidable emissions.

Why buy it?

The product protects purchasers from delivery defaults, eliminating contract uncertainties and preventing costly litigation.

How does it work?

It covers for any investment lost due to non-delivery under the forward contract, allowing the buyer to replace the credits or write off the unsuccessful portion of the investment without incurring any loss.

Buyer benefits

- Contract certainty for forward purchases
- Financial protection against delivery shortfalls
- Additional quality assurance with an insurance backstop
- Enables a more sophisticated procurement strategy

Exclusions

- Delivery delays
- Registration failure (for pre-registration projects)
- Carbon registry collapse
- Nuclear events
- War & terrorism
- Cyber

Terms and limits

Policy period	18 months maximum, to capture credit maturity month
Limit	100% of the investment – capped at USD 6.2m per project

Underwriting approach

How we underwrite

- We underwrite the carbon project, not the buyer
- Of all listed natural carbon projects globally, a small percentage meet our quality standards. We are here to support quality
- We underwrite forward carbon contracts with maturities due within an 18-month policy period
- Our selection criteria range across several factors; reliability, additionality and location among many others
- Most of our underwriting is done based on open-source information. We don't use application forms

What this means for you

- Fast underwriting decisions and guidance pricing
- The ability to select projects with greater certainty of outcome
- A single policy reflecting insurance coverage across a basket of selected projects
- Our product creates liquidity for the best projects and benefits all market participants, helping the VCM to scale on the right basis

Coverage is subject to underwriting and the terms, conditions, and limits of the issued policy.