



Carbon cancellation 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 cancellation policy safeguards purchased carbon credits from financial and management risks in the event of cancellation or invalidation.



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](#).

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At a glance

What is it?

An insurance product that wraps issued carbon credits to mitigate the risk of cancellation or invalidation from any cause.

Who is it for?

Companies who own or have retired carbon credits.

Why buy it?

The product protects issued carbon credits from invalidation or cancellation, eliminating financial uncertainty. With the addition of public relations advice in the event of a cancellation that brings adverse media to the buyer.

How does it work?

It covers any investment lost due to cancellation arising from any cause, allowing the buyer to mitigate their financial loss.

Terms and limits

Policy period	12 months maximum, annually renewable
Limit	100% of the investment – capped at USD 25m per project

Add on cover

- Replacement costs - protects investors against higher replacement cost of credits

Exclusions

- Nuclear events
- War

Underwriting approach

How we underwrite

- We underwrite the carbon credits, 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 issued carbon credits with single or multi-year policy periods
- 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 credits from projects with greater certainty of outcome
- A single policy reflecting insurance coverage across a basket of selected credits
- Our product creates certainty for the best credits and projects and benefits all market participants, helping the VCM to scale on the right basis

Buyer benefits

- Contract certainty for issued credits
- Financial protection against credit invalidation or reversal
- Additional quality assurance with an insurance backstop
- Adverse media and crisis management support arising from a project invalidation event
- Cover for revocation of Article 6 transfer eligibility
- Cover for loss of eligibility under the CORSIA scheme

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