Carbon delivery

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.

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At a glance

What is it?

Insurance against financial losses caused by delivery failure, project failure, loss of utility, and additional replacement costs arising from any cause.

Who is it for?

For investors, corporate buyers, project developers, trading houses and other carbon market participants.

Why buy it?

Designed for project developers who want to stablise their cashflow profile, investors who wish to protect their investment, traders that want to execute structured transactions, and corporate buyers that wish to use credits for voluntary or compliance use cases.

How does it work?

Pays out a pre-agreed amount in cash if the risk manifests.

Modular cover

- **Delivery failure** – protects against non-delivery of credits arising from any cause, including but not limited to project-related issues, political risks, counterparty risks, natural disasters
- **Project failure** – protects an investors total capital at risk in the event of project collapse.
- **Replacement costs** - protects investors against higher replacement cost of credits
- **Loss of utility cover** – protects an investment in the event credits lose their eligibility under a carbon utility scheme.

Exclusions

- Nuclear events
- War
- Project registration failure
- Delivery delays up to a waiting period

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 offer bespoke coverage to meet the requirements of any forward transaction
- Our selection criteria range across several factors; reliability, additionality and location
- 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

Buyer benefits

- Contract certainty for forward purchases
- Financial protection against delivery shortfalls
- Quality assurance with an insurance backstop
- A more sophisticated procurement strategy
- Bespoke coverage to be best match the needs of the policyholder

Terms and limits

Policy period	Up to 7 year policy term
Limit	100% of the investment – capped at USD 25m per project