

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

Who is it for?

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

Why buy it?

It 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.

Add on cover

- Replacement costs - protects investors against higher replacement cost of credits
- Project failure – protects an investors total capital at risk in the event of project collapse.

Exclusions

- Delivery delays
- Nuclear events
- Project registration failure
- War

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 underwrite forward carbon contracts with maturities due within an 36-month policy period
- 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

Terms and limits

Policy period	36 months maximum, to capture credit maturity month
Limit	100% of the investment – capped at USD 25m per project