

ACCU delivery & replacement costs

There is an increasing pressure on businesses to demonstrate how they are tackling climate change and offset their carbon footprints. Our product is designed specifically for buyers and sellers operating in the Australian carbon market. This cover safeguards policyholders against unforeseen costs associated with non-delivery risks of ACCUs.



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At a glance

What is it?

Protects ACCU buyers against non-delivery, cancellation or invalidation costs.

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Protects the forward sale of carbon credits to mitigate against non-delivery risk.

Who is it for?

Companies purchasing ACCUs to use them against their climate obligations.

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Project developers against non-delivery risks, so they can meet their contractual obligations.

Why buy it?

Mitigates exposures when finding replacement units on the spot market at no extra cost.

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Protection against delivery shortfalls that result in financial losses that could occur for the developer.

How does it work?

Covers the difference between the ACCU agreed price, and the price of a replacement ACCU.

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Reimburses the project developer for financial losses incurred in the event of non-delivery.

Benefits

Financial protection against delivery shortfalls up to an agreed limit. Enables a more sophisticated procurement strategy

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Contract certainty for forward purchases. Quality assurance with an insurance backstop

How we underwrite

- We underwrite the carbon project, not the buyer
- Of all listed carbon projects globally, a small percentage meet our quality standards. We are here to support quality
- 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
- Projects with more predictable outcomes
- 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

Exclusions

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

Terms and limits

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