



XL Insurance

Excess Emissions Insurance

UK & Lloyd's Marine Hull product extension

Introduction

The risks of climate change are imminent and pose a significant threat. As such, stringent regulations are already in force and more are expected. This underscores the maritime industry's need to help to combat climate change. Shipping companies are now taking action - setting and implementing carbon emission reduction plans to meet global net-zero and wider sustainability ambitions.

Reducing emissions is the primary step towards contributing to global net-zero, and companies are striving to meet the reduction targets set by international, national, and company-level authorities while aligning with the Intergovernmental Panel on Climate Change's (IPCC) net-zero aspirations and expectations.



What is Excess Emissions Insurance and how does it work?

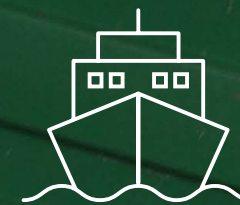
Excess Emissions Insurance covers your vessel's carbon emissions in the event of a fortuity (covered by our AXA XL UK & Lloyd's Marine Hull policy). It functions by contributing to verified carbon removal and avoidance projects for the additional emissions impact caused by course deviations such as port of refuge, port of repairs, picking up spares or other reasonable reasons (subject to a valid hull policy claim).

Unlike traditional insurance, where you'd be offered a cash payout, the indemnity is provided as voluntary carbon credits, purchased by AXA XL from ClimateSeed, equivalent to the excess emissions emitted.

ClimateSeed follows a strict three-level project selection process that is unique in the market. Every project is sourced and qualified by their team of carbon project specialists and goes through a rigorous process, based on their climate impact as well as potential social and environmental benefits.

For instance, suppose your ship encounters machinery damage and needs to divert to another port for repairs, leading to unintentional excess emissions. In that case, we can cover those emissions through insurance.

1



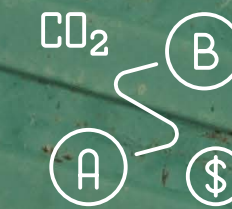
You have a UK & Lloyd's Marine Hull policy with AXA XL and have set your carbon emission reduction targets

2



Deviation causes excess emissions, so your carbon footprint increases

3



AXA XL provides indemnity for you excess emissions through Voluntary Carbon Credits

4



You contributed to a carbon removal or avoidance project with positive environmental and social impacts

About ClimateSeed

ClimateSeed supports companies in measuring, reducing, and reporting their emissions, as well as contributing to carbon avoidance and sequestration projects, by offering consulting services and innovative software solutions to simplify the process.

To learn more, visit climateseed.com.

Are you eligible for an Excess Emissions Insurance policy?

To be eligible for Excess Emissions Insurance policy, you must:

- Hold an existing AXA XL UK & Lloyd's Marine Hull policy
- Be in the process of decarbonizing
- Have a proven SBTi-aligned reduction strategy

It is applicable to the following vessels:

- Product is best suited for clients with vessels over 5,000 GT

Benefits:

- Addressing additional emissions
- Working towards achieving decarbonization commitments from unforeseen circumstances
- Support Certified projects which contribute to the United Nations Sustainable Development Goals



Get in touch

To find out more about Excess Emissions Insurance, please contact your UK & Lloyd's AXA XL Marine underwriter for more information.

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