



X<sup>L</sup> Insurance

# Excess Emissions Insurance

UK & Lloyd's Marine Hull  
product extension



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# Introduction

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With stringent regulations coming into force, the need to combat climate change is at the forefront of the maritime industry. 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.

At AXA XL, we understand that to reduce carbon emissions and contribute to global carbon neutrality, you need a viable approach to measure emissions, define reduction plans in line with science-based targets (SBTi), and contribute to carbon removal and avoidance projects. That's why we've launched our Excess Emissions Insurance.





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# What is Excess Emissions Insurance and how does it work?

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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 premium 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 equivalent to the excess emissions emitted.

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 your excess emissions through Voluntary Carbon Credits



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







# 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 decarbonising
- 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

- Accountability for additional emissions
- Reassurance of meeting net-zero commitments from unforeseen circumstances
- Support certified projects with high environmental and social impacts

## ClimateSeed

ClimateSeed proposes consulting services and technological platforms to support organisations in measuring and reducing their carbon emissions. ClimateSeed offers transparent contribution to high-quality carbon reduction projects with positive environmental and social impacts.

In July 2021, AXA Investment Managers acquired ClimateSeed through its Impact Investing Strategy, which is managed by AXA IM Alts. To learn more, visit [climateseed.com](https://climateseed.com)





To find out more about Excess Emissions Insurance, please contact your UK & Lloyd's AXA XL Marine underwriter for more information. [axaxl.com](https://axaxl.com)

**Contacts:**

**Sundeep Khara**

Head of Marine UK & Lloyd's market and GCUO Marine Hull  
[sundeep.khara@axaxl.com](mailto:sundeep.khara@axaxl.com)

**David Hughes**

Underwriting Manager  
[david.hughes@axaxl.com](mailto:david.hughes@axaxl.com)

**Hanna Vinje**

Assistant Underwriter  
[hanna.vinje@axaxl.com](mailto:hanna.vinje@axaxl.com)

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