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Ping An launches Ocean Carbon Sink Index insurance policy in China

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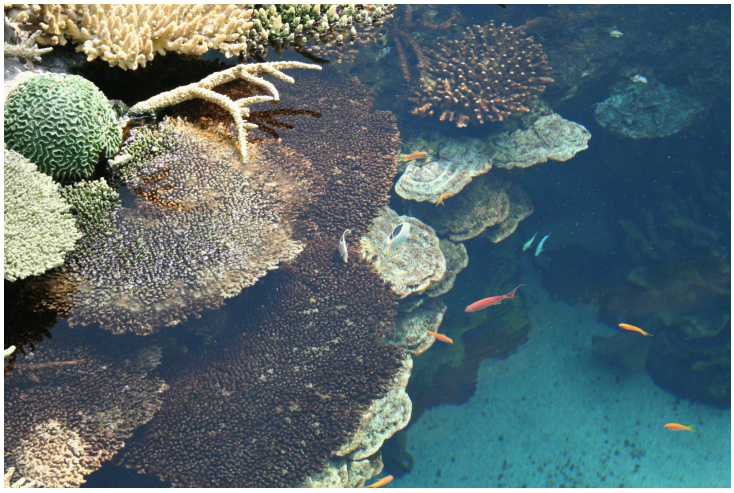
An unique and first ocean carbon sink index insurance policy for marine ecosystem protection that also compensates losses due to natural disasters



An unique and first ocean carbon sink index insurance policy for marine ecosystem protection that also compensates losses due to natural disasters

China headquartered, Ping An Property & Casualty Insurance (Ping An P&C) has launched its first ocean carbon sink index insurance policy in the city of Dalian, China. This is Ping An P&C's first venture into the field of ocean carbon sink. This follows Ping An P&C's pilot of the forest carbon sink remote sensing index insurance in 2021.

The ocean carbon sink index insurance provides carbon sink risk protection with RMB400,000 for 13.3 mu (8,866.67 square meters) of kelp, shellfish and algae, enriching. Ping An P&C's carbon sink insurance coverage on terrestrial and marine ecosystems, including forests, mangroves and grasslands.

Oceans can absorb approximately 2 billion tons of carbon dioxide a year from the atmosphere, which is 50 times that of the atmosphere and 20 times that of terrestrial ecosystems. Around a third of global carbon dioxide emissions are absorbed by the ocean each year. Marine disasters, abnormal sea temperatures, and red tides (algae blooms) can, however, compromise the ocean's capacity for sequestering carbon dioxide, thus stalling progress towards carbon neutrality due to the ever-changing marine climate.

Ping An P&C will provide compensation when specific marine changes damage local species like kelp, shellfish, algae, leading to a weakening of the carbon sink. In addition to ecological protection and restoration, the loss compensation can be used to rescue post-disaster marine species.Â

By encouraging fishing to protect and restore marine ecosystems, the index insurance enhances ocean carbon sequestration capacity. A carbon sink indicator of marine aquaculture can also be listed and traded, thereby increasing fishermen's incomes and transforming the marine carbon sink from a resource to an asset.