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Ping An launches first ocean carbon sink index insurance policy in China

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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. Ping An is one of the three largest integrated financial groups in China providing integrated Finance and Healthcare solutions.

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.

The ocean is the Earth's largest carbon sink. It can absorb approximately 2 billion tons of carbon dioxide a year from the atmosphere, which is 50 times the capacity of the atmosphere and 20 times that of the terrestrial ecosystem. The total volume of carbon dioxide absorbed by the ocean annually accounts for around one-third of annual global emissions. However, due to the ever-changing marine climate, marine disasters such as typhoons, abnormal sea temperatures and red tides (algae blooms) could compromise the carbon sequestration capacity of the ocean, releasing carbon dioxide into the air again and hindering progress towards carbon neutrality.

The ocean carbon sink index insurance in Dalian is Ping An P&C's first foray into the field of the ocean carbon sink. Ping An P&C will provide compensation when specific changes in the marine environment damages local species such as kelp, shellfish and algae and lead to the weakening of carbon sink. The loss compensation can be used for post-disaster marine

species rescue to restore the carbon sink resource, as well as ecological protection and restoration. The index insurance enhances ocean carbon sequestration capacity by encouraging fishing to protect and repair marine ecosystems. It also enables carbon sink indicators of marine aquaculture to be listed and traded, thus increasing the income of fishermen, and turning the marine carbon sink from resources into assets.

Jiang Hua, Director of Ping An P&C, said, "We will continue to develop more agricultural insurance products for ecological and environmental protection, as well as explore different pathways to achieve low-carbon transformation for insurance services. We will fully support the development of carbon sink forests and carbon sink fisheries, providing comprehensive risk protection for carbon sink resources to help China achieve its 'dual carbon' goals."