

Carbon fraud prompts insurance response

25 November 2024

In [The Word](#), we often report on new products, and products that use new and evolving technologies as part of their underwriting, distribution, or claims processes.

In this month's edition, we take a look at an interesting new product and its implications for the insurance market generally.

The product

Marsh has launched a new insurance facility to help businesses protect themselves from the growing risk of fraudulent carbon credit certificates. The initiative, developed in partnership with We2Sure, aims to support organisations in the UK, EU, and US by providing coverage against counterfeit carbon credits, fake projects, and theft.

Carbon credits are increasingly targeted by fraudsters selling counterfeit certificates or offering credits linked to non-existent emission-reduction projects. Recently, the German Environment Agency rejected carbon credits from eight projects in China due to concerns about fraudulent reporting, highlighting the potential scale of the problem.

The new facility, which is backed by Sompo, Brit, and Talbot, incorporates We2Sure's technology, such as the Carbon Actuator tool, which identifies counterfeit certificates and uses AI and satellite tech to monitor projects in real time, making sure they meet proper standards.

Rupert Poland, UK Digital Asset Leader at Marsh, explained that businesses using carbon credits to meet net zero targets are vulnerable to fraud. He stressed that the new facility would help protect companies financially and reputationally while supporting the integrity of the carbon credit market.

Simon Wigzell, Head of Business Development at We2Sure, added that their verification process helps ensure the authenticity of carbon credits, allowing businesses to invest with greater confidence.

This new facility aims to reduce risks for businesses while strengthening the credibility of the carbon credit market.

What does this mean for insurers?

This new facility highlights the continued growth of highly specialised insurance products to meet the constantly changing environment in which we live.

It is also an example of the use of cutting-edge technologies to assist underwriters in risk selection and ongoing risk monitoring, which is essential to maintain a competitive edge and to continue to serve customers' ever increasingly complicated insurance requirements.

It will be interesting to see how other products deploying similar technologies might evolve over the coming months and years.

[The Word, November 2024](#) →

[Weather protection parametric insurance: A sign of things to come?](#) →

[Post Office scandal: Lessons for underwriters](#) →

[What might a Trump victory mean for the UK insurance industry?](#) →

[Carbon fraud prompts insurance response](#) →

[Environmental crime and the impact for insurers](#) →

[The 'grate' cheese robbery: Implications for insurance professionals](#) →

Author



Mark Hickson

Head of Business Development

onlineteaminbox@brownejacobson.com

+44 (0)370 270 6000

Tim Johnson

Partner

tim.johnson@brownejacobson.com

+44 (0)115 976 6557

Related expertise

Business crime and fraud

Counter fraud for insurance

