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Article

Solving for solvents - Backing ethanol’s role in a low-carbon reality

Ethanol’s got a CO_2 problem. Beazley’s insurance solution is helping bury it – literally – 7,000 feet underground.

Exploring the problem

From perfumes and polishes to disinfectants and even fuel, ethanol is everywhere, and for good reason. As a cleaner-burning, renewable alternative to petrol and diesel, a shift toward ethanol is often seen as a shift toward sustainability, innovation and a future less dependent on fossil fuels.

But the ubiquity of ethanol belies the complexity of its production.

It’s produced from biomass in sophisticated biorefineries using advanced fermentation and distillation technologies. And the process isn’t carbon neutral. Ethanol production releases significant volumes of carbon dioxide – a byproduct that quietly undermines its environmental credentials. As demand for ethanol grows, so too does the pressure to confront its carbon cost head-on.

Creating a solution

Beazley is helping turn climate ambition into action by supporting a breakthrough carbon capture and sequestration project at a US ethanol facility. Here, carbon dioxide is captured from the injection zone, compressed into a dense-phase liquid, and stored safely over 7,000 feet underground in a sequestration well.

Carbon capture and storage (CCS) is essential to decarbonising hard-to-abate sectors, but it’s complex, capital-intensive, and not without risk. Beazley’s post-injection insurance helps de-risk the process covering issues including potential release, migration, or seepage of

stored CO_2.

Beazley’s protection spans every critical phase – capture, scrubbing, compression, dehydration, and injection – giving innovators the confidence to invest, scale, and lead the transition to cleaner energy.

Building resilience

As unchecked CO_2 emissions remain a global threat, these technologies are pioneering the next generation of net zero innovation, and require investment to test and scale with confidence. Beazley is helping bridge that gap – absorbing risk, unlocking funding and enabling progress. We're providing five years of insurance in this groundbreaking new partnership, reinforcing just how committed we are to supporting clients through the energy transition.

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