



# Carbon Sequestration Tax Credit Protection

*One GREAT Integrative Insurance Solution*



## Your client is capturing and sequestering carbon, and you need to know their specialty insurance needs?

The decision to invest in Carbon Capture and Storage (CCS) technologies is one that should not be taken lightly considering the immense financial and environmental risks that accompany it. Though the reward can be great, it is crucial to ensure your client is protected from these risks in all capacities, from start to finish.

Whether the operations are capturing CO<sub>2</sub> from an industrial source or directly from ambient air, it's essential to monitor compliance, prevent leakage, and understand the specific criteria to maximize the financial incentive.

**Businesses can turn their commitment to carbon capture and sequestration into a competitive advantage by aligning financial incentives with environmental goals. By doing so, they can contribute to a more sustainable future while also benefiting their bottom line.**



Fortunately, Great American Insurance Group is equipped to offer your clients a streamlined process for securing comprehensive carbon capture coverage.

## What If...



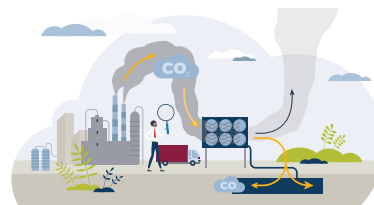
...the company completed all the necessary steps to acquire the appropriate infrastructure for commencing the CCS process. However, they subsequently realized that they lacked the necessary financial assurance to operate.



...an audit revealed that the facility is failing to sequester the expected amount of carbon, jeopardizing the company's eligibility to claim carbon tax credits, impacting its financial position and environmental compliance.



...the company is confronted with an IRS audit examination that has challenged the qualification of the storage facility for Section 45Q Tax Credits due to certain qualification failures, threatening the utilization of claimed credits by the company or its investors.



...following the installation of a new CO<sub>2</sub> storage tank at their industrial facility, the company received an alert that construction activities had punctured an old well underground, resulting in oil leakage into the nearby soil. As a consequence, the company incurred millions of dollars in remediation expenses.

**With great risk comes great reward...but how is your client protecting themselves from these risks?**

# Great American's One Integrative Solution



Industry leaders of our Environmental, Mergers & Acquisitions, and Specialty Construction divisions can provide solutions that safeguard your client's investment.

**Our single-carrier comprehensive coverage solution enables collaborative underwriting across specific coverages. Simultaneously, it allows us to issue separate policies, empowering each division to deliver the specialized expertise our clients value.**

## Coverage Highlights

### Mergers & Acquisitions Division Offerings:

- Transactional Risk: [Tax Indemnity Insurance](#) that provides financial protection to an insured arising from a taxing authority's successful challenge to the insured's claim to Section 45Q Tax Credits, due to:
  - a failure to meet qualification requirements for carbon sequestration
  - a failure to qualify for tax credit enhancements
  - carbon dioxide leaking from underground storage into the atmosphere
  - an inability to transfer 45Q credits to investors

#### Devorah Pomerantz

Divisional Sr. Vice President  
Mergers & Acquisitions Liability  
P: (917) 574-4702  
dpomerantz@gaig.com

#### Michael J Casey

Senior Financial Products Underwriter  
Mergers & Acquisitions Liability  
P: (203) 605-8523  
mcasey@gaig.com

### Environmental Division Offerings:

- Pollution: Financial Assurance; Premises Pollution Legal Liability; and Project Specific Contractors Pollution Legal Liability coverages

#### Eric McCabe

Divisional Sr. Vice President & Director  
of Underwriting Environmental  
P: (516) 418-1961  
emccabe@gaig.com

### Specialty Construction Offerings:

- General Liability and Workers' Compensation coverages for projects of \$200M and greater.

#### Tom Boudreau

Divisional Sr. Vice President Specialty  
Construction  
P: (860) 298-2508  
tmboudreau@gaig.com

### Additional/Associated Coverages:

- Representations & Warranties
- Closure / Post Closure
- Tanks

For agent/broker distribution only. Great American Insurance Group, 301 E. Fourth St., Cincinnati, OH 45202. Online portal may not be available at all times. Coverage examples are for illustrative purposes only. All coverage is subject to underwriting. Coverage description is summarized. Refer to the actual policy for a full description of applicable terms, conditions, limits and exclusions. Policies are underwritten by Great American Insurance Company, an authorized insurer in all 50 states and the DC and Great American E&S Insurance Company, an OH domiciled surplus lines company eligible to underwrite surplus lines insurance in all 50 states and the DC. This is not intended as a solicitation or offer to sell an insurance product in a jurisdiction in which the solicitation, offer, sale or purchase thereof would be unlawful. The claims scenarios in this material are provided to illustrate possible exposures faced by your clients. The facts of any situation which may actually arise, and the terms, conditions, exclusions, and limitations in any policy in effect at that time, are unique. Thus, no representation is made that any specific insurance coverage applies to the above claims scenarios. The Great American Insurance Group eagle logo and the word marks Great American® and Great American Insurance Group® are registered service marks of Great American Insurance Company. © 2025 Great American Insurance Company. All rights reserved. 5860-ENV (10/25)

