



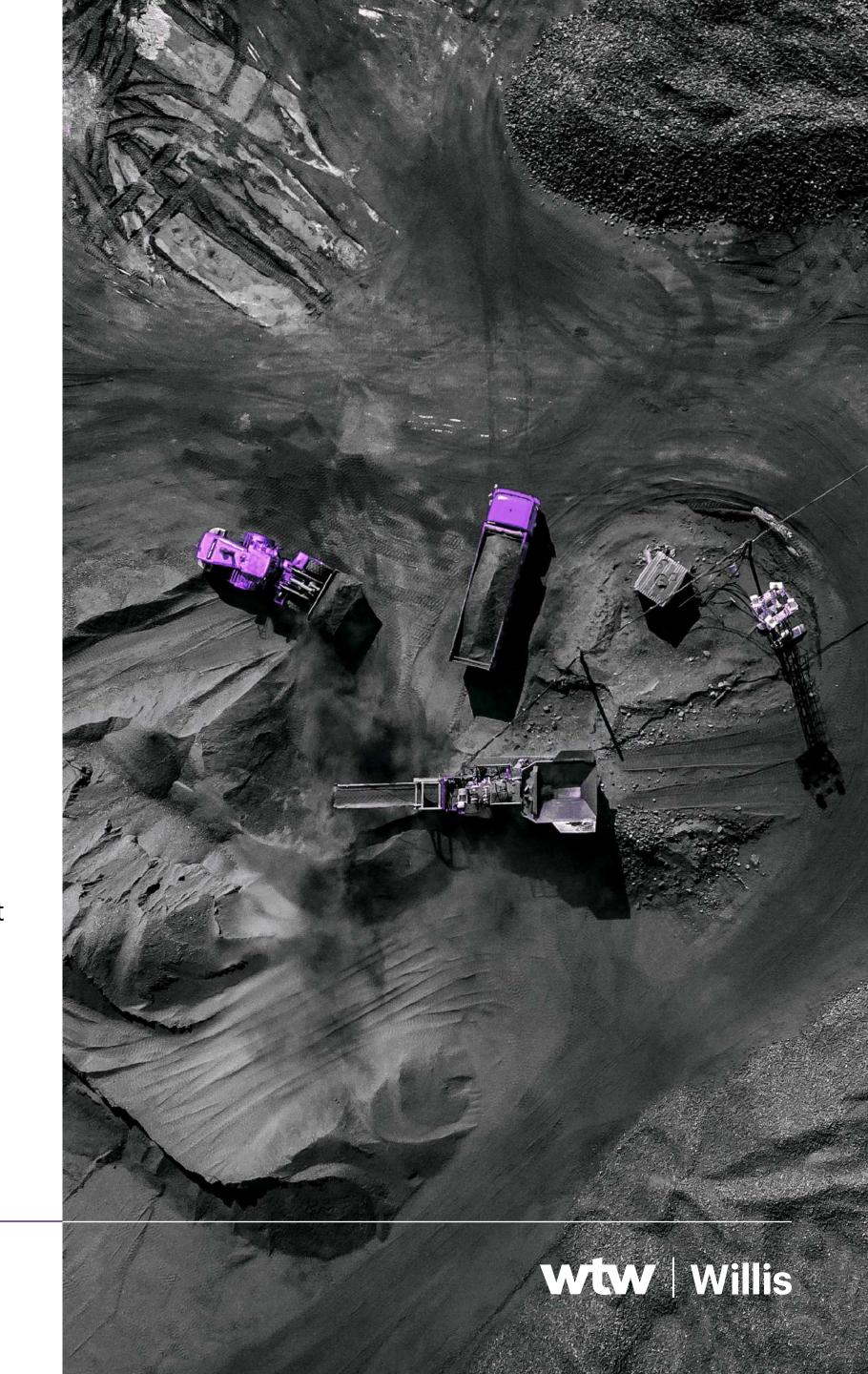
## Mining markets are soft, but risk leaders must stay sharp

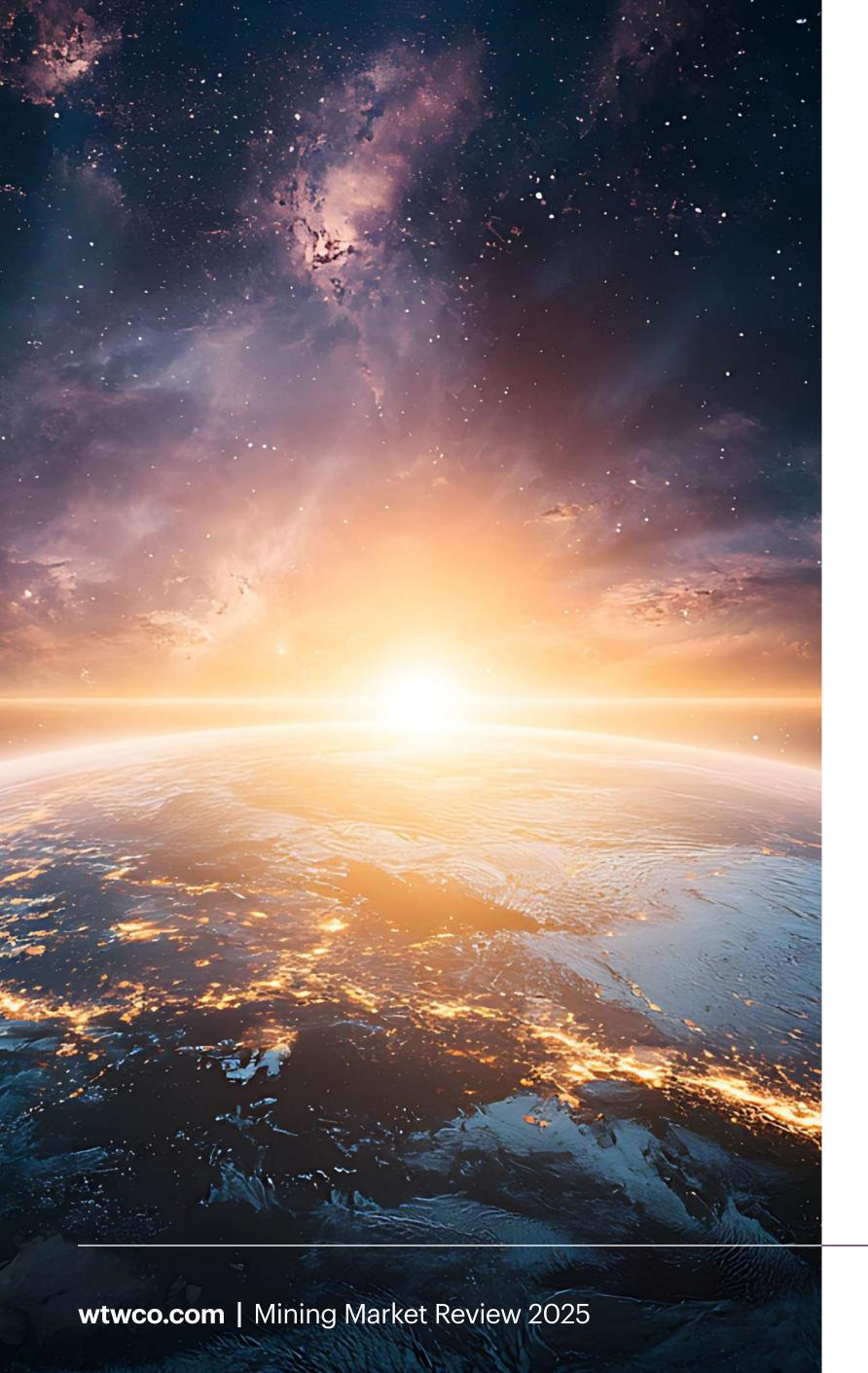
The global mining insurance market is softening, fast. Rates are down, coverage is broadening, and capacity is strong. But risk leaders must stay sharp: evolving exposures, regulatory delays, and geotechnical risks demand strategic foresight and technical rigor.

#### What's new: Since 2024

• Rates are falling: Mining property damage and business interruption (PDBI) insurance is experiencing double-digit rate reductions, and international liability carriers are showing more flexibility on price than coverage

- Coverage is expanding: Insurers are increasingly flexible on pricing, though deductibles and coverage breadth remain key levers
- Commodity pricing is an influential factor: Commodityspecific underwriting is emerging, with precious metals attracting favorable terms due to bullish pricing
- Geotechnical engineering keeps projects moving: Mines are going deeper, into tougher terrain. Poor ground control equals longtail financial and safety risks. Best practices include scenario-based modeling, independent third-party reviews, and real-time monitoring
- Approval timelines are creating bottlenecks and barriers:
   Average mine lead time has tripled since the 1990s to now over 19 years in some regions. Risk leaders need to address key risks associated with a potentially expedited construction phase





#### **Mining hotspots**

- **South Africa:** Property rates softening; cyber risk is rising
- **North America:** U.S. property rates are down (–7.5% to –20%); casualty lines tightening
- Canada: Heap leach failures are creating stricter underwriting
- **Asia:** Stable pricing; ESG and tech-driven risk mitigation are gaining traction
- Latin America: Environmental liability and political risk are driving demand for captives
- Australia/Pacific: Climate risk and ESG regulation are shaping underwriting appetite

#### **Emerging risks to watch**

- **Seismicity:** Mining-induced and natural events are triggering exclusions and stricter underwriting
- **Flooding:** Extreme rainfall is now the most impactful natural hazard driving design changes
- **Tailings scrutiny:** Global Industry Standard on Tailings Management (GISTM) adoption is a baseline expectation for underwriters

**Approval delays:** Regulatory complexity, ESG demands, and lack of global standards are slowing project timelines

• **Underinsurance risk:** Liability limits may not be keeping pace with inflation and exposure growth in some regions

#### What risk leaders can do

- Use data to drive risk strategies: Analytics help optimize premium spend and identify retention opportunities
- Engage early with insurers: Strong risk information and narratives, backed by data, can unlock better terms
- Invest in geotechnical engineering: Real-time monitoring, third-party reviews, and scenario modelling are essential to build resilience and response plans
- Plan for fast-tracked construction: Once approvals land, risk exposure spikes be ready with a sound risk strategy from design to construction and operation
- Think globally, act locally: Tap into both local expertise and international capacity

The mining insurance market is ripe for optimization, but success hinges on proactive risk management. Data-driven planning, strategic insurance spend, and early engagement with insurers are essential to mitigate risks and capitalize on soft market conditions. Partnering with specialist brokers



with sector-focused technical expertise will be key to moving forward through complex and interconnected risks to secure long-term resilience.

We continue to explore how risks are evolving, and innovate solutions to help our clients protect and grow their business. Reach out if you have any comments, questions or insights and we will work together to build a sustainable future for mining and metals companies.



Will Fremlin-Key

Global Mining & Metals Leader,
Willis Natural Resources
william.fremlin-key@wtwco.com





## Mind the gap: Bridging project approval timelines with effective risk management

Mining and metals companies are facing a steep demand curve, but project approvals timelines are not always keeping pace. Inconsistencies in timelines across different jurisdictions are creating major financial exposures. Risk managers are tasked with building certainty amid complexity.

#### **Key takeaways:**

- The average lead time for mines now is nearly three times longer than it was between 1990 to 1999
- Delays expose mining and metals companies up to financial risks, compounded by commodity price volatility
- Once long-awaited approvals and permits are granted, risk leaders need to address key risks associated with the expedited construction phase

With over 4,000 known minerals and countless applications for metals, global innovation and growth is built on resources prospected and processed by the mining sector. Three futures are on the horizon, according to the <a href="International Energy Agency (IEA) 2024 Global Critical Minerals Outlook">International Energy Agency (IEA) 2024 Global Critical Minerals Outlook</a>. Mineral demand for clean energy technologies could:

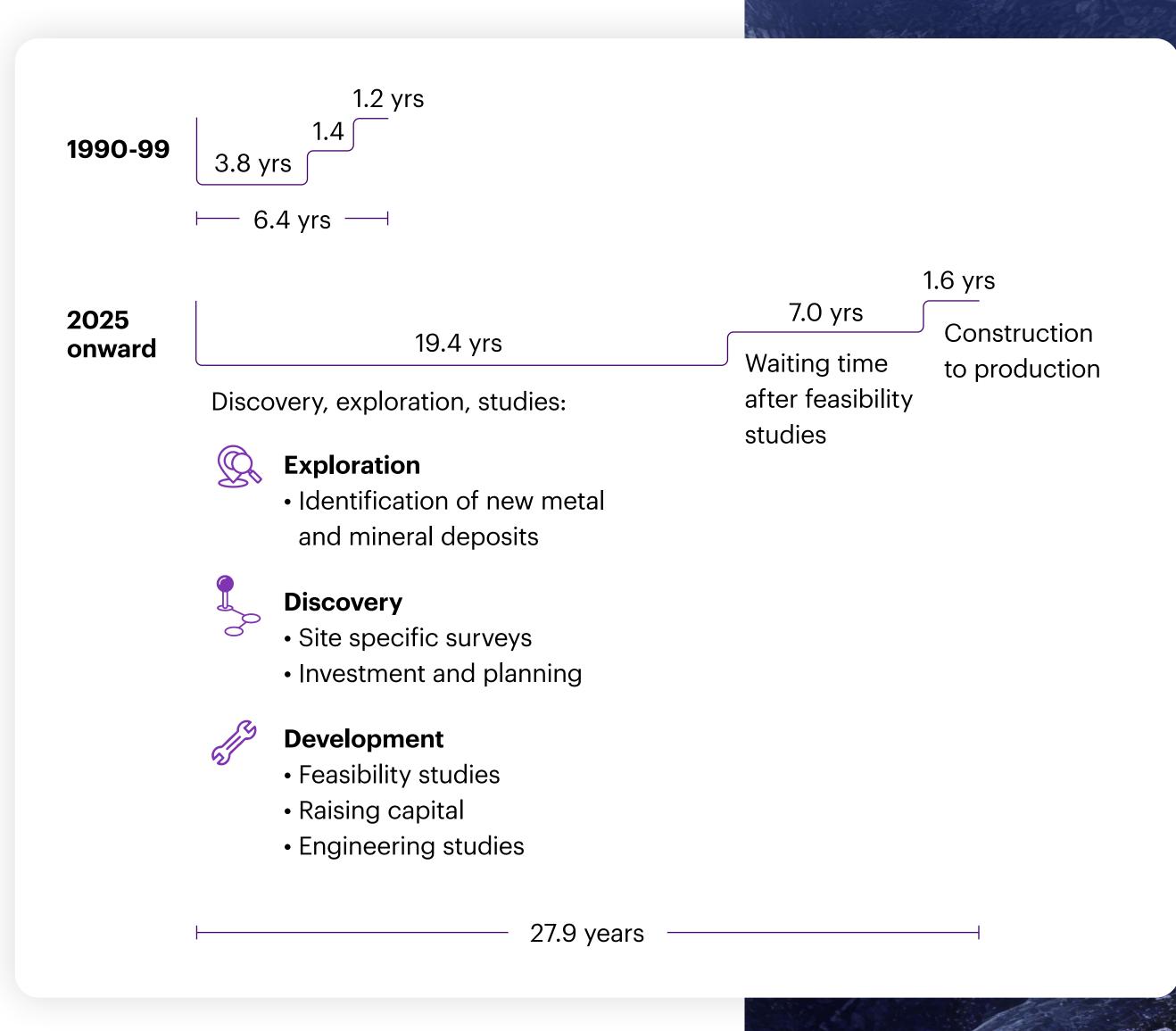
- 1. Double by 2030 in a scenario reflecting current policy settings
- 2. Almost triple by 2030
- 3. Quadruple by 2040 in a net-zero scenario

Any potential future scenarios will require efficiency improvements, recycling, and most of all – new sites and sources to meet demand.

But research by S&P Global Ratings (previously Standard & Poor's) of 214 operating and non-operating sites shows average lead time for mines now is nearly three times longer than it was between 1990 to 1999.

To keep pace with the demands of the clean energy transition, understanding what's driving this trend is essential to reducing the gap between supply and demand.

Figure 1: Mining lifecycle:





## Why the wait? The lack of a global mining regulator and changing risk requirements

Over the past 30 years, mine approval processes have shifted from relatively streamlined, technically focused assessments to far more complex, multi-stakeholder regulatory journeys that recognize the need to plan beyond the operational lifespan.

Unlike other specialty sectors such as aviation (International Civil Aviation Organization), shipping (International Maritime Organization), or nuclear energy (International Atomic Energy Agency), mining has no unified international regulatory body. National sovereignty remains one of the most critical factors shaping the global mining landscape. Every country maintains full control over the development and regulation of its natural resources – a principle rooted in international law.

Timelines can vary significantly across countries. Projects in the Philippines are <u>reported</u> to have the longest lead times from initial discovery to operation, with an average of over 20 years. Contributing to this is a 12-year openpit mining ban between 2010-2022, putting projects and operations on hold.

Delays in mining approvals are not trivial bureaucratic slowdowns, they can amount to hundreds of millions, or

even billions of dollars, indirect and opportunity costs per project. When aggregated across sectors and jurisdictions, these delays can significantly hamper socio-economic development and the transition to clean energy.

Figure 1. now and then;

Then 1990s - early 2000s

Now 2010s - 2020s **Primary focus:** technical feasibility, safety, and core environmental compliance.

**Expanded regulatory scope:** inclusion of biodiversity offsets, water stewardship, tailings risk, carbon footprint, and closure planning before first production.

**Data and modelling demands:** climate resilience modelling, seismic risk analysis, and biodiversity monitoring over multi-season baselines.

Stakeholder scope: engagement with local regulators and sometimes landholders, but less formalized community consultation.

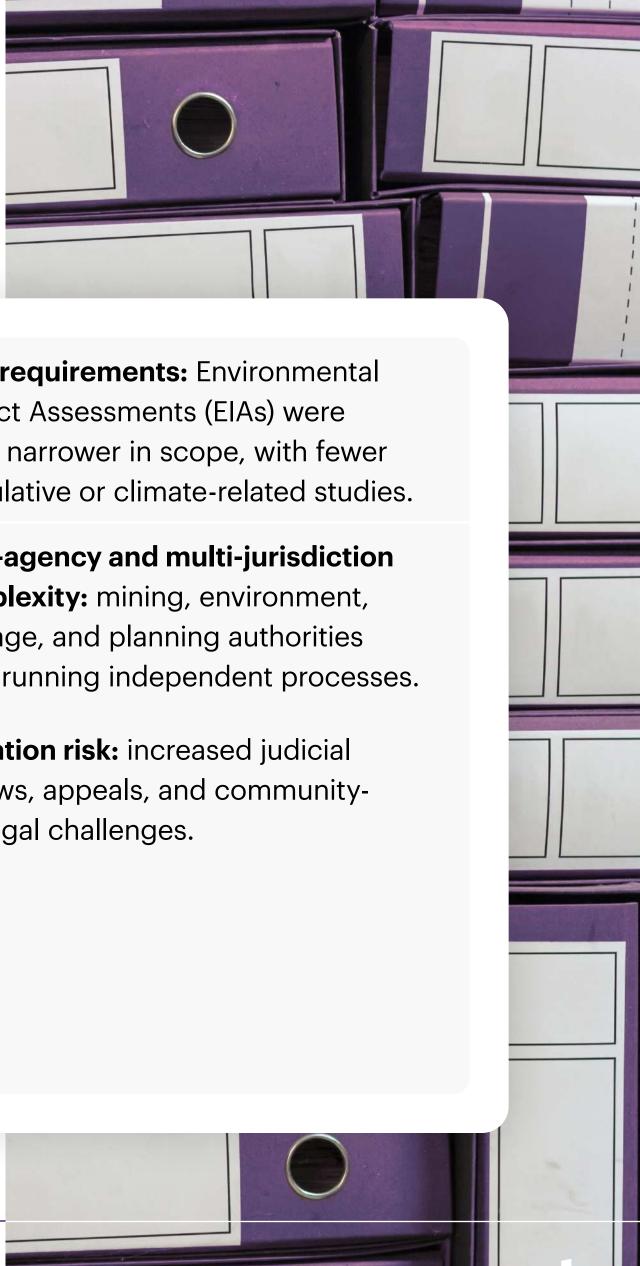
Global ESG alignment: adoption of industry sustainability standards in lender and insurer requirements, effectively creating higher shadow regulatory standards.

**Stronger social license expectations:** formal Free, Prior and Informed Consent (FPIC) for indigenous and traditional landholder groups; multiple consultation rounds; agreements that can take years to negotiate.

**Data requirements:** Environmental Impact Assessments (EIAs) were often narrower in scope, with fewer cumulative or climate-related studies.

Inter-agency and multi-jurisdiction complexity: mining, environment, heritage, and planning authorities each running independent processes.

Litigation risk: increased judicial reviews, appeals, and communityled legal challenges.





There are steps in the right direction, but more needs to be done to create a cohesive global structure.

## 1. Reducing approval timelines by streamlining legal and regulatory systems

Environmental laws, permitting structures, and land access frameworks vary widely across jurisdictions. National and economic security are key drivers of change behind current trends to reshape these systems and support economic growth through mining and metals.

In the U.S. on 20 March 2025, a new executive order was signed into effect to fast-track critical minerals production. The order cited national and economic security as key drivers and directed agencies to identify and prioritize pending projects for immediate approval, expedite federal land leasing for mining and provide loans.

Wider, comprehensive change is also happening at scale across countries in the European Union. Enacted in May 2024, the <u>Critical Raw Materials Act</u> (CRMA) is reshaping the EU system. Targeting 10% domestic extraction, 40% processing, and 15% recycling of critical raw materials, the CRMA mandates faster permitting – 24 months for extraction, 12 months for processing – with 'one-stop

shops' in each country to streamline approvals.

But challenges endure. "Even cleared projects can stall due to market, financing, or policy dynamics, challenging insurers to assess 'cleared but unrealized' risk envelopes. The Wiluna uranium project in Western Australia stalled despite approval in 2013 when a ban on new mines was reintroduced by the incoming government. Opposition from local communities, government, regulators and NGOs is particularly important at all stages due to the environmental impact of mining projects on the area." Brett Forrest, Mining and Metals Leader, Willis Natural Resources, Pacific Region

## 2. Reducing approval timelines by enacting new investment schemes

Market opportunities are leading to governments around the world examining the attractiveness of their frameworks for international investment.

Copper is <u>increasingly in demand</u> due to its key role in the production of electric vehicles, energy infrastructure, artificial-intelligence (AI) infrastructure and data centers. While copper supply is <u>estimated to be in surplus in the near term</u>, a deficit is expected in the next decade. Demand is projected to rise over <u>40% by 2040</u> with estimates that <u>80 new mines and \$250 billion in investment</u> are required by 2030 to meet demand.

In Latin America, although Argentina has no current copper production, the country is aiming to break into the top 10 list of global producers, eyeing the metal as a key growth opportunity. As part of a wider mining growth strategy, the government has enacted a new investment scheme<sup>1</sup> and policy changes<sup>2</sup> aimed at shortening approval timelines, aligning risk profiles and offering investors more certainty in the region.

## 3. Reducing approval timelines by embracing new technologies

Advances in AI and digital platforms are being explored to reduce the time needed to approve new mines by streamlining regulatory processes and improving viability of exploration.

The Ontario government estimates a 1 in 1,000 chance of exploration projects becoming a mine. The uncertainty, combined with the need to operate in remote regions and challenging terrain, makes it difficult for companies to secure the necessary investment needed to move projects forward. Al is being trialed across the industry to identify new deposits and reduce excavation by automating the analysis of extensive geological, drill records and survey data.

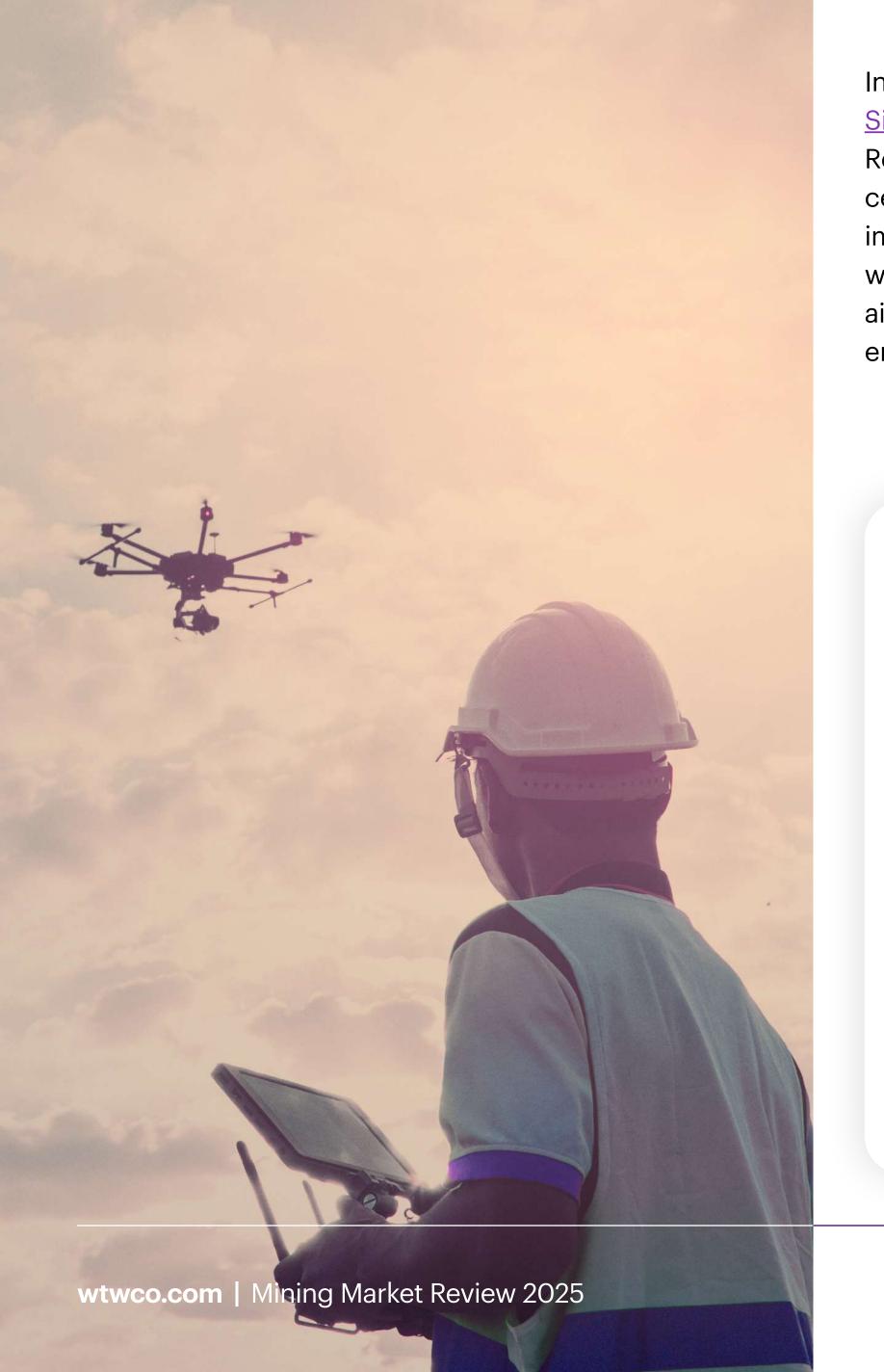
Digitizing manual approval systems is also underway.



Project gestation periods that extend over several years - even decades - makes an assessment of the economic viability of a project challenging. Securing the necessary funding for projects is somewhat dependent on the price profile of the relevant commodity or commodities at the time of seeking it. This dynamic is of particular relevance at the moment in the nickel and rare earths market where large-scale project financing can be a challenge due to the commodity price environment. With Indonesia ramping up production of nickel, the long-term prospects for pricing are suppressed and many large-scale operations have been put into care & maintenance by major Western mining companies. China has a major role in the global supply of rare earths and has the weight to control market dynamics, thereby substantially hampering the economic viability of critical minerals projects required by the Western world to become more self-sufficient.



Will Fremlin-Key, Global Mining & Metals Leader, Willis Natural Resources



In 2021, Indonesia implemented the Risk-Based Online Single Submission system (OSS) and Government Regulation (GR) No. 5/2021 – aimed at simplifying and centralizing mining licensing. While it drove notable improvements in reducing the time for applications, gaps were identified that have been targeted in GR No. 28/2025 aimed at clarifying the processing of business licensing, environmental and building approvals.

## Taking control: What risk leaders can do to help condense approvals timelines

Uncertainty is a major barrier to attracting capital and protecting investments. Keeping pace with these trends requires leaders to go beyond dealing with insurable risks in silos and optimize premium spend across the entire portfolio of risk. As the demand curve creates a steep incline, creating a robust and resilient risk strategy will be critical.



A risk-based strategy is essential to ensure alignment with global environmental governance. A lithium brine operation in the salt flats of Chile requires different water usage assessments than a hard-rock lithium mine in Western Australia. This technical diversity necessitates bespoke studies, engineering designs, and risk controls, all of which take time to develop and approve.



**Will Fremlin-Key,** Global Mining & Metals Leader, Willis Natural Resources

- Build a forward-looking strategy, backed by data.
   With project gestation periods that may extend over several years even decades getting the timing right so a new project comes on stream as the price cycle peaks is sometimes critical to a company's survival.
   Utilize data analytics and risk engineering models to assess the resilience of your strategy under various market conditions.
- Optimize your insurance spend to deploy capital strategically. Analytics point to areas to retain risk that's costly in the market, or how best to spend on premium across all risks and set your limits at the most efficient level, in line with your organization's risk tolerance. Risk and finance leaders can make decisions knowing there will be no better option, and savings made on premium spend can then be deployed strategically in ways that best support the organization's future growth objectives.

Contact our mining specialists to build a strategic future for your business:



Will Fremlin-Key

Global Mining & Metals Leader,
Willis Natural Resources
<a href="mailto:william.fremlin-key@wtwco.com">william.fremlin-key@wtwco.com</a>



**Brett Forrest** 

Mining & Metals Leader, Pacific Region, Willis Natural Resources brett.forrest@wtwco.com



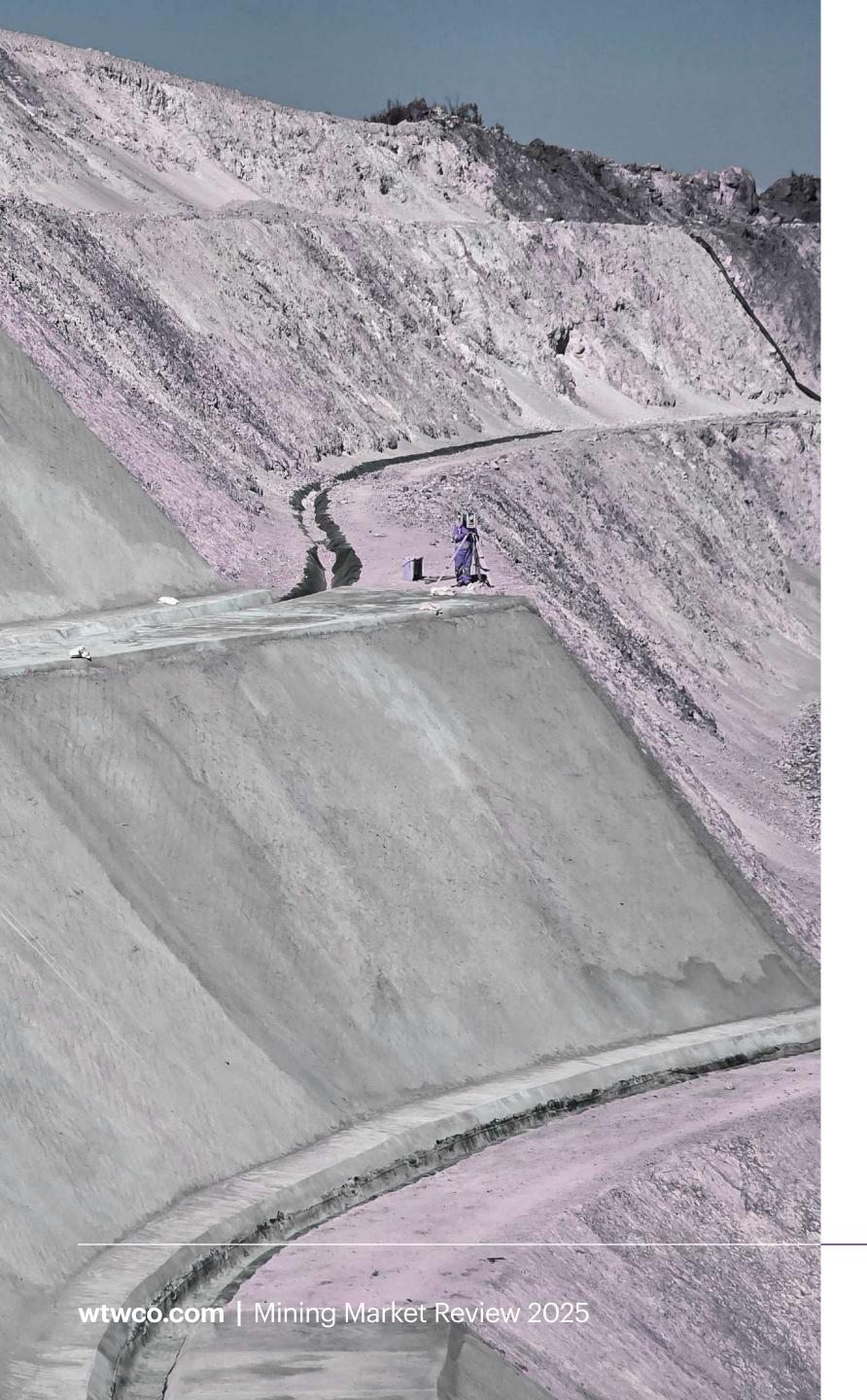
**Lucy Stanbrough** 

Head of Emerging Risks,
Willis Research Network
<a href="mailto:lucy.stanbrough@wtwco.com">lucy.stanbrough@wtwco.com</a>



<sup>&</sup>lt;sup>1</sup> (RIGI: Incentive Regime for Large Investments)

<sup>&</sup>lt;sup>2</sup> (Decree 449/25)



# Before rock bottom: Why geotechnical engineering is an asset in mining risk managers' toolkits

Geotechnical exposures are impacting risk profiles as mining companies, suffering from reduced grades and increased strip ratios, are embarking upon projects in more remote locations and challenging jurisdictions.

#### **Key takeaways:**

• The mining and metals sector is going further and digging deeper. Risk profiles are changing

- Depending on location, geohazards impacting geotechnics can encompass seismic risks, mass movements, rainfall-induced flooding and geochemical risks, among others
- There are exposures that are outside risk managers' control, but seven key steps can help to keep mining businesses moving

The scope of geotechnical engineering adds value across the lifecycle of a mine, from exploration/feasibility studies through operations and closure. Designing underground workings, accessways, shafts, walls, slopes, waste dumps, tailings storage facilities (TSFs), stockpiles and backfill placements in underground operations all fall within a geotechnical engineers' purview.

But critically, geotechnical engineers are a valuable asset to risk managers beyond designing safe pits and mine workings —to identify ways to build efficiencies, control costs and expand revenue margins.

As demand for the majority of minerals accelerates due to population growth and the energy transition, the mining and metals sector is going further and digging deeper. Risk profiles are changing.

## Underground mining geotechnical risk exposures:

- Limited lifespan of mine structures such as shafts, declines and pump stations
- Poor or unknown rock mass conditions impacting excavation stability
- High in situ rock stress, especially deeper underground, can lead to rock bursts, spalling, and seismic events
- Mining-induced stress concentrations can cause local failures in stopes and drives, particularly for block caves
- · Risks from water or mud ingress affect ground stability
- There are challenges with ground support design, pillar dimensions, and control of mine subsidence
- Stress redistribution and rock fracturing can cause seismicity
- Backfill operations e.g. cemented rock fill (CRF)/paste fill must consider various geotechnical factors
- Operational impacts such as subsidence, tunnel collapse, and infrastructure damage endure

## Surface (open pit) mining geotechnical risk exposures:

 Fault zones and weak lithology compromise waste/ leach pad slope stability

1 1 6 CH IN

- Pit wall instability can cause slope failures
- Risks from water flow changes and surface waterbody impacts may destabilize slopes
- Structural failures of benches, inter-ramp slopes, and whole pit walls
- Exposure to weather events and seasonal water saturation increases risk of failure
- Bench scale, inter-ramp, and overall slope stability are major design challenges
- Safety hazards and economic losses from slope failures, including damage to haul roads and infrastructure
- Tailings failures can occur owing to earthquakes, overtopping, weak foundations and liquefaction, among other mechanisms

Not investing in ground control can increase short-term cashflow and profitability, but at the risk of a later failure which can create longtail financial exposures, or even mine closures.

The cost of poor ground support far outweighs the financial outlay of getting it right first time. Costs associated with recovery/rehabilitation and business interruption are compounded by potential loss of life, reputational damage and regulatory penalties.

## Hot beds of activity are compounding risks

The production and processing of critical minerals is highly concentrated geographically, which drives exposure. Susceptibility to extreme weather, such as flooding from rainwater ingress and regional tectonics are key vulnerability points that can cause major bottlenecks in critical mineral delivery. "Currently, the Democratic Republic of Congo supplies 70% of cobalt, China 60% of rare earth elements (REEs), Indonesia 40% of nickel, and Australia lithium mining respectively". The mining operations in these countries are located on or close to tectonic plate boundaries and faults capable of producing large magnitude earthquakes, with some also containing mountainous terrain that could be prone to resulting landslides.

Coastal locations around the Americas, Asia and Oceania are also prone to tropical windstorms and climate-driven extreme rainfall events have become increasingly prevalent in temperate regions across the globe.

Depending on location, geohazards impacting geotechnics can encompass:

#### 1. Seismic risks:

Many valuable deposits are found along or near fault zones, with high concentrations in countries such as Chile at high risk of large magnitude 'megathrust' earthquakes. These fault zones can act as conduits for mineral-rich fluids, leading to a higher concentration of ore deposits in these areas. In these stressed areas, mining operations promote local stress changes, compounding the risk of a seismic event.

#### 2. Mass movements:

Mass movements are usually considered to be 'secondary' hazards, triggered by another event such as earthquakes or from weather events such as cyclones and extreme rainfall.

Climate change is increasing the intensity and frequency of weather events. Although TSFs present less risk in seismically stable and flat areas such as those found in Australia and South Africa, areas of central Asia and the southern Caucuses are more at risk: TSFs are located on or close to active faults and above population centers. The upstream raising method – already having been banned in Chile after strong earthquakes between 1960 - 1965 which caused failure of El Cobre dam – was also banned in Brazil in 2019 following the Fundao and Dam B1 failures.



Unfortunately, geology is fixed. The only way to mitigate seismic risks is through rigorous geotechnical design at all levels of operation. Best practice will always invite independent third-party review and ongoing assessments as part of normal operations.



Joe Carr, Mining Risk Engineering Leader, Willis Natural Resources



Failures are a reminder of how poor geotechnical design and data may lead to unsuitable foundation and drainage channel design, putting facilities and finances on shaky ground.

#### 3. Rainfall-induced flooding:

In addition to triggering landslides, extreme rainfall can also lead to subsurface mine flooding if geotechnical design and surface water management aren't able to withstand these events. An example of this was seen in the Capricorn Copper mine in Queensland, Australia in March 2023 where 370mm of rainfall fell in seven days. This rainfall led to pooling in surface depressions created due to mining activities, ingress through resultant cracks, with the subsequent flooding leading to a loss of mine access and multi-million dollar insured losses. While previously, geotechnical design would have considered a 1:1,000-year event as suitable, a 1:10,000-year model is emerging as a new minimum standard weather-related volatility.

#### 4. Geochemical risks:

The geochemistry of the rockmass is often overlooked.

The interaction between rock, its minerals and the ground control systems can have huge consequences should the perfect storm of conditions be met. For example, an acid forming rockmass, which is highly saturated may degrade rockbolts faster than anticipated, especially if there is galvanic corrosion. In these conditions, the rockbolt reacts with the rockmass via an electolyte (the mineral rich water present). This creates an electrical potential. In these scenarios the rockbolt essentially becomes an anode and corrodes at an accelerated rate. This rate is far beyond design expectations and because the bolt is hidden within the rock, the corrosion is often undetected.

By better assessing these geological and geotechnical risks from the prospecting and planning stages through the mine's lifespan, owners and operators can add value for stakeholders and reduce the potential for losses and downtime.



Traditional risk assessments track individual threats by identifying historical trends in the magnitude and frequency of single hazards; however, this approach does not capture the risk from interconnected and cascading hazards, which have the potential to amplify risks for a company's value chain. The resulting compound risks differ significantly from independent risks, often with distinct likelihoods and impacts.



James Dalziel, Earth Risk Research Lead, Willis Research Network



#### Top actions risk managers can take

Extracting value from geotechnical engineering

#### 1. Know what good looks like

There is no global standard on geotechnical design. Many jurisdictions have their own systems, but there are shining examples of best practice standards which are widely used when there is no local standard to follow. Good examples include the Western Australian mining standards, Canadian standards and the Finnish/Swedish standards.

Mines should also consider the development of a ground control management plan (GCMP), which is a good idea example of how a regulatory framework can be applied to show what a robust approach can look like, even if the mine is out of this jurisdiction.

#### 2. Get expert eyes on the geotechnical decisions

Geological surveys and geotechnical mapping should coexist. Examining the site and surrounding area for regional tectonics, host rock characteristics, groundwater and surface water drainage, creates a robust and detailed view of key hazards. These hazards must be constantly monitored during the lifecycle of a mine and cannot cease when it is decommissioned.

Mining and metals companies need to partner with experienced geotechnical engineers, including external specialists to test the rigor with an objective eye. Some structures such as TSFs require a more technical input from third parties such as engineers of record (EoR) as well as independent review boards (ITRB).

#### 3. Look ahead through analytics

Scenario-based modelling can be used to predict changes in hazard susceptibility due to the presence of engineered infrastructure such as mine workings and TSFs, as well as accounting for potential climate change effects to weather intensification and the frequency of extremes over the course of a mine's lifespan.

#### 4. Use risk engineering strategically

Risk engineering is a core component of a sophisticated risk strategy. For risks where the insurance markets have limited appetite, demonstrating a robust risk engineering protocol can make all the difference. Showcasing that geotechnical exposures have been identified, risk controls have been implemented and monitoring protocols are active will enable underwriters to fully understand the risks and the proactive measures taken. With these insights, underwriters can make informed decisions about coverage and pricing.

#### 5. Build the optimal risk financing strategy

Geotechnical exposures exist in a network of emerging, complex and interconnected risks. A siloed approach to risk management is limiting. By assessing geotechnical risks as part of a complete risk profile, analytical tools can identify the most efficient balance of risk retention and transfer. This can help to free-up capital and keep costs down—value that is amplified when commodity prices are limiting already tight margins.

#### 6. Lean on your broker

Sector-focused brokers are the connection point to local and international markets. Local markets can have a deeper understanding of local exposures, while international markets provide capacity and greater long-term stability. A global broker that's well connected in local hubs, is able to assess these trends and access insurance capacity where it is most competitive.

#### 7. Maintain rigor

Real-time modelling is critical. By using monitoring equipment, mine operators can detect early indicators of instability. With warning, operators can implement emergency response plans to limit failures or cascading hazards. A robust response plan will help to ensure minimal damage, downtime, and both human and financial losses.





Sometimes, you can do everything right and failures still happen... on April 10, 2013, two massive landslides carried about 145 million tons of waste rock into the bottom of the open pit at Bingham Canyon, the largest copper mine in the U.S. These are the <u>largest mining-induced landslides in history</u>. Fortunately, a sophisticated network of geotechnical monitors was in place at the mine, which showed instability and increasing movement several days beforehand. All employees were evacuated from the mine and although operations suffered hundreds of millions of dollars of damage, there were zero fatalities.

...The company took every practical measure to identify and control risks through geotechnical engineering and monitoring, which helped to save the lives of the workforce. But an extreme event took the perils out of risk managers' hands. Insurance is an important partner in protecting your business, even if you're doing everything right.



Joe Carr, Mining Risk Engineering Leder, Willis Natural Resources

#### Keeping your business moving

There are exposures that are outside risk managers' control. But with the support of robust geotechnical risk engineering, mining and metals companies can make informed decisions from the outset. From design, to operations, emergency response and decommissioning, geotechnical engineering helps to reduce the potential for losses and downtime—a corner piece in the puzzle of keeping costs down where possible.

To find out how geotechnical engineering can help your business build resilience, contact:



Joe Carr

Mining Risk Engineering

Leader, Willis Natural Resources

joe.carr@wtwco.com



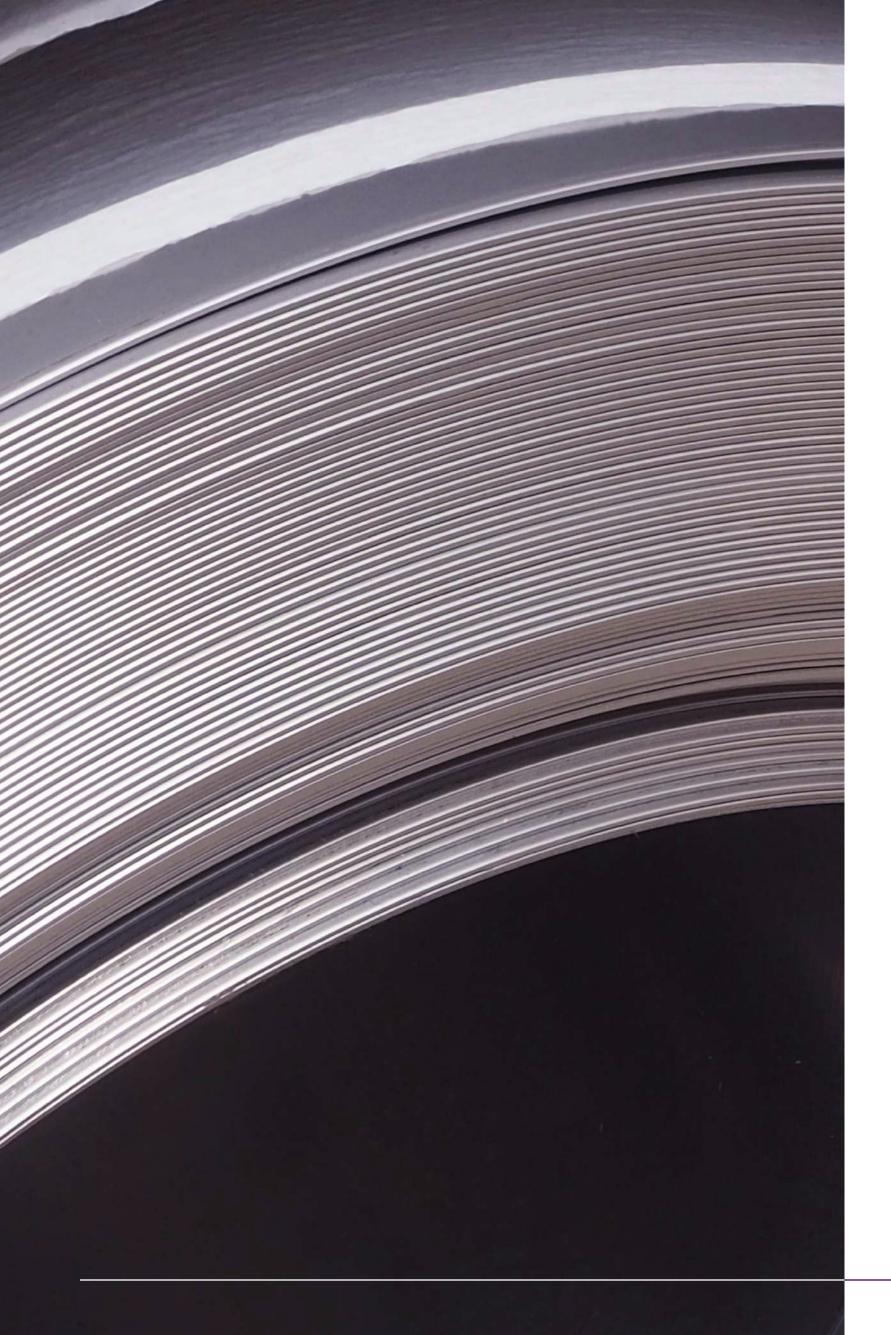
James Dalziel

Earth Risk Research Lead,
Willis Research Network
<a href="mailto:james.dalziel@wtwco.com">james.dalziel@wtwco.com</a>



Will Fremlin-Key
Global Mining & Metals Leader,
Willis Natural Resources
william.fremlin-key@wtwco.com





## Firmly soft: Mining insurance market conditions are ripe for optimization

The property damage and business interruption (PDBI) insurance market for mining has softened at a considerable rate in the past 12 months.

Having bypassed early stages of softening with tentative rate drops, insurers are competing for business with healthy double-digit rate reductions and negotiable terms and conditions. Deductibles remain in the underwriters' armory, but the market is showing signs that these too are coming into play to attract and retain business.

#### **Key takeaways:**

- Capacity is healthy, including key risks such as tailings and underground, and pricing is in freefall
- Some underwriters are taking a nuanced view on rate depending on the commodity: a trend to watch in the year ahead
- Insurers that are keen to maintain and build their market share are demonstrating increased flexibility to consider placements that have been historically more challenging
- We expect underwriting due diligence around geotechnical risk, in all its forms as applicable to mining operations, to continue to increase



- Any miner that has not committed to Global Tailings
   Management Institute standards is experiencing a greater level of scrutiny from underwriters
- Risk leaders can take three key steps to optimize risk strategies in a soft market

## Capacity for any one mining risk is around \$1.5 billion

#### Competition to write mining business is fierce

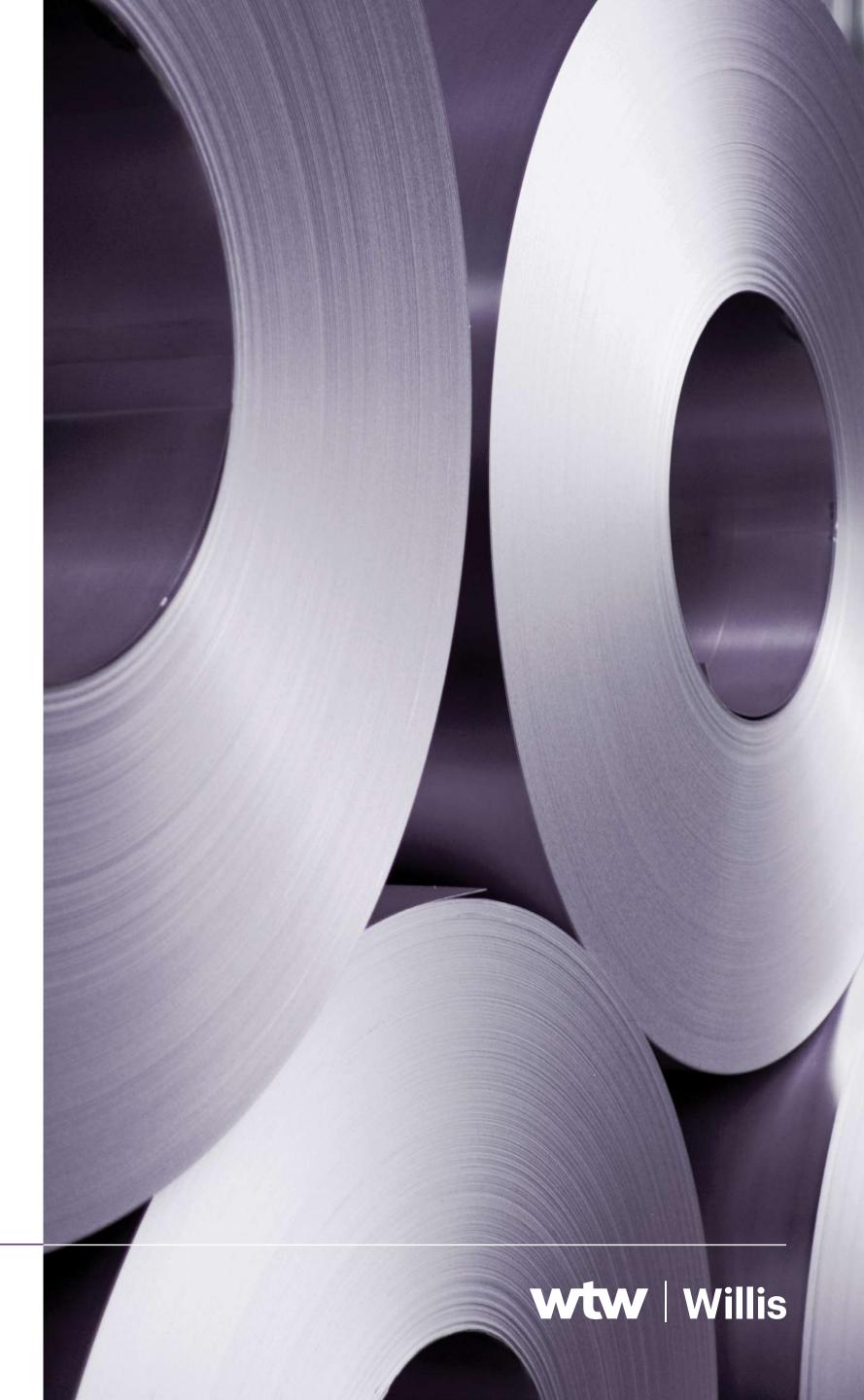
Due to the volatile nature of losses in the industry, mining risks have historically come with healthy premiums for insurers, making the sector an attractive proposition for insurers chasing top-line growth. The ongoing trend toward broker facilitization and booster capacity facilities has had a positive bearing on available capacity. Meanwhile, capital is chasing returns and general insurers are seeking to deploy it towards mining risks.

We assess the global capacity for any one mining risk to be in the region of \$1.5 billion, an increase from last year.

There's also been an uptick in capacity and coverage for key mining-specific exposures such as tailings and underground, with expertise to assess these contingencies broadly remaining the purview of the specialist mining market. An influx of reinsurance capital (across both risk and catastrophe cover) sets the backdrop for the healthy capacity available across both specialist and non-specialist mining insurers. This capital availability follows profitability of reinsurers in recent years after adjustments to direct insurers' retained risk retentions. An increase in private investor appetite for catastrophe bonds and other non-correlated insurance-linked transactions has provided additional capacity. The sustainability of this alternative capital for insurers remains questionable and we are closely monitoring the reaction of private investors to any market-wide catastrophe losses.

General property underwriters, experiencing even more pronounced soft market dynamics than the mining market, are competing fiercely for mining risks to maintain top-line revenues.

Appetite remains strong among the specialist mining markets, if slightly balanced by a continued focus on underwriting due diligence and, in some cases, more restrictive coverage compared to that provided by the general property market.



#### **Pricing is in freefall**

#### Raising questions about sustainability

This bifurcation of appetite between the general property market and specialist mining markets is driven, to a certain extent, by losses.

With the exception of one very recent incident underground in Indonesia, the mining PDBI market has been relatively benign in the last 12 months from a claims perspective. Nevertheless, attritional claims from natural catastrophe (nat cat) or weather-related incidents have eroded specialist markets' profitability, but generally carriers are still in the black. Because of the competitive rating environment, "some of the technical mining markets have reached walk-away points in terms of rate or rate reduction, and been prepared to lose renewals" Anna Lyakhovskaya, Mining & Metals Broker, Willis Natural Resources

A trend to watch: Some underwriters are taking a nuanced view on rate depending on the commodity. Commodity prices for precious metals have been robust with gold prices at all-time highs and silver trading at levels not seen since the last peak in 2011. Platinum has also rallied as demand for electric vehicles (EVs) has softened and investors seek alternatives to gold.

The last soft insurance market cycle coincided with a far less bullish commodity cycle, but 2025 has seen a desynchronization. This imbalance creates issues for underwriters, who are seeing their business interruption (BI) exposures substantially increase, while simultaneously coming under pressure to reduce rates to remain competitive. The net effect of this paradigm is greater than average risk-adjusted rate reductions, further squeezing underwriters' anticipated margins, and potentially exacerbating future volatility in rates.

"Undoubtedly it is a good time to be a buyer of insurance, however, we encourage all insureds to consider the cyclicality of the insurance market – the components for a potentially aggressive correction are being assembled now. A significant market loss could have wide-reaching repercussions and see a sharp increase in rates and tightening of terms" Will Fremlin-Key, Global Mining & Metals Leader, Willis Natural Resources



The commodity profile has a major impact. 30% off a gold account where the value of the commodity has almost doubled the value of BI, compared to lithium where BI has halved, is opening the door to negotiation. We do not believe we have reached the bottom of the market yet, and further reductions in the coming year are likely, subject to prevailing wider market dynamics and a benign North Atlantic windstorm season. The expectation of rate/price reductions for 1st of January treaties further supports this dynamic.



**Andrew Wheeler**, Client Relationship Director, Willis Natural Resources



Getting the balance right will serve companies well in the medium- to long term.

## Conditions: In a soft market, nothing is off the table.

#### Coverage has become the trade-off

Given the squeeze on technical rating, underwriters are looking to other mechanisms to attract and retain business while maintaining some degree of rate adequacy. Conditions are broadening.

Insurers that are keen to maintain and build their market share are demonstrating increased flexibility to consider placements that have been historically more challenging, or to provide coverage for more discreet client-specific exposures. This dynamic has also enabled clients to secure placements with limited divergence in terms and conditions from one participating market to another at limited or no additional cost.

Where one insurer breaks rank, it can make it difficult for other carriers to hold firm on conditions in an environment where underwriters are chasing premium.



There's opportunity here.
The pendulum has swung in buyers' favor after years of hard market challenges and now is the time to open up negotiations on coverage for challenging exposures.



**Freddie Fife**, Associate Director, Mining & Metals, Willis Natural Resources

When pricing has hit the floor and conditions are broadening, there's one lever left in insurers' arsenal: deductibles. Despite the positive commodity profile for many metals and minerals, the market is reaching a point where insurers need to flex deductibles to attract and retain business. In a soft market, nothing is off the table.



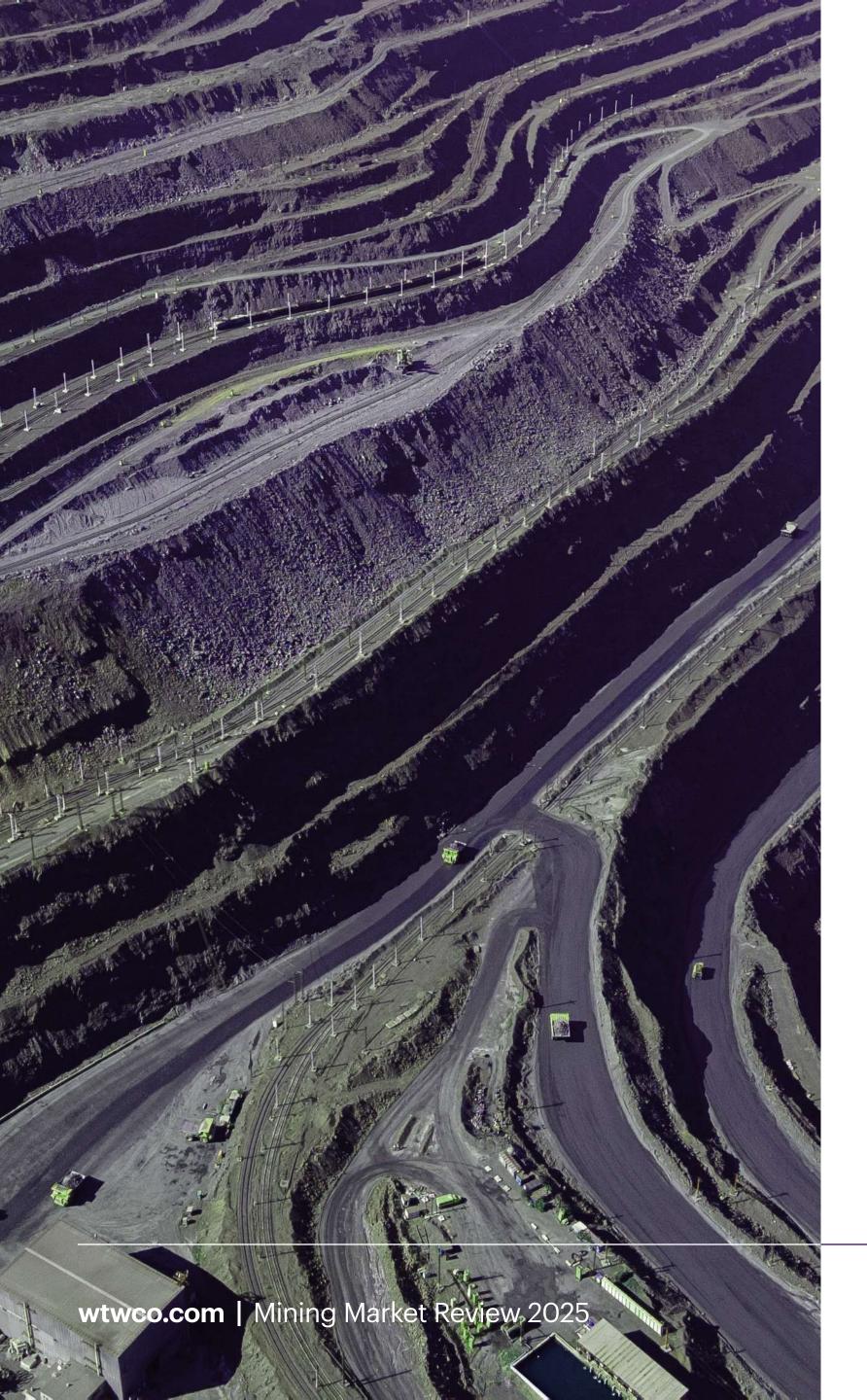
Competition to write mining risks is intense, and there may be opportunities to reduce the waiting periods for BI.



**Andrew Wheeler**, Client Relationship Director, Willis Natural Resources

A spotlight on D&O: "67% benefited from lower rates in the first quarter of the year compared to the previous year's renewal, and 70% in the second quarterii. Notwithstanding the uptick in D&O claims notifications in H1 of 2025, carriers are still offering favorable premium and coverage. Clients are taking advantage of the favorable D&O market conditions by using premium savings to secure additional limits or lower primary retentions. The soft market conditions have assisted many of our clients in securing broader coverage with either specific coverage enhancements or their programs written on our in-house D&O wording, DARCstar 2025." Nick Hurst, Director and Team Lead, U.K. Wholesale D&O, Directors & Officers Liability, FINEX, Willis





#### **Reactionary underwriting remains**

### Underwriters are restricting cover around mining-induced seismicity

Despite the soft market conditions, reacting to losses or incidents remains a feature of the market. Following the 2024 Cöpler mine (Turkey) and Eagle Gold (Canada) leach pad failures, underwriters refocused their efforts to delineate the breadth of cover they are willing to provide.

Various carriers introduced leach pad exclusion clauses and increased their underwriting due diligence of the geotechnical, design and management of these assets. The level of information required to underwrite these risks now closely aligns with that required by insurers to consider tailings exposures.

A trend to watch: Underwriters are restricting cover around mining-induced seismicity. Policies generally cover damage caused by various forms of 'earth movement', but some insurers are implementing 'anti-concurrent cause' provisions to exclude or restrict coverage for damage (and resultant BI) where the seismicity is mining induced. This presents issues in proving the validity of a loss event that has resulted from seismic activity.

We expect underwriting due diligence around geotechnical risk, in all its forms as applicable to mining operations, to continue to increase in the year ahead.

## There's widespread recognition of the need for improved standards

### **Underwriters are scrutinizing tailings management practices**

In January 2025, the Global Tailings Management Institute (GTMI) was established to promote and encourage adoption of the Global Industry Standard on Tailings Management (GISTM). In the absence of a global mining regulator, this industry body serves to reinforce the criticality of adoption of GISTM, but cannot enforce adoption.

Many mining companies have either committed to adopting the standards or are on a pathway to adoption. Any miner that has not committed to conformance with the standards is experiencing greater underwriting scrutiny on tailings management.

Adherence to the ICMM's mining principles from member companies and non-members alike is looked upon favorably by insurers. But there has been a notable easing of pre-underwriting ESG due diligence in the past year,

aligned with changes in political approaches in various corners of the globe and the hunt for premium income.

## The bigger picture: Global trends and hotspots

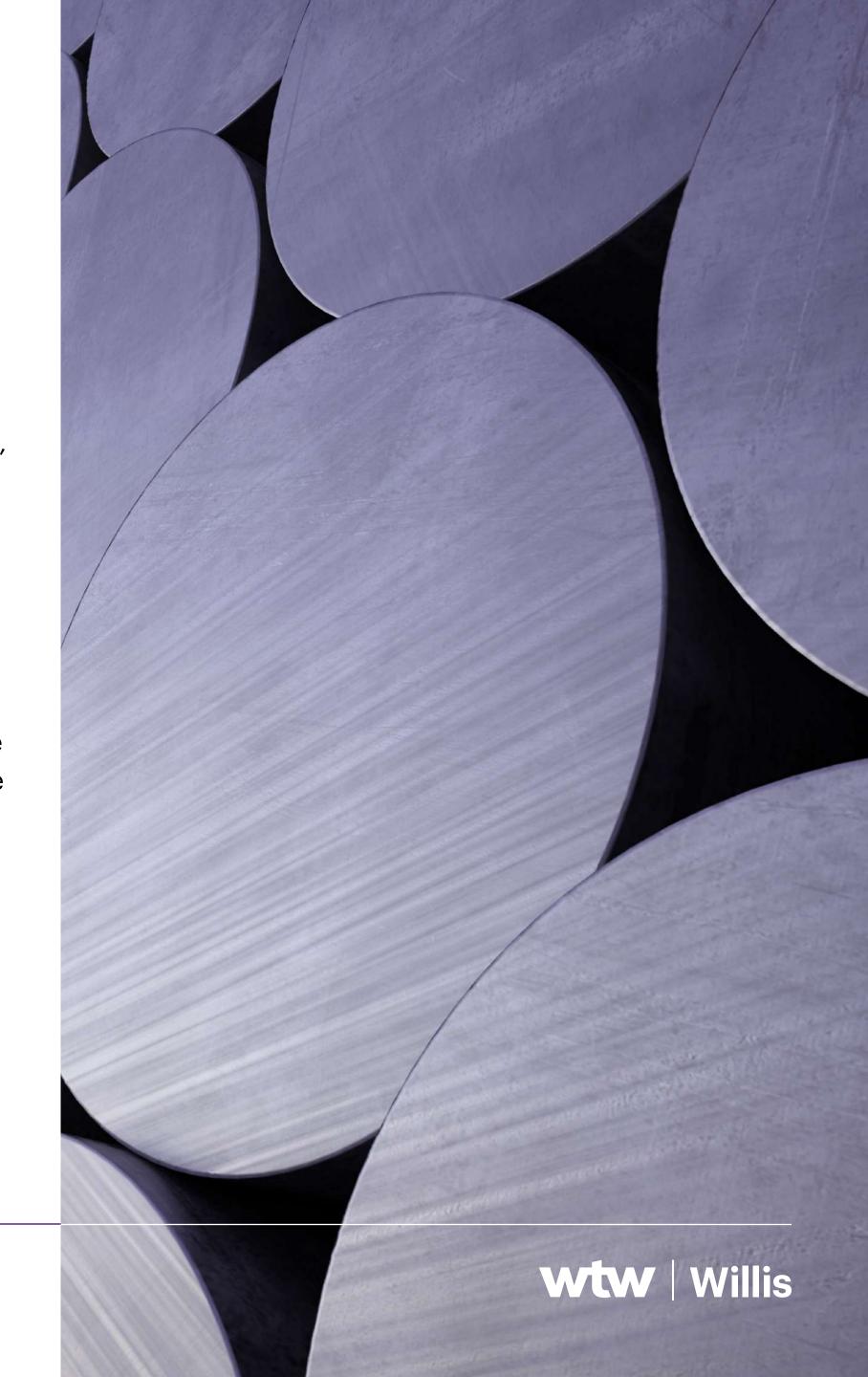
#### Insurers are showing caution in some geographies

Changing tax regimes will affect the price of commodities and metals traded across borders but may also dictate which countries accelerate exploration in their own territories. Countries with significant influence in one commodity can greatly influence international supply and demand, and companies may have to look into other sources or orebodies, which may come with elevated risk.

The nationalization of mines, particularly in West and Central Africa, is a concern for insurers who are restricting and curtailing their business in certain geographies. A change of operational control of any mine can lead to changes in risk profile. Where mines have been nationalized, this raises questions around insurable interest within the client's original portfolio.

## Looking ahead: Key steps to optimizing risk strategies in a soft market

- 1. Articulating robust data-driven risk information to underwriters will help miners capitalize on the market dynamics. For more challenging risks such as tailings, demonstrating adoption or conformance to GISTM, due diligence in conducting regular third-party surveys, stability studies, dam break analyses, as well as insurance risk engineering surveys to identify exposures, model scenarios and implement risk controls, will demonstrate a proactive and responsible approach to risk management.
- Take these insights to market. Brokers have a key role in marketing mining risks both favorable and challenging to underwriters. Armed with robust risk information, a sector-focused specialist broker will be able to articulate clear and data-driven insights to help underwriters make informed decisions and open the door to covering more challenging risks.
- 3. Relationships are key. Brokers with longstanding relationships with markets will be able to provide practical advice and guidance. In some cases, renewing with historical partner insurers (despite less favorable pricing) may be the best strategy to demonstrate commitment that will be valuable when market





conditions change, however it is also worth maintaining connections with insurers with whom there is no longer a business relationship.



Insureds must be cognizant of this stance, as signing these markets back too far or removing markets from programs will leave them in weakened positions should the market begin to harden.



Morgan Joseph, Account Director & Senior Broker, Mining & Metals, Willis Natural Resources To find out how to make smart decisions in a soft market, contact:



**Freddie Fife** 

Associate Director, Mining & Metals, Willis Natural Resources <a href="mailto:freddie.fife@wtwco.com">freddie.fife@wtwco.com</a>



William Fremlin-Key

Global Mining & Metals Leader,
Willis Natural Resources
william.fremlin-key@wtwco.com



Morgan Joseph

Account Director & Senior Broker, Mining & Metals, Willis Natural Resources <a href="mailto:morgan.joseph@wtwco.com">morgan.joseph@wtwco.com</a>



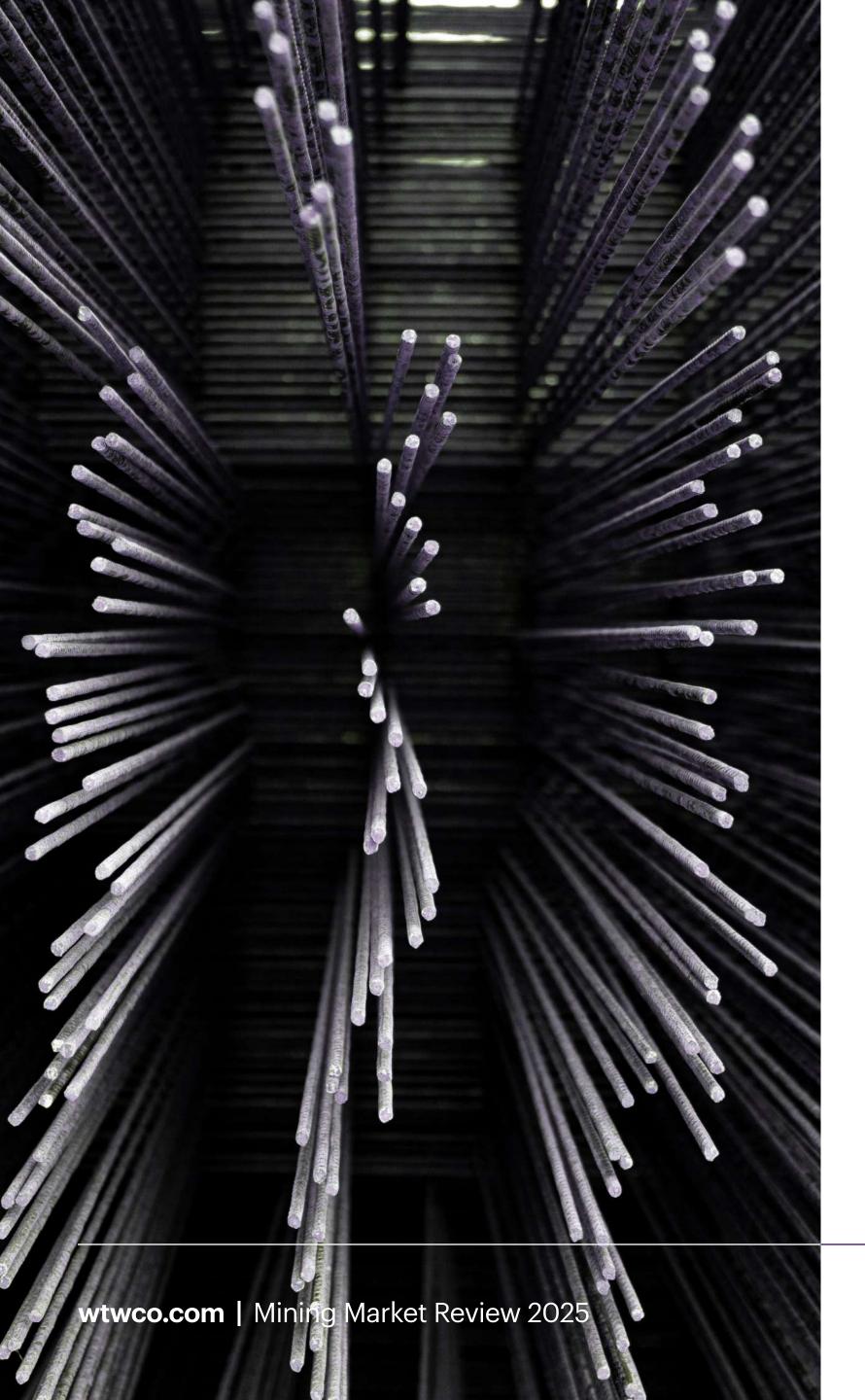
**Anna Lyakhovskaya** 

Associate Director, Mining & Metals, Willis Natural Resources <a href="mailto:anna.lyakhovskaya@wtwco.com">anna.lyakhovskaya@wtwco.com</a>



**Andrew Wheeler** 

Client Relationship Director,
Willis Natural Resources
<a href="mailto:andrew.wheeler@wtwco.com">andrew.wheeler@wtwco.com</a>



## Unearthing opportunity: How mining liability is shifting in a softer market

While the international liability market for mining remains technical, market conditions over the past 12 months have been increasingly favorable for well riskmanaged mining clients. Four distinct yet interconnected factors are shaping the outcomes achievable from the market:

- Multidimensional market dynamics: The ability to generate competition remains impacted by factors such as the total program limit and geographical scope of operations
- Emphasis on rate adequacy: Underwriters are placing greater importance on maintaining rate adequacy rather than directional movement

- Greater flexibility on price than coverage: There is increased willingness from insurers to negotiate on premium rather than terms and conditions
- Focus on evolving exposures: The liability impacts of evolving exposures such as climate change and other macro factors will remain a focus for underwriters

## Mining liability market conditions are creating a new equilibrium

Increased market capacity, set against the backdrop of a benign claims environment, has created a favorable buyer's market for international liability. Underwriters are under increasing pressure to meet portfolio growth targets, which is resulting in greater competition and a downward pressure on rates. This trend is supported by <u>Lloyd's of London</u> announcing a third consecutive year of underwriting profit for casualty as a class of business in 2024. Although Lloyd's' classification of casualty is broader than just liability – and includes other classes such as D&O, financial lines, cyber and Accident & Health (A&H) – it signals the broader sustained profitability of the international liability market.

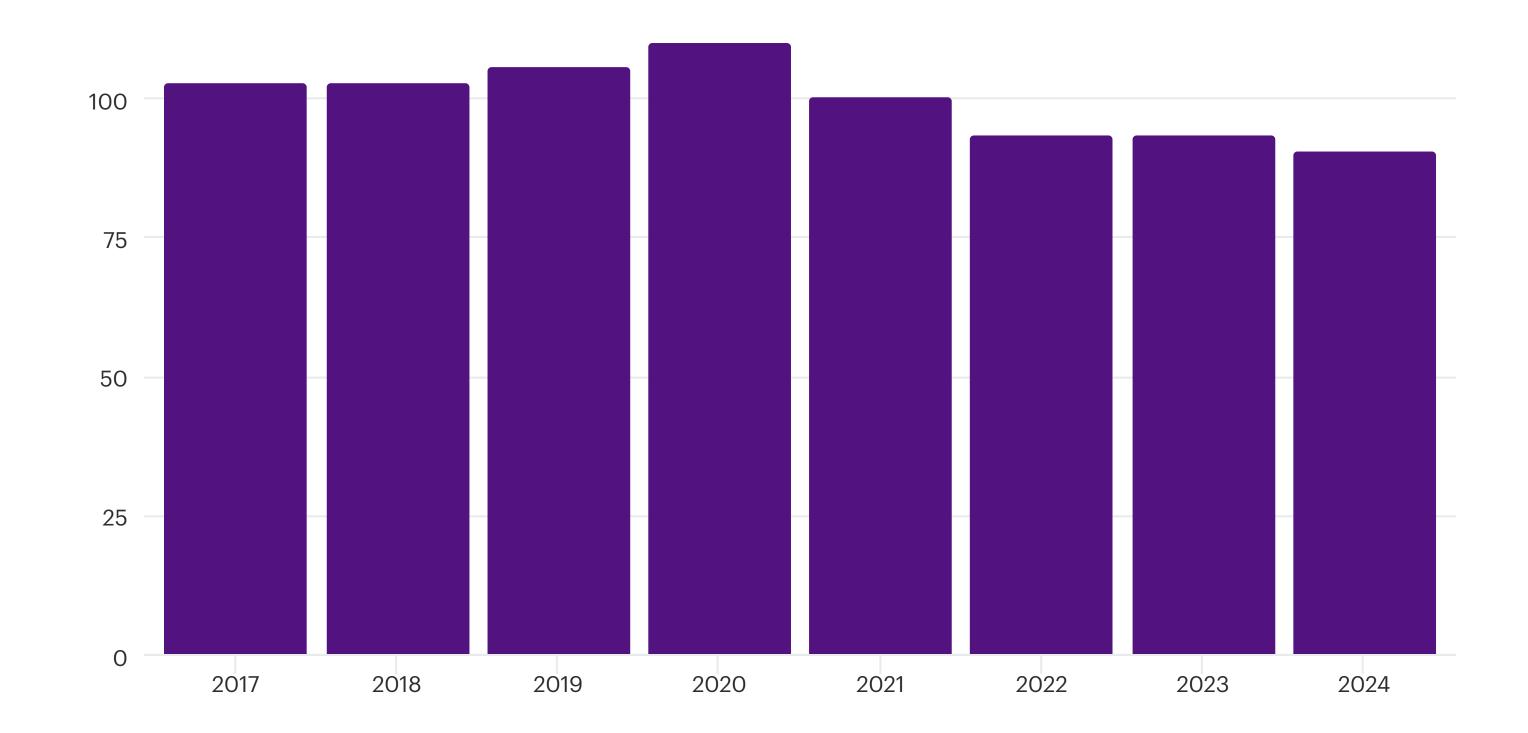
While the mining liability market only represents a small segment of the overall international liability market in London, these conditions remain consistent across the segment.

The total capacity available for mining liability placements is estimated to have increased for a third successive year following the emergence of new entrants and the increasing of line sizes deployed by existing insurers. This has been driven by several factors, most notably:

- Underwriters are increasingly viewing mining as a profitable and an appealing area to contribute towards ambitious gross written premium (GWP) targets
- The role mining has to play in the clean energy transition is causing insurer-applied ESG restrictions to evolve and become more nuanced

#### Lloyd's result 2024: Casualty insurance segment

Aggregate combined ratio reported by Lloyds casualty segment since 2017

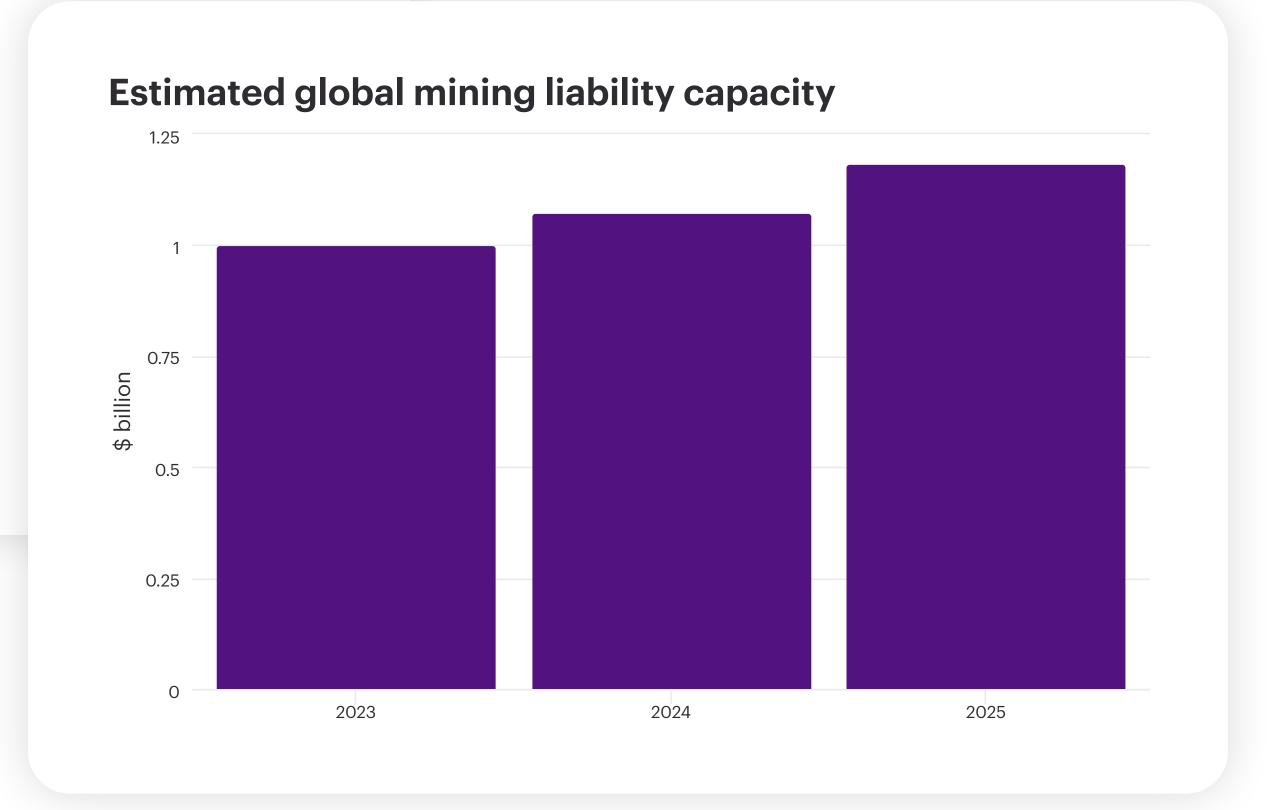




Following several years of underwriting discipline and the adoption of more quota share structures, mining placements are relatively well spread across the market. This, combined with the absence of major market-wide losses, has created a new competitive equilibrium – underpinned by less focus on exposure management and leading to greater choice for buyers.



**Matt Clissitt**, Deputy Head of Liability and Senior Director, Willis Natural Resources



The outlook for 2026 is positive, but insurance buyers should remain focused on differentiating their risks.

The mining liability market remains inherently technical and nuanced. The provision of high-quality risk information continues to be pre-requisite for underwriters to consider a risk. Securing terms from a reputable primary lead carrier with risk engineering capabilities, also continues to be the key to unlocking competitive follow and/or excess capacity, particularly on larger or more complex placements.

## Insureds' scale and geographical presence are impacting market appetite

The multidimensional nature of the mining liability market is best captured through three separate lenses:

1. Tier 1 and 2 mining companies: While capacity available remains sufficient for the largest mining liability placements – especially when both the London and global market is accessed – by default, there is less non-incumbent capacity available for larger placements to create competition. In addition, there are relatively few insurers with the risk engineering and multinational capabilities required to provide primary solutions for the largest mining companies. This, coupled with a preference from excess and follow markets to follow a

- recognized primary lead market, dampens the impact of aggressive non-incumbent capacity.
- 2. Smaller to mid-sized mining companies: Capacity is abundant for most smaller to mid-sized mining companies, with there being a more limited reliance on having a primary carrier with risk engineering capabilities. This abundance of capacity is most pronounced for insureds with a well-articulated risk profile and no or little historical losses. Given smaller to mid-sized mining companies inherently purchase smaller liability program limits, there is now sufficient capacity to place most programs multiple times over, leading to greater competition and willingness to challenge pricing.
- 3. Placements with heavy-coal exposure: Although the market stance on placements with heavy-coal exposure has somewhat softened, the capacity available still remains a small subset of the overall mining liability market. As such, creating competition among insurers is more challenging and there is a greater prevalence of opportunistic pricing. In response, an increasing number of mining companies with extensive coal exposures are considering the use of captives and balance sheet self-insured retentions as a mechanism to reduce long-term pricing and capacity volatility.

Irrespective of which category a risk falls into, the domicile and/or geographical footprint of a company continues to

have an impact on the amount of capacity available. While this is less pronounced than in previous years, the greatest appetite is still for those mining companies who are Canadian-, Australian- or European-domiciled, with more caution being exercised in other geographies.

#### Address insurers' key concerns

Tailings storage facilities (TSFs) continue to be the key consideration for insurers and increasingly, due to more loss activity, other structures such as heap leaches. Upto-date and comprehensive risk engineering information is a pre-requisite of whether an insurer is able to compete aggressively or even consider a placement. There is also a growing focus from insurers on a company's roadmap to conformity to the Global Industry Standard on Tailings Management (GISTM) as a proxy to having a robust tailings management framework.

## Pricing is flexible, but coverage remains tight

Underwriting discipline remains, as carriers are showing more flexibility on price than coverage. Peripheral, softermarket coverages remain challenging to obtain without extensive information and at additional cost.



Mining companies are working strategically to balance risk transfer and retention, particularly for challenging risks. There is a growing willingness for insureds to use captives or self-insured retentions as a mechanism to cover less sought-after exposures (even non-coal related) or as a tool to evidence confidence in the risk and drive competition amongst insurers.

#### There's a growing risk of underinsurance

"Where liability program limits are typically not indexed against a value or metric, there is a growing sentiment that liability limits are growing at a slower pace compared to the cost of potential claims (due to the impacts of inflation, social inflation of the emergence of new exposures) leading to the potential of underinsurance. Working with a specialist broker who has the access to data and analytics to help insureds monitor limit adequacy, is ever-more important." Raj Vora, Associate Director, Liability, Willis Natural Resources

#### A spotlight on North America

The casualty insurance market continues to show strong appetite for precious metals and mineral mining, while coal operations continue to face limited carrier interest and heightened underwriting scrutiny.





#### **General liability (GL):**

- Rate expectations: +2% to +8%
- Strict and well-documented tailings management is crucial as carriers scale back on offering coverage for sudden and accidental (S&A) pollution incidents
- Thermal and metallurgical coal operations face limited interest from many carriers
- The cyber incident exclusion is becoming increasingly common, removing coverage for bodily injury, property damage, and personal and advertising injury resulting from a cyber event. "The application of this endorsement creates potential gaps for mining companies using automation, even with a cyber policy in place." Abbie Crutsinger, Associate Director – Client Advocate, Willis Natural Resources, North America
- Guaranteed cost program structures remain available, however, there is noticeable premium savings and heightened competition when higher retentions are implemented



#### **Commercial auto:**

- Rate expectations: +7% to +20%
- Commercial auto remains an area of concern, and many carriers are still struggling for profitability
- Insurance carriers are not imposing the same level of rate increases on mining auto liability compared to other natural resources sectors, but carriers are intensifying their scrutiny of third-party hauling hiring exposure and vetting practices due to concerns over vicarious and contingent liability.
- Carriers are focusing on fleet safety programs (including use of telematics and on-board cameras) and hiring criteria/motor vehicle report reviews



#### Workers' compensation (WC):

- Rate expectations: +1% to +5%
- WC continues to be a profitable line of business. Increased automation in the mining industry has supported aggressive pricing from carriers. Carriers are using WC to offset rate needs on other lines and this competition can drive significant reductions

- Due to its dependable profitability, several carriers are requiring inclusion of the WC as a prerequisite for offering other liability lines
- An increasing number of carriers are reevaluating offering
  West Virginia Broad Form Employers Liability coverage to coal
  mining companies due to the state's aggressive legal climate
  and elevated loss severity
- WC is being closely watched as losses can develop into GL/ excess action over claims



#### **Umbrella/excess:**

- Rate expectations: +2.5% to +17.5% (lead: higher end of range)
- Lead umbrella carriers are mostly reducing capacity offered to \$10 million or \$5 million depending on risk profile and historical losses
- Capacity within the first \$25 million is challenging for accounts with large fleets and/or GL or auto losses (or heavy WC losses) and certain insureds are seeing large increases as carriers either exit the space or deploy lower limits of liability
- Clients with losses are seeing major pressure on primary auto attachments and primary GL attachments due to increase of severe claims





## **Evolving exposures will remain a focus** for underwriters in the year ahead

There are several evolving exposures and macro factors – though ancillary to traditional liability risk factors – which are being tracked and may face greater underwriting focus.

- Changing climatic conditions: The increased prevalence of extreme rain events is leading to operators considering changing the design basis of TSFs to accommodate for increased frequency and severity of rainfall events and reduce the risk of failures or overtopping. Similarly, the increased likelihood of droughts in some regions is also leading to considerations around dust management (particularly relating to TSFs) and the impact dust can have on nearby communities
- materials has grown exponentially due to their essential role in the clean energy transition. Several countries are viewing the beneficiation process as a value creation opportunity, and have imposed export controls on raw materials to incentivize beneficiation in country (e.g., unprocessed cobalt in the Democratic Republic of the Congo and lithium in Zimbabwe). Similarly, there is a growing sentiment in several countries to diversify their supply and export chains away from China, adding further pressure on mining companies to invest into

- the beneficiation process. A greater number of mining placements are including beneficiating or refining operations altering the liability risk profile compared to a traditional mining placement
- Emission reduction: Like with all industries, reducing carbon emissions is a major focus of the mining sector. Many companies are entering into build-own-operate or purchase power agreements (PPAs) with renewable energy companies to reduce scope 2 emissions. Reducing scope 1 emissions through the electrification of fleet vehicles has presented some greater challenges, particularly around the efficiency of using electric haulage trucks versus the traditional diesel alternative. Electrification also presents some different liability exposures to mining placements for example, battery fires or the impact of cyber-attacks
- Military juntas: The rise of military juntas particularly in West Africa has led to several impacts on mining companies including the seizing of product, nationalization of mines and the revoking of licenses.
   While these are not traditional liability considerations, it is leading increased underwriting focus and scrutiny around certain territories

## There's ample opportunity to capitalize on increasingly favorable conditions

The mining liability market remains a multidimensional space. "Although concerns around the impacts of social inflation, insufficient loss reserving and evolving liability exposures mean that underwriting headwinds remain, well risk-managed mining clients who provide comprehensive risk information are benefiting from greater insurer choice and favorable market conditions." Matt Clissitt, Deputy Head of Liability and Senior Director, Willis Natural Resources. The exception to this is for heavily-coal exposed placements where the rating environment remains more stable.

Partnering with a specialist broker who understands the full spectrum and intricacies of mining liability exposures remains the key for mining companies in developing and maintaining a robust liability risk transfer strategy. Sector-focused brokers can ensure a successful renewal through:

- Early engagement with insurers
- Hosting market roadshows to help shape the narrative of the renewal
- Comprehensive data-driven risk information (including up to date TSF risk engineering data)

 Striking the correct balance between the value of longterm relationships and the benefits of competition created by accessing non-incumbent capacity

Combined, this approach allows buyers to build resilience and best- position themselves to secure the optimal risk transfer solution from an increasingly favorable market.

To find out how to build resilience in the year ahead, contact:



**Matt Clissitt** 

Deputy Head of Liability and Senior Director, Willis Natural Resources <a href="matt.clissitt@wtwco.com">matt.clissitt@wtwco.com</a>



**Abbie Crutsinger** 

Associate Director – Client Advocate,
Willis Natural Resources, North America
<a href="mailto:abbie.crutsinger@wtwco.com">abbie.crutsinger@wtwco.com</a>



Raj Vora

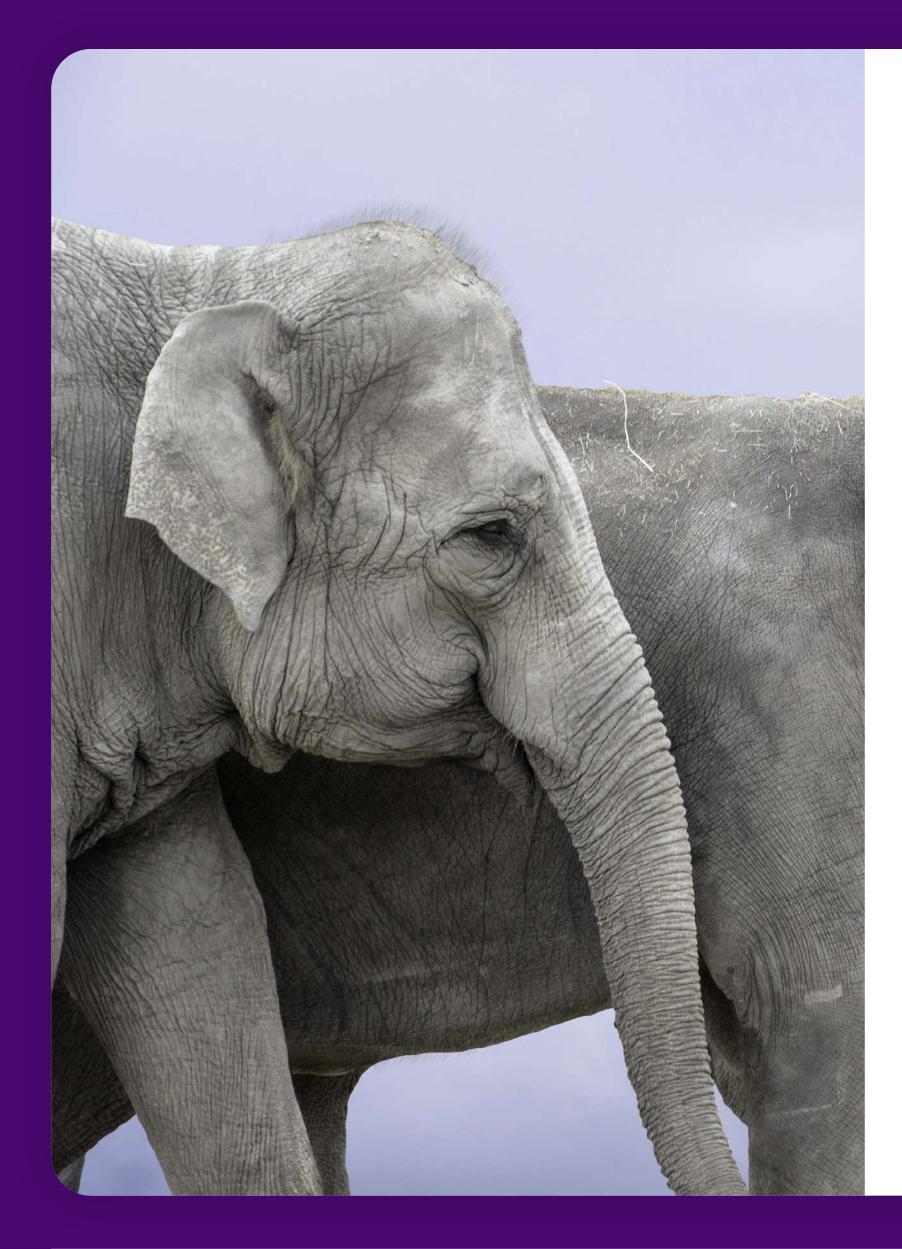
Raj Vora, Associate Director, Liability, Willis Natural Resources
<a href="mailto:raj.vora@wtwco.com">raj.vora@wtwco.com</a>



## Mining hotspots:

## Key global trends





## South Africa



#### **Debbie Geraghty**

Regional Natural Resources Leader,
Willis Natural Resources, South Africa
<a href="mailto:debbie.geraghty@wtwco.com">debbie.geraghty@wtwco.com</a>

South African (SA) insurers generally posted strong underwriting profits on property business for 2024. Competition from the London market is pressuring the local market to reduce rates to retain business and meet reinstated growth targets, as opposed to concentrating on addressing underwriting losses.

The property market is now firmly in a softening cycle. Rate reductions are being negotiated on renewals unless the claims experience is poor or there are risk management concerns. However, deductibles/retention levels required by insurers are continuing to hold firm at this stage.

Although Santam has been granted in principle approval by Lloyd's to launch a syndicate – in a new venture known as <u>Santam Syndicate 1918</u> – there have been no new entrants in the SA property market in the past 12 months. Following the scarcity of reinsurance capacity for a number of years, reinsurers are now offering expiring plus additional capacity to insurers at reduced prices.

#### Risks under the spotlight:

 The increase in frequency and severity of nat cat events across South Africa continue to be a core focus for insurers and reinsurers. Despite the improved electricity supply situation, reinsurers remained steadfast in imposing a grid failure exclusion in the 1 January renewal treaty wordings. However, there has been a small shift in attitude towards providing buy back cover for nat cat perils as well as fire and explosion, whether causing damage to the insured's property or the suppliers property.

Due to a number of cyber attacks on mining companies, we have seen an increase in requests for cyber cover or increase in current limits.



## North America



**Ryan W. Medlin,**Managing Director, Willis Natural Resources, North America
<a href="mailto:ryan.medlin@wtwco.com">ryan.medlin@wtwco.com</a>

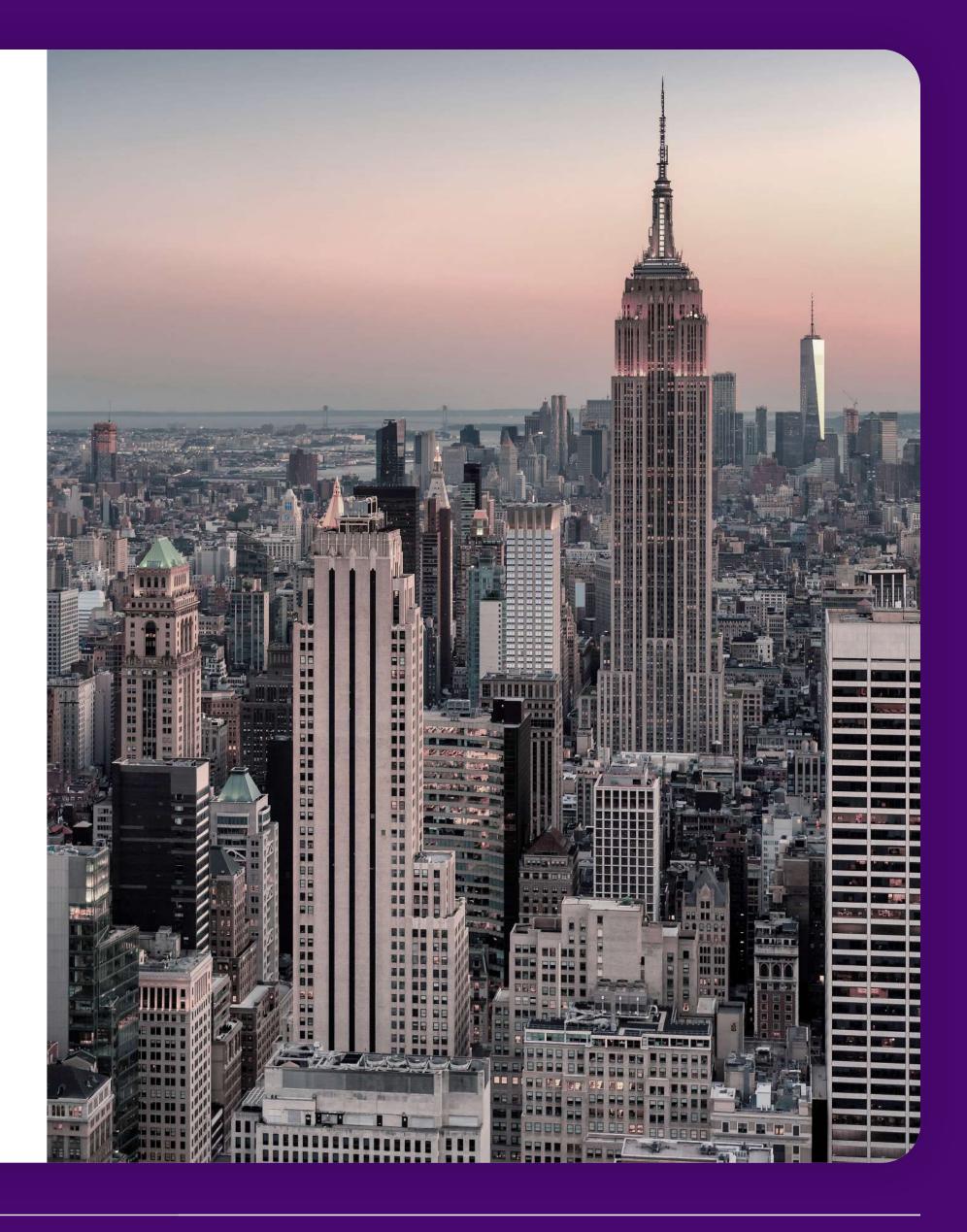
The U.S. mining property insurance market is experiencing a notable shift as more domestic carriers expand their appetite for mining risk, intensifying competition.

Recent renewals have observed rate decline from -7.5% to upwards of -20% in some cases. The increased capacity has driven rates downward, as insurers strive to protect and grow market share in an environment where competitive positioning is key.

While this creates favorable conditions for insureds, achieving the best program structure and pricing still hinges on strong loss control measures and robust

engineering practices. Carriers continue to reward operators that demonstrate disciplined risk management underscoring the technical rigor and safety standards remain the foundation for securing optimal terms.

Meanwhile, rates in the U.S. casualty insurance market are increasing across general liability, commercial auto, workers' compensation and umbrella/excess, with workers' compensation following showing the lowest rate increases (c.1% to 5%). Despite some profitability challenges, the U.S. casualty insurance market continues to show strong appetite for precious metals and mineral mining, but coal operations continue to face limited carrier interest and heightened underwriting scrutiny.





## Canada



Jennifer Davis
Head of Property Broking, Willis, Canada
<a href="mailto:jennifer.e.davis@wtwco.com">jennifer.e.davis@wtwco.com</a>

The Canadian market has continued to soften in 2025 with ample capacity from both new entrants and incumbent markets. There is a continued flight to quality risks, with insurers looking to deploy disproportionately more capacity on the best business and increase their line sizes over their expiring signings to maintain and/or grow their premium.

Still further markets are competing for mining risks by either broadening their underwriting appetite or acquiring underwriters with technical and/or mining underwriting expertise. These soft market conditions are driving pricing down.

#### **Key trends in Canada:**

- The catastrophic heap leach pad failure at the Eagle Gold Mine in <u>Yukon</u> in June 2024 triggered market-wide concern. Insurers are now requiring engineering reports before deploying capacity for heap leach exposures and coverage is often restricted, including clean-up/ decontamination coverage
- The Mount Polley tailings collapse in 2014 continues to impact liability underwriting, with stricter sudden & accidental (S&A) pollution definitions, higher retentions and tailings-specific questionnaires required to obtain coverage. A large majority of mining risks continue to rely on the S&A coverage provided under their general liability (GL) programs. While pollution coverage is limited, GL premiums are more aggressively priced than standalone pollution cover particularly on smaller risks

- The Mount Polley tailings collapse in 2014 continues to impact liability underwriting, with stricter sudden & accidental (S&A) pollution definitions, higher retentions and tailings-specific questionnaires required to obtain coverage. A large majority of mining risks continue to rely on the S&A coverage provided under their general liability (GL) programs. While pollution coverage is limited, GL premiums are more aggressively priced than standalone pollution cover particularly on smaller risks
- There is a growing trend in the use of EIL insurance in the mining sector to provide "ground-up" pollution coverage. While traditionally used in operational phases, standalone EIL is now being placed during exploration and development stages for coverage continuity through the mining cycle
- As Canada experiences hotter and drier summers, mining companies that are located in remote, northern parts of the country are increasingly at risk from utility service interruptions and ingress/egress and civil authority restrictions arising from wildfires and resulting evacuations. Mining clients should review these coverages to ensure appropriate kilometre radius and time frame to deal with lack of access or utilities due to wildfires, and to also update their contingency plans in the event of lack of access to utilities and critical supplies





## Asia



Vincent Deleon
Senior Associate, Willis Natural Resources, Asia
vincent.deleon@wtwco.com

Emerging from years of volatility, Asia's mining insurance sector has been stable in 2025. Premiums for key lines of cover such as property, casualty, and D&O liability are showing modest reductions due to increased insurer capacity and improved risk modeling.

However, pricing remains sensitive to natural catastrophe exposures and commodity price fluctuations.

Risk mitigation remains a growing priority with insurers. Some key trends include encouragement of alternative risk solutions such as parametric insurance, enhanced asset valuations, and improvement in business interruption (BI) declarations. Technology is also opening the door to building risk resilience – innovation welcomed by markets. The integration of real-time monitoring and predictive analytics is helping to reduce operational risks.

The continued ESG compliance challenges still play a role in underwriting, with insurers favoring clients with robust sustainability practices and transparent reporting.

Looking ahead, we anticipate that the sector will continue to see increased regulatory oversight, greater adoption of green insurance solutions, and a shift toward mandatory ESG disclosures. Nevertheless, this does not discount the fact that the mining insurance landscape in Asia is continuously becoming more resilient and buyer-friendly, with increased capacity and tailored coverage options.

## Latin America



#### Ricardo Rázuri R.

Regional Mining Leader, Willis Natural Resources, Latin America <a href="mailto:ricardo.razuri@wtwco.com">ricardo.razuri@wtwco.com</a>

One of the most relevant shifts in the Latin American mining insurance market is the growing pressure around environmental liability and mine closure guarantees.

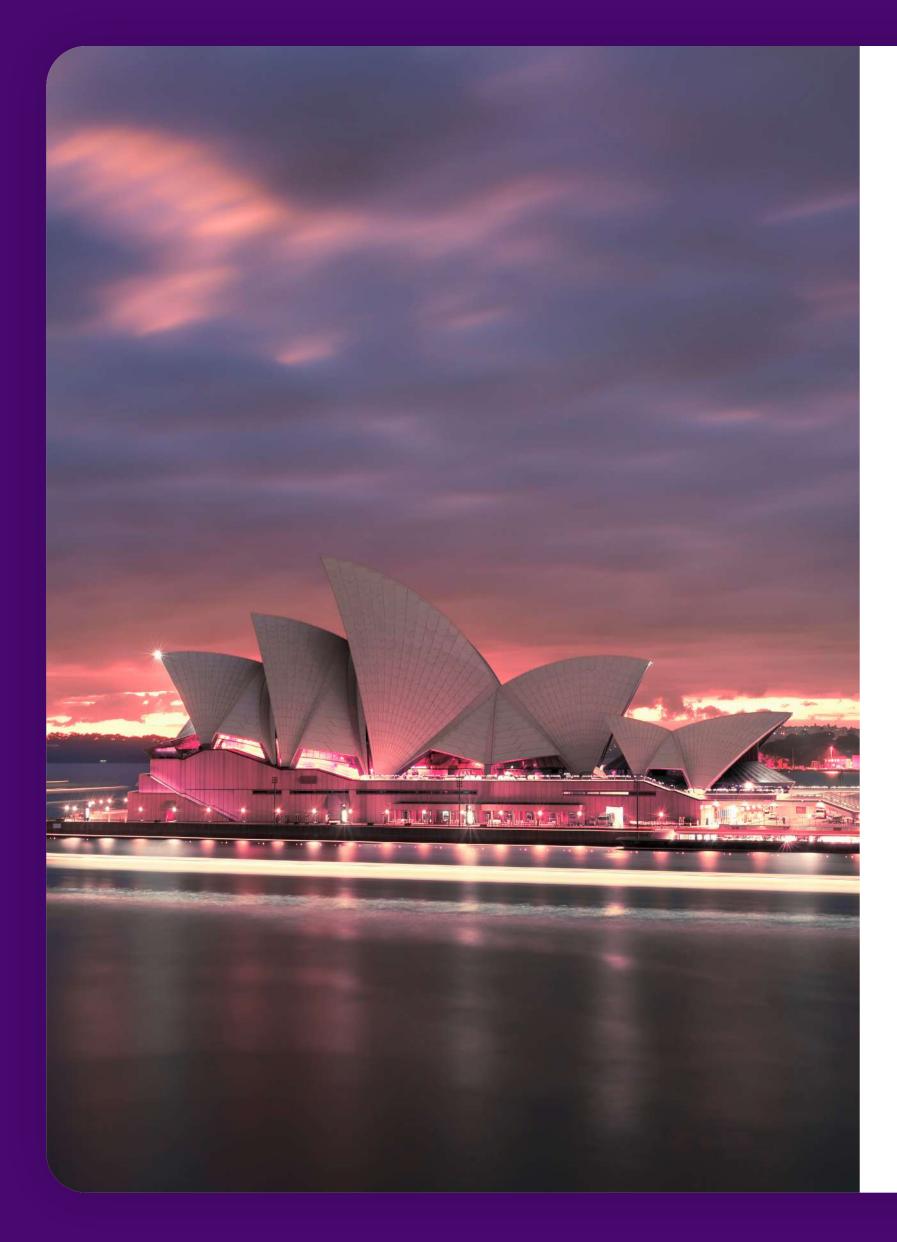
Regulatory bodies across the region—particularly in Peru, Chile, and Brazil—are tightening requirements for financial assurance instruments, such as mine closure bonds, to ensure long-term environmental accountability. This has led to increased demand for structured insurance solutions that can support compliance while optimizing capital allocation.

Insurers are also showing reduced appetite for high-hazard mining risks, especially in jurisdictions with political or regulatory volatility. This is driving a shift toward alternative risk transfer mechanisms, including captives and parametric solutions, as mining companies seek greater control and flexibility.

Cyber risk is emerging as a critical exposure, especially with the digitization of operations and remote monitoring systems. Mining companies are now expected to demonstrate robust cyber resilience as part of their risk profile.

Overall, the market is evolving toward more integrated, ESG-aligned risk strategies, requiring brokers and insurers to deliver deeper technical expertise and proactive advisory.





## Australia and Pacific



Brett Forrest,
Mining and Metals Leader, Willis Natural Resources, Pacific brett.forrest@wtwco.com

The Australian general insurance industry reported strong profitability in 2024, largely driven by increased investment returns rather than underwriting profits. This has resulted in a noticeable shift in appetite and increased competition, with new insurer capacity entering or re-entering the Australian market. The Pacific region, saw an approximately 10% decline in composite insurance rates in Q2 2025, indicating a more competitive environment.

There is evidence that the market is continuing to segment risks along the lines of risk profile and loss history. Insurers are starting to show a willingness to underwrite commodities that were out of favour as competition for premium heats up, especially for well managed risks.

#### Macro trends impacting the region:

Climate change demands a collaborative approach to risk:

A few well publicised severe weather events underscore a broader trend where climate risk is becoming a systemic operational and financial burden. Insurable losses from cyclones have increased recently, and rising temperatures mean that the fire weather season in mining regions has also lengthened.

There's a more predictable environment for ESG integration: Australia and New Zealand recorded net inflows into ESG-aligned funds in Q1 2025, demonstrating continued regional investor confidence in ESG as a source of long-term value. This commitment is further solidified by new Australian Sustainability Reporting Standards (ASRS). This robust regulatory framework acts as a buffer against political backlash, fostering a more predictable environment for ESG integration and shifting the focus from mere disclosure to tangible action and verifiable performance.

There's growing demand for uranium: Australia possesses the world's largest known uranium resources, accounting for almost one-third of the global total. As the interest in nuclear power surges and drives spot prices to a 16-year high, Australia's role in global supply appears promising. But the election of a Labor government has curtailed hopes of a broad uranium revival and effectively decoupled Australia's vast uranium potential from the burgeoning global market opportunity – dampening investor appetite.

The Australian mining industry has had a dynamic year, with divergent commodity pricing, notable climate-related claims, green shoots for insurance capacity, and policy effects on areas such as uranium and ESG.



#### Disclaimer

WTW offers insurance-related services through its appropriately licensed and authorised companies in each country in which WTW operates. For further authorisation and regulatory details about our WTW legal entities, operating in your country, please refer to our WTW website. It is a regulatory requirement for us to consider our local licensing requirements. Please read more here.

The information given in this publication is believed to be accurate as of October 2025. This information may have subsequently changed or have been superseded and should not be relied upon to be accurate or suitable after this date. This publication offers a general overview of its subject matter. It does not necessarily address every aspect of its subject or every product available in the market and we disclaimer all liability to the fullest extent permitted by law. It is not intended to be, and should not be, used to replace specific advice relating to individual situations and we do not offer, and this should not be seen as, legal, accounting or tax advice. If you intend to take any action or make any decision on the basis of the content of this publication you should first seek specific advice from an appropriate professional. Some of the information in this publication may be compiled from third party sources we consider to be reliable, however we do not guarantee and are not responsible for the accuracy of such. The views expressed are not necessarily those of WTW.



wtwco.com/social-media

Copyright © 2025 WTW. All rights reserved. FPS10316322M

wtwco.com

