MARSH

Mining Market Update

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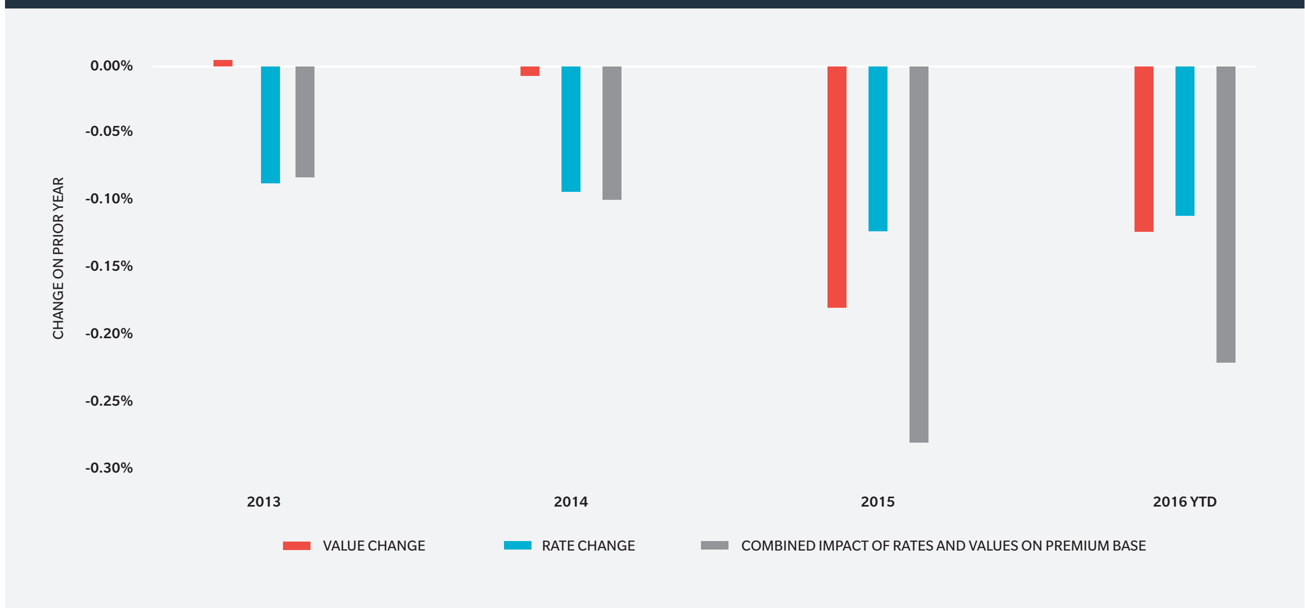
INTRODUCTION

Mining insurance rates have been falling materially for more than four years now and continue to soften for property risks in particular. This, coupled with a decrease in the sums insured, has led to significant monetary premium reductions for many mining companies (see Figure 1). The continuance of this trend leaves open the question of how much further rates can fall, and for how much longer. Some underwriters are now "pushing back" more on reduced prices, and the pace of reduction is now slowing, unless evidence of risk improvement can be presented.

FIGURE 1 **Trends in Mining Insured Values, Rates, and Premiums**
Source: Marsh's Mining Practice



In previous issues of this report, we have noted that the drivers for soft market conditions showed no signs of abating. One of the drivers that has contributed to the softening market has been declining sums insured, particularly declining business interruption values as commodity prices came off their cyclical highs (see Figures 2 and 3). The market has frequently reacted to lower sums insured by offering larger lines as a way to maintain premium income. This, in turn, has further fed competition and rate reductions as underwriters tried to increase their share of a smaller overall number. This effect has been exacerbated as insureds have reduced the limits purchased.

FIGURE 2 Trends in Mining Values: Property Values Relative to Business Interruption Values
Source: Marsh's Mining Practice

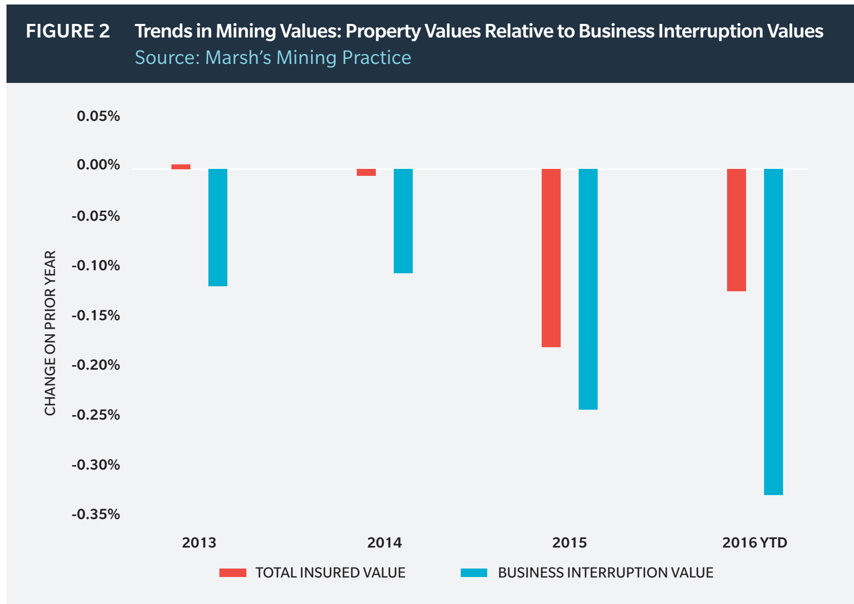
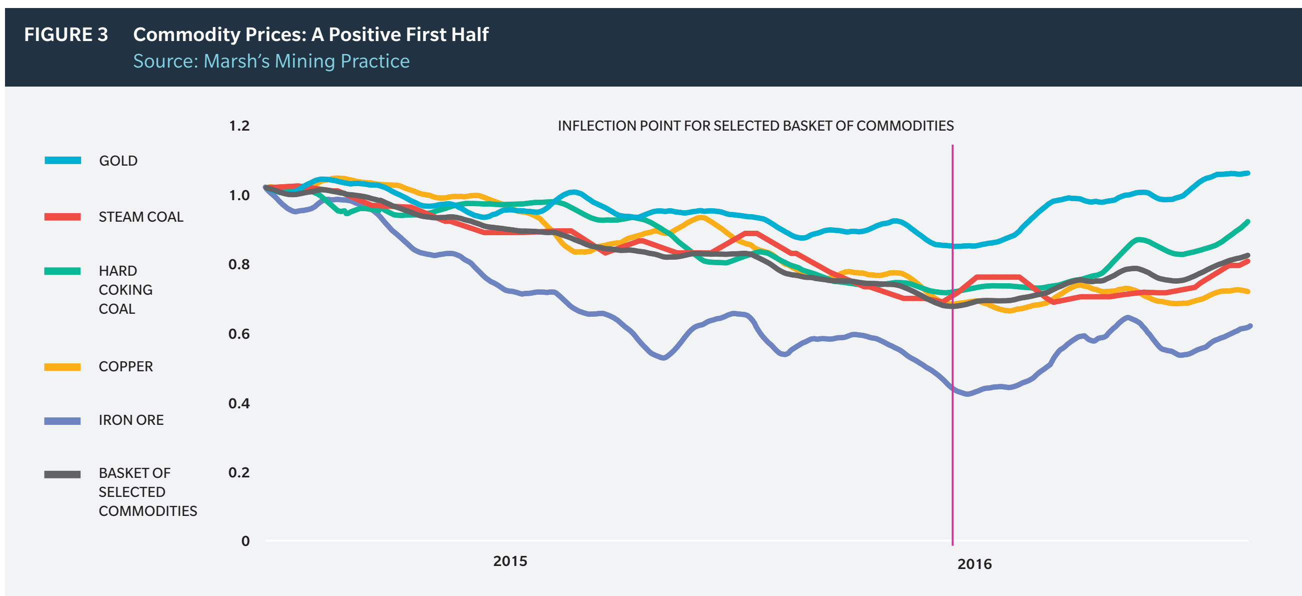


FIGURE 3 Commodity Prices: A Positive First Half
Source: Marsh's Mining Practice



As commodity prices stabilise, and in some cases rebound, higher insured values will allow underwriters an easier path to stability and possible growth. As a result, increasing commodity prices can be expected to ameliorate some degree of the intense competitive pressure that currently abounds in the insurance market. This will partly be tempered by new capacity formation, and remarketing will allow competition to continue, so, despite highlighting this issue, we don't foresee an end to the current rating environment in the immediate future. However, in this environment, positioning insurance programmes for the long term becomes an increasingly important consideration for mining companies to balance against the pursuit of short-term cost savings.

MATTHEW GOODA
Chairman, Global Mining Practice

INTERNATIONAL PROPERTY MARKET UPDATE

In February, we provided a detailed overview of the major global insurers with whom we trade, including ACE, ACE Bermuda, Allianz, Allied World Assurance Company (AWAC), Arch Re, Ariel Re, Axis, Berkley Re, Berkshire Hathaway, Montpelier Re, EXOR, FM Global, Hannover Re, International Mining Industry Underwriters (IMIU), HDI Gerling, Houston Specialty, Ironshore, Liberty Specialty Markets, Lloyd's, Mapfre, Markel Bermuda, Munich Re CIP, Novae, Oil Casualty Insurance Limited (OCIL), R & V Versicherung AG, Sirius International, SCOR, Starr Underwriting Agencies, Swiss Re Corporate Solutions, and Zurich Global Corporate UK.

In the past six months, the profile, underwriting capacity, and philosophy of these insurers remains largely unchanged – this report therefore focuses on the main changes and developments in the mining insurance markets, rather than a review of the insurers conducting business within them.

MARKET CONDITIONS

Rate decreases continued in the first half of 2016. Overall reductions have been less extreme for clients with marked reductions in insured values. This further general rate reduction combines with a range of other factors, including still lower business interruption exposures, lower maximum foreseeable loss values, and, occasionally, insureds purchasing lower policy limits. This has led to insurers once again experiencing significant year-on-year premium reductions.

New capacity continues to enter the market, mainly through the Lloyd's platform. New entrants are typically participating in relatively small limit layers, which is helping to support competition in the lower and primary layers of layered programmes. This, and a relatively benign loss experience for the sector as a whole, leads us to expect rates will continue to decline in the second half of the year.

Tailings dam exposures remain a focus for underwriters, and more technical insurers continue to request additional risk and operational information at renewal time.

In particular, Munich Re has created a specific questionnaire for tailings dams, which captures the general information requirements of all insurers.

INSURER UPDATES

ACE acquired **Chubb** in late 2015. However, despite the rebrand to the Chubb name in July 2016, the insurer's appetite remains unchanged.

Following the Samarco dam failure, **Allianz** is reducing its mining exposures in some territories by purchasing reinsurance protection in the facultative market. Allianz's approach to writing mining risks remains varied, and while its appetite can be broad and cross-class with significant available capacity, interest and expertise varies across its global network. Identifying the correct access point to Allianz is important to getting the best outcome from the insurer.

AXIS has started offering some primary capacity in addition to its more traditional excess of loss participation. It has closed its office in Australia and will soon be opening a new one in Miami. US risks can be considered in either its London or US offices.

Overall rate reductions have been less extreme for clients with marked reductions in insured values.

Tailings dam exposures remain a focus, with more technical insurers requesting additional risk and operational information.

For larger global diversified miners, **Houston Specialty** is becoming one of the leading primary mining insurers. It remains focused on raising its profile and expanding its mining portfolio, but continues to prefer larger, multi-territory miners.

Liberty Specialty Markets' appetite for heavy industrial risks continues, including mining risks, and it remains focused on a technical, engineering approach. While this approach is generally well received, it does on occasion present challenges for Liberty in the current market.

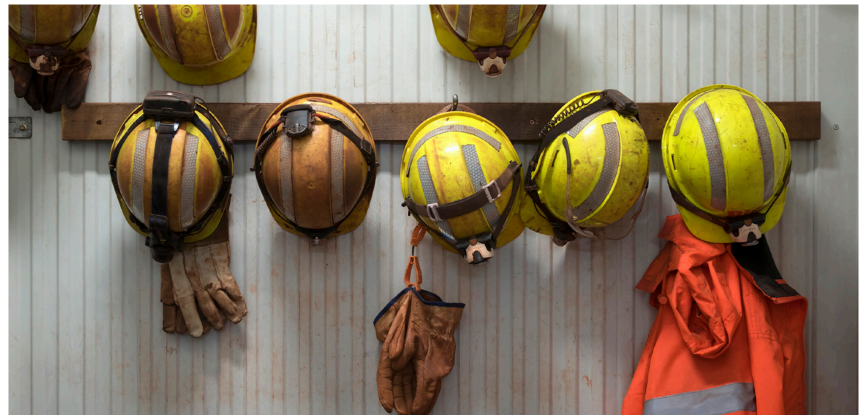
Lloyd's has more than 30 syndicates writing mining risks including Probitas, Standard, Hamilton, Pioneer, and Everest, which recently started writing mining accounts. The trend for larger and mid-tier clients requesting more quota share participation and/or longer stretches means it is becoming more of a challenge to build a multi-layered programme utilising Lloyd's lines. The creation of the Bowring Marsh Mining Facility has allowed us to address this trend in recent months by consolidating Lloyd's capacity.

Long-term mining insurer **SCOR** remains active and continues to participate on quota share or large primary stretches. It has significant underground coal and hard rock capacity. Clients that have been with the insurer for several years are receiving some benefit from an increased willingness by SCOR to bring pricing more in line with other markets. However, the same can't be said for new clients, and SCOR seems to be keen to maintain its book as opposed to grow it with new risks.

Starr Underwriting Agencies (CVS/1919) continues to expand its mining portfolio and offers increased capacity. Starr prefers to exclude certain mining risks, such as dewatering expenses, haul roads, and open pits; however, with the provision of sufficient underwriting information, these items can be considered as discussion points rather than absolute barriers. In late 2015, its Lloyd's syndicate, CVS 1919, hired a specialist mining engineer; however, it is reviewing costs and some of the scheduled site visits have now been cancelled. Information on tailing dams is now being requested as part of the submission.

Zurich Global Corporate UK continues to write all classes of mining risk, including underground risks. A consistent long-term participant in the mining sector, Zurich strives to create long-term partnerships with an interest for well-engineered risks. It is now showing some willingness to reconsider the imposition of the dewatering clause that has prevented it securing orders in the past 12 months.

CASUALTY MARKETS



The year 2016 began with a continued soft cycle showing no immediate sign of any hardening, as well as additional international casualty capacity entering the marketplace. As with the second half of 2015, reductions are available for contingent exposures. Insurers' appetite for mining risks have increased, with more entering into the previously niche space – including for US operations – but in general the new capacity has not eased coverage restrictions.

The scrutiny of waste sites and tailings areas is still very much at the forefront of the negotiations, following the notable tailings failures in recent years in Canada, Mexico, and Brazil. Global insurers continue to require that up-to-date engineering reports/surveys are readily available for review. Industry attention to tailings dams has been heightened after mainstream press attention, with press coverage noting breaches at tailings dam facilities are occurring at roughly 10 times the failure rate of water dams. In the majority of cases, this concern is not manifesting in coverage restriction and premiums remain stable. However, tailings and waste storage information will continue to be items for review, and clients should consider engineering updates on tailing facilities a requirement for continuity.

Little change in coverage conditions for occupational disease is expected in the second half of this year. This current marketplace exclusion is a result of the litigation related to asbestosis illnesses in the 1980s and 1990s, as well as silicosis and black lung claims. It was recently noted that class actions for silicosis and tuberculosis would be heard separately in South Africa and could involve half a million underground miners.

Employers' liability remains an area of focus. Since Chile's San Jose mine incident in 2010, the London marketplace continues to experience a rise in incidents and employee claims. Therefore the amount of insurers willing to consider this coverage at a primary level has become more limited, with sub-limits and/or increased clients' retentions more common. We have also noted that Zurich has seen considerable losses in Latin America for employers' liability and subsequently imposed restrictions on available limits of liability.

US mining casualty rates are stable and global risk management accounts saw flat to reduced rates (0% to -3%) through most of 2015, and slightly reduced rates in the beginning of 2016. Even in this softer overall market, rate increases of up to 5% are not unusual for loss-free accounts when exposures are materially down on a year-over-year basis.

Insurers continue to be concerned about the volume and concentration of underground coal/soft rock workers and contractor miners, and drawing out clients' risk management strategies is critical to managing their concerns.

There has been some development in the London market for excess support. The majority of excess renewals now include questions on the use of unmanned aircraft, and insurers are seeking additional information on railroad exposures. For example, what type and volume of product is being moved, the selection of rail companies, who maintains and manages rail logistics, etc.

Auto liability cost is driving rate increases in the lead umbrella, particularly for clients with lower attachments and significant risks for vehicles licensed for road use (such as haul trucks moving ore).

Zurich US continues to reevaluate its portfolio, reconsidering attachment points, third-party pollution liability coverage, and taking a critical look at its automotive clients. As we saw last year, **AIG** is becoming less influential in the mining industry, with its global energy's national accounts division being closed in early 2015. Lexington has become the access point, whether in the US or London, for the underwriting of mining accounts.

Chubb, **Zurich**, and **Berkshire Hathaway** have been willing to fill the void left by **AIG's** position and **Zurich's** change in appetite.

We have seen measured increases in appetite and capacity from **Allianz**, which has shown greater flexibility in considering risks without significant underground exposure and with favourable engineering reports.

TERRORISM MARKET

The lack of major losses in the first half of 2016 continues to result in an increase in available capacity and a decrease in average rates. Overall, rates are continuing to decline, with the exception of specific regions such as Yemen, Turkey, Belgium, and those countries in which there have been major incidents or instability.

Excellent risk management, survey/security reports, social, corporate, and economic responsibility programmes are key to obtaining competitive premiums. Although no claims have been reported by the market, mining companies were affected by political violence incidents posing operational threats in 2015/16. These incidents took the form of environmental protests, labour disputes, land disputes, disputes with artisanal miners, and disputes with local communities, all of which pose the threat of physical damage to assets and business interruption.

Some incidents have received significant publicity, including the killing of the head of corporate affairs of a major multi-national mining company during riots in Ghana, US$10 million of damage and several security personnel injured during riots at a mine in Mozambique, as well as several longstanding protests at several Asian mine sites causing business interruption issues. As a period of lower profits for miners spills over into the labour market, labour-related protests continue to occur frequently.

AUSTRALIAN DOMESTIC MARKET

The market for property and liability mining risks remains competitive into 2016. Reductions are still being achieved as certain domestic insurers continue to compete aggressively for business, and capacity from overseas markets continues to expand.

Generally speaking, double-digit rate reductions are available for both property and liability classes, which is at the upper end of our expectations as set out at the start of the year.

There have been some headwinds, however, and locally a two-speed market is developing, with traditional mining insurers such as **Vero**, **QBE**, and **AIG** reaching their walkaway points and looking to either minimise reductions or, for certain accounts, impose increases. However, rate reductions are still being generated, with insurers replacing or reducing this capacity. More aggressive insurers, such as **Swiss Re**, **Berkshire Hathaway**, **XL Catlin,** and **HDI Global**, have all shown expanded appetite, along with additional capacity from **Lloyd's**, European, and Asian markets. **AXA** will also now provide a first support line to Marsh on a mining risk.

With respect to new mines and new clients formed by divestments from the major mining companies, insurers are offering competitive terms across a range of different commodities and mining methods. In particular, **Zurich**, **Liberty**, and **Starr Underwriting Agencies** have offered competitive terms on new accounts being taken to market.

As is to be expected, the highly competitive market conditions are reflected not only in premium rating, but also in coverage availability. With premium rates at historical lows, insurers are willing to compete for business by offering increased sub-limits in areas of coverage such as machinery breakdown and lower deductibles. However, underwriting discipline remains around contingent business interruption exposures, with rail and port aggregation risk continuing to be a focus.

From a casualty perspective, there is no change to the continued soft market conditions, with **AXA** now joining the list of local insurers being able to underwrite open cut mining risks. Multiple primary options are now available to open cut mines, with single site and/or single commodity operations being the preferred targets for underwriters.

Soft market conditions are likely to continue for the remainder of 2016; however, we will be closely monitoring whether any other insurers begin to reach the limits of their expanding appetites and if the likes of **Vero** are able to hold their resolve to generally maintain rollover rates.

CANADIAN DOMESTIC MARKET

The Canadian mining insurance market has persisted in the same competitive manner as experienced in 2015. Given the importance of natural resources industries in Canada, domestic insurance companies remain committed to the mining sector, notwithstanding the turbulence of the recent commodity price cycle.

Property rate reductions in the range of 5% to 15% are being offered by insurers on most programmes, dependent on a client's claims history, length of time as a client, nuances of their risk portfolio, and targeted insurer competitiveness.

Rate reductions, combined with the general trend of insurable values decreases (and corresponding reductions in location loss estimates and/or policy limits), continue to erode premium volume. Insurers remain under pressure to maintain or improve on underwriting results, and underwriters are competing on price, terms and conditions, sub-limits, and deductibles just to hold onto their renewal book in the hope that conditions will eventually turn in their favour. If additional capacity is available, markets are offering increased line sizes in the hope of maintaining premium volumes. As a result, placements have often been oversubscribed.

Poor general underwriting results have led Zurich to review its local portfolio. Allianz has withdrawn from primary mining property placements due to recent losses; it will renew existing clients, but will only consider new placements attaching excess of US$50 million. AIG continues to display a hungry appetite in this sector. FM Global has implemented a new property wording as of April 1, 2016, which, among other revisions, provides limited elements of cyber coverage.

Liability renewals have seen flat to moderate rate decreases, but with exposure reductions and divestitures, many clients have experienced premium decreases. Deductibles have remained steady on casualty renewals.

With Samarco's dam failure still regularly in the news, underwriter tailings scrutiny persists. This includes reviews of cover and increased underwriter demands for additional information. Stability reports, audit protocols, safety measures, and emergency planning documents have become staple renewal information requests.

Zurich has signalled that it will be reducing its liability capacity, although it continues to be the dominant primary and lead umbrella market, with strong international capabilities. For excess liability capacity, **Lloyd's**, and markets in Bermuda are providing ample capacity. For mid-excess attachment points **Allianz**, **AIG**, **Berkshire Hathaway**, **Ironshore**, **Temple**, and **XL Catlin** are among the key domestic players.

Clients have commonly seen their property damage values trending upwards and business interruption values downwards, with year-over-year reductions often in the 25% range. With an emphasis on cost reduction, there should be a focus on demonstrating a strong track record in engineering and consistent investment in loss control efforts.

Marsh has made significant headway in securing buy-in from various provinces for the acceptance of surety bonds as financial assurance, but it has become increasingly challenging to attract surety market appetite. Ironically, the treasury personnel of mining companies are more interested to utilise bonds as security to increase headroom in their bank covenants and not tie up capital by posting cash on deposit or bank instruments.

Quebec, the Northwest Territories, and British Columbia have all recently agreed to accept a surety bond as financial assurance for reclamation obligations. There are still surety markets with capabilities in this space, but underwriter appetite has declined on the basis of mining company balance sheet erosion and thinner margin and cash flow projections (that is, a weaker credit underwriting perspective).

Bond support for investment-grade mining companies is still easy to garner and the pricing is very competitive, but there are few mining companies that now meet this standard, as credit rating agencies have initiated industry wide downgrades. There are a few markets that participate in the non-investment grade space, although these often structure their surety support with a collateral component and may underwrite the asset (the mine) itself – not just the balance sheet of the company that owns it.

The South African mining industry continues to be under pressure due to low commodity prices, although the depreciation of the Rand has provided some relief.

SOUTH AFRICAN DOMESTIC MARKET

The South African property insurance market remains competitive; however, rates have stabilised relative to other international markets and smaller rate reductions are only available for well-managed and claim-free accounts. This trend is expected to continue into the third quarter and will continue to represent an opportunity to buy additional coverage while these market conditions persist.

The industry continues to be under pressure due to low commodity prices, although the depreciation of the Rand has provided some relief. South Africa retained its BBB- investment-grade credit rating from Standard & Poor's in early June; however, the rating agency maintained its negative outlook, citing "the potential adverse consequences of low GDP growth" and signalling that it "could lower [its] ratings on South Africa this year or next if policy measures do not turn the economy around". Furthermore, mounting political tensions are accentuating vulnerabilities in the country's sovereign credit profile.

Stringent new amendments to the National Environmental Management Act (1998) were announced last year. The changes mean that mining companies will need to approach closure and rehabilitation differently and will be liable for any residual or latent environmental impacts that may arise even after a closure certificate has been granted (although the duration of this liability is unclear). Practical application by the Department of Mineral and Resources (DMR) is uncertain and the insurance market is engaging with the DMR for clearer guidance. This may result in underwriters requesting more detailed information with regards to environmental risk assessment reports on latent and residual impacts, as well as annual rehabilitation plans.

The region's three major mining insurers prefer to write on a quota share basis and show little appetite for excess layers. Underwriters are under pressure for growth, although the premium for the excess layers is too small to feed this. Hail claims in Gauteng and the North West in January and a recent major loss resulting from an underground fire do not seem to have affected local capacity or mining insurance rates.

The South African casualty insurance market remains stable to soft. Some gold mining companies are seeing significant growth in revenue due to the depreciation of the Rand against the US dollar, and as a result underwriters are trying to increase renewal premiums, despite the fact that the amount of gold produced has not changed.

Coverage for clean-up costs where there is no damage to third-party property is available with sub-limits. The majority of mining companies are requesting quotations for increased limits due to the Samarco dam failure, and these are proving to be very competitive. As with other regional and international markets, tailings facility risk information is a prerequisite to securing a positive renewal outcome for both casualty and property lines.

LATIN AMERICAN DOMESTIC MARKET

BRAZIL

The Brazilian property insurance market for mining risks remains challenging. Insurers continue to review underwriting guidelines, resulting in restrictive terms or exclusions for tailing dams in particular. Local markets that were historically more competitive than international markets are, for some specific cases, now proving to be less so.

Local representatives of **Chubb**, **AIG**, **Allianz**, **Mapfre**, **Tokio Marine**, **Munich Re**, **Swiss Re**, and local insurers **IRB** and **Yasuda** are subjecting every renewal in their local portfolio to scrutiny. Facultative reinsurance capacity is increasingly required to maintain available capacity for clients.

Third-party liability markets continue to harden, with **Chubb**, **AIG**, **Allianz**, **Fairfax**, **HDI**, and **Tokio Marine** reviewing their portfolios, again with a particular focus on tailing dams exclusions.

The trend to be selective on underground risks continues and is restricting competition, with deductibles subject to review.

Insurers increasingly approve their own wordings with local authorities, resulting in diminished standardisation and highlighting the need for careful consideration to be given to ensure the suitability of all aspects of the insurance contract.

The market for environmental liability continues to be limited to four insurers, which offer approved products but with limited authority to write mining risks. Given the limited capacity available, there is little Brazilian competition for this class relative to the international market.

CHILE

The Chilean property insurance market remains very competitive and rates continue to decline. Reductions are typically around 10%, depending on the quality, loss record, and evidence of strong loss control. For medium-to-large mining operations, there is very limited local capacity available from domestic insurers, and capacity is sought from the international marketplace.

As we have seen in the past six months, the Samarco dam failure has changed underwriting guidelines considerably. Underwriters are now examining engineering and risk management information on a case-by-case basis, and technical information about construction methods is now a standard requirement.

The third-party liability market remains soft, indicating that the Samarco dam failure did not affect the market in general. Employers' liability and pollution and contamination remain the most important covers, although they are always sub-limited.

The local mergers of **RSA** and **SURA**, **HDI** and **Magallanes**, and **Liberty** and **Penta** continue to progress, and we expect that during the third quarter this year the majority of this consolidation will have taken place. As a result, the local market will shrink further.

PERU

The Peruvian insurance market continues to follow the international market trend, with rate reductions in the first half of 2016. However, insurers are keen to avoid reducing rates further due to the decline in premiums in 2015, when the results of local companies were relatively poor.

This process of alignment of local market to international trends has led to the greater availability of broader coverages and increased limits, but also to increased deductibles, greater scrutiny, and requests for more detailed information to underwrite underground operations and dams.

The combination of the local and international markets has proven to be the best option for large and medium-sized clients. Meanwhile, for smaller mining clients with low premium volume, domestic markets are the only available option. However, they are subject to more restrictive conditions and higher rates. While deductibles for local placements are usually lower than those in the international market, each year local insurers are aligning more towards international deductibles.

As the leading domestic insurer, **RIMAC** offers broad capacity by using its automatic treaty. **La Positiva** uses its treaties for small mining operations, although there are difficulties in consolidating its portfolio as it provides limited capacity. **Pacifico** writes mining risks on an exceptional basis, while **Mapfre** remains an option for large risks with global support.

Generally speaking, domestic markets' exposure on large and medium mining risks has increased (supported by the increase of the capacity of insurers' treaties) and there is active competition between local insurers.

Risk analysis is more and more important due to clients' decreasing cash flows, which are causing them to improve efforts to retain risk and reduce expenses.

For liability risks, **Chubb** is able to offer broader capacity, while local insurers place limits with small treaty support. Local market conditions remain soft relative to the international markets. However, domestic insurers are increasingly renewing mining portfolios on a rating basis in order to align with higher international market premiums. The tendency is for rates to increase or at least remain stable.

Premium rates remain competitive, with 5% to 15% reductions through the first half of 2016 as a result of the abundant capacity available and a reduction in demand.

US DOMESTIC MARKET

Lower commodity prices and high levels of debt continue to affect the US mining industry. Mining companies not only have a lessened appetite for expansion, but are fighting to stay marginally solvent and remain determined to reduce risk and insurance costs. Premium rates remain competitive, with 5% to 15% reductions through the first half of 2016 as a result of the abundant capacity available and a reduction in demand.

Due to ongoing market conditions, the amount of capacity deployed and underwriting outcomes on individual risks are cautiously reviewed by underwriters with a focus on underground coal risks. As we saw in the second half of 2015, while there is ample capacity in the aggregate, there remains the potential that a significant loss could lead to a sharp decline in available capacity. Thus far, the competitiveness of the market has meant that rate relief has been consistent, even for clients with attritional or modest claims activity. Long-term clients continue to be supported by insurers, and approximately US$200 million of underground and US$1 billion of surface capacity remains available for US hard and soft rock producers.

The drop in business interruption values has led to ongoing reductions in the base programme premium. However, insurers are willing to maintain premium income by offering additional capacity and putting pressure on rates. The lower exposure from depressed mineral pricing (particularly in coal) means that clients continue to evaluate lower time-element deductibles.

There has been no change in coverage restrictions or exclusions in the first half of 2016. Despite this, precise policy language continues to be a focal point in order to confirm the scope and intent of coverage for catastrophic perils such as flood. Existing policy forms are being renewed without issue, with some acceptance of broader manuscript policy language by the market.

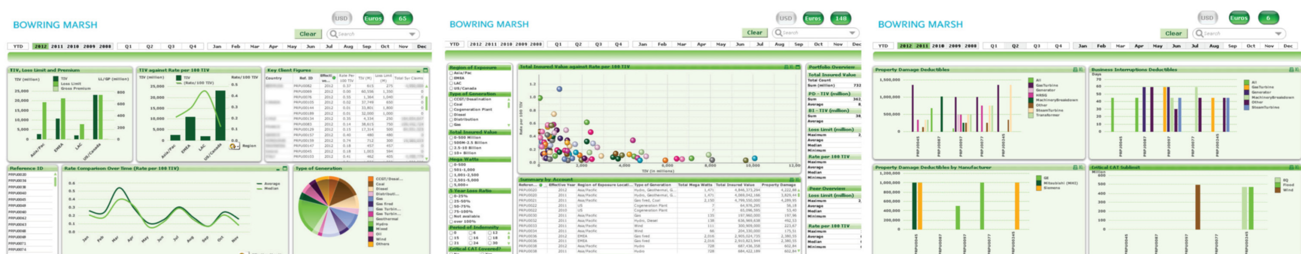
RISK ANALYSIS MODELLING PLATFORM (RAMP)

The size and diversity of our global portfolio has enabled us to develop a market-leading and award-winning Risk Analysis Modelling Platform. This helps us benchmark property damage and business interruption insurance programmes.

Using data points such as critical catastrophes, deductibles, key sub-limits, loss limits, loss ratios, principal ores and types of risk (open pit or underground), and cargo types, we can provide important in-depth management information on a confidential basis.

FEATURES AND BENEFITS OF THE RISK ANALYSIS MODELLING PLATFORM

FEATURE	BENEFIT
CONSOLIDATED GLOBAL DATABASE PROVIDING HISTORICAL RATES, LIMITS, DEDUCTIBLES, AND PROGRAMME STRUCTURES.	A CLEAR VISUAL REPRESENTATION OF HOW ANY INSURANCE PROGRAMME COMPARES TO THAT OF OTHERS IN THE SAME INDUSTRY.
ACCESS TO TERMS AND CONDITIONS OFFERED BY BOTH LOCAL AND INTERNATIONAL MARKETS.	THE ABILITY TO COMPARE LOCAL PROGRAMMES (IN THE SAME REGION AS THE INSURED) TO THOSE AVAILABLE FROM INTERNATIONAL MARKETS.
PROVISION OF REAL TIME AVERAGE AND MEDIAN RATE ANALYSIS FOR ANY GIVEN TIMEFRAME (I.E. COMPARING SPECIFIED QUARTERS AND/OR YEARS).	THE ABILITY TO PROVIDE QUICK "BALL-PARK" ESTIMATES FOR EITHER NEW OR RENEWING BUSINESS BASED ON HISTORICAL TRENDS.
QUALITY PRINTED OUTPUT.	AIDS EXECUTIVE DECISION-MAKING.
HISTORICAL RECORD OF RENEWALS FOR CLIENTS.	ENABLES ELEMENTS OF PREMIUM INCREASES/DECREASES FOR DIVESTITURES/ ACQUISITIONS.

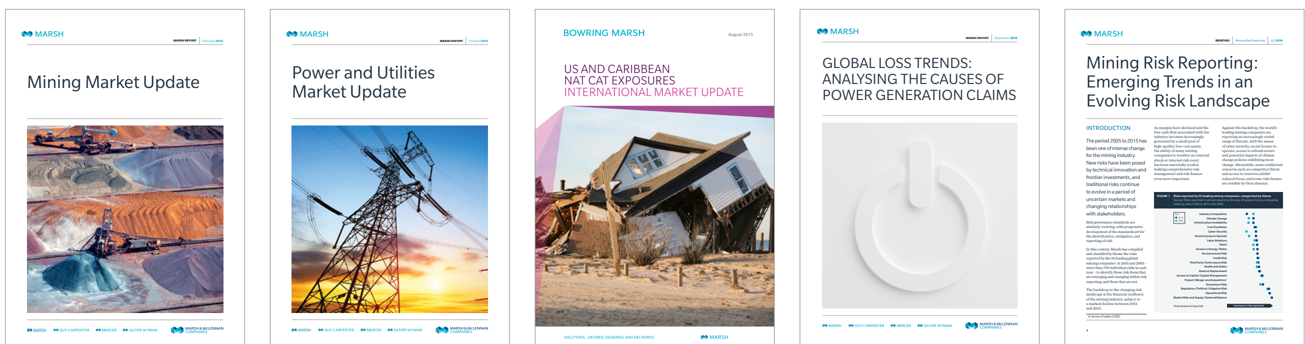


TAILORED REPORTS FOR CLIENTS

Using the Risk Modelling Analysis Platform (RAMP), Bowring Marsh develops confidential, tailored reports to compare local programmes, provide "ball-park" estimates based on historical trends, and a clear representation of insurance programmes.

THOUGHT LEADERSHIP

Marsh uses the combined knowledge and experience of our brokers and our proprietary claims data to provide regular, thought-provoking, industry-focused research papers for clients.



BOWRING MARSH FACILITIES

Bowring Marsh offers specially-negotiated facilities, specifically for mining clients, which facilitates the speedier quotation and placement of client risks.

MINING FACILITY	OFFERS UP TO US$21.5 MILLION IN CAPACITY AND WRITES ALL MINING ACTIVITIES WITHOUT EXCLUSION – INCLUDING UNDERGROUND, WHICH CAN BE DIFFICULT TO PLACE. IT BRINGS IN NEW QUALITY LLOYD'S CAPACITY AND COVERS ALL PERILS WITHOUT EXCLUSION – INCLUDING NATURAL CATASTROPHE.
QBE AND ARGO PROPERTY FACILITIES	TWO FACILITIES WHICH OFFER UP TO US$80 MILLION CAPACITY PER INSURED USING SUPERIOR A+ RATED SECURITY.
TERRORISM AND POLITICAL VIOLENCE FACILITY	OFFERS LONG-TERM PRICING STABILITY AND UP TO 50% OF EACH SLIP WITH A DISCOUNT OF 10% OFF THE LEAD MARKET PREMIUM.
UK TERRORISM FACILITY	JOINTLY LED BY CATLIN SYNDICATE 2003 AND TALBOT SYNDICATE 1183 AND BACKED BY OTHER LLOYD'S INSURERS, OFFERS £150 MILLION LOSS LIMIT PER INSURED AVAILABLE, WITH QUICK TURNAROUND TIMES AND A BROADER DEFINITION OF AN ACT OF TERRORISM WHEN COMPARED AGAINST POOL RE.

Detailed information on the above facilities is available from your usual Bowring Marsh contact, or from fleur.giraud@marsh.com.

SPOTLIGHT

THE BOWRING MARSH ADVANTAGE

With the size of our portfolio and our global network of Bowring Marsh offices, we can offer a real advantage to clients who are in need of an international placement solution. Some of our attributes, which we live by and share include:

- Our energy.
- Our enthusiasm.
- Our global network.
- Our industry and technical knowledge.
- Our ability to have face-to-face negotiations with decision makers.
- Our proprietary facilities.
- Our Risk Analysis Modelling Platform.
- Our results from our underwriter survey.

About Marsh

Marsh is a global leader in insurance broking and risk management. Marsh helps clients succeed by defining, designing, and delivering innovative industry-specific solutions that help them effectively manage risk. Marsh's approximately 27,000 colleagues work together to serve clients in more than 130 countries. Marsh is a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), a global professional services firm offering clients advice and solutions in the areas of risk, strategy, and people. With 57,000 colleagues worldwide and annual revenue exceeding US$13 billion, Marsh & McLennan Companies is also the parent company of Guy Carpenter, a global leader in providing risk and reinsurance intermediary services; Mercer, a global leader in talent, health, retirement, and investment consulting; and Oliver Wyman, a global leader in management consulting. Follow Marsh on Twitter @ MarshGlobal, or on LinkedIn, Facebook and YouTube.

About Bowring Marsh

Bowring Marsh is the dedicated, specialist international placement broker for Marsh. Working seamlessly with Marsh, Bowring Marsh provides you with risk transfer solutions, benchmarking, and claims advocacy wherever you are in the world through its global insurance placement network of 11 offices in the United Kingdom, Ireland, Continental Europe, Asia, the Middle East, Latin America, and Bermuda.

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CONTACTS

INTERNATIONAL MINING PLACEMENT

TOM DAVIES
CEO of Bowring Marsh
tom.davies@marsh.com
+44 20 7357 1030

BERMUDA
AMANDA SZAKMARY
amanda.szakmary@marsh.com
+1 441 298 6653

DUBAI
KARIM SACY
karim.sacy@marsh.com
+971 4 508 0410

MADRID
MIGUEL MARTINEZ
Head of Office
miguel.martinezpaniagua@marsh.com
+34 91 456 94 48

MIAMI
MARK FERGUSON
mark.ferguson@marsh.com
+1 305 341 5061

SAO PAULO
PAULA LOPES
paula.lopes@marsh.com
+55 11 3741 6309

SINGAPORE
ADAM RUSSELL
adam.russell@marsh.com
+ 65 6922 8551

LONDON
MAGGIE LUCHIA-PUIG
magdalena.luchia-puig@marsh.com
+44 20 7357 3539

PAUL FORSTER
paul.forster@marsh.com
+44 20 7357 1116

TONY WALLER
tony.waller@marsh.com
+44 20 7357 3473

ZÜRICH
NICHOLAS BAILEY
nicholas.bailey@marsh.com
+41 44 285 9329

MARSH MINING PRACTICE

MATTHEW GOODA
Global Mining Practice Leader
matthew.gooda@marsh.com
+44 20 7357 3017

AUSTRALIA
JAMIE COUGHLAN
Australian Mining Practice Leader
jamie.coughlan@marsh.com
+61 7 311 54530

CANADA
ANDREW KWOK
Canadian Mining Practice Leader
andrew.c.kwok@marsh.com
+1 604 443 3588

SOUTH AFRICA
DEBBIE GERAGHTY
African Mining Practice Leader
debbie.geraghty@marsh.com
+2711 060 7759

UNITED STATES
RICHARD KIMBALL
US Mining Practice Leader
richard.kimball@marsh.com
+ 1 303 308 4563

BRAZIL
WELLINGTON ZANARDI
Brazilian Mining Practice Leader
wellington.zanardi@marsh.com
+55 11 3741 2483

CHILE
LUIS FERRADA
Chile Mining Practice Leader
luis.ferrada@marsh.com
+56 2 2450 5832

COLOMBIA
JOSE GARI
Colombian Mining Practice Leader
jose.p.gari@marsh.com
+57 5 369 5700

MEXICO
CARLOS ORDÓÑEZ
Mexican Mining Practice Leader
carlos.ordonez@marsh.com
+52 55 5999 4446

PERU
CÉSAR KAHATT
Peru Mining Practice Leader
cesar.kahatt@marsh.com
+51 1 604 1371

EUROPE
DAVID BENNING
European Mining Practice Leader
david.benning@marsh.com
+44 20 7357 5870

RUSSIA
ANDREI DENISSOV
C.I.S. Mining Practice Leader
andrei.denissov@marsh.com
+7495 787 70 80

INDIA
ANUJ SINGH
Indian Mining Practice Leader
anuj.p.singh@marsh.com
+1 244 049 205

HONG KONG
JOHN HOLMES
Asian Mining Practice Leader
john.holmes@marsh.com
+852 2301 7310

Notes

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