



“What is the cost of Directors' and Officers' Liability Insurance for a mining company?”

As you may expect this is a question we are frequently asked. While protecting the personal assets of the Directors is of paramount concern, the cost to do so, is an important question. The insurance market is undergoing significant change and premiums for many insurance products are rising.

While “it depends” might be a safe (or coy) answer, the specialists in the Mining Division at Axis Insurance Group believe it is possible to provide clear insights in how D&O insurance coverage is priced.

This allows you a better understanding of the Insurance Market and its pricing models, so you can then focus on the more important issues such as:

- Coverage quality
- Strength and service commitment of the insurance provider
- Expertise of the broker
- Claims management

After all you are buying insurance to protect the personal assets of your board members and officers of the company.

Have questions? We have the answers.

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Typical Policy Limits

Coverage terms and pricing can be influenced by many factors specific to each company, however, the following table is a typical pricing model based on a range of standard rating factors.

Coverage can be purchased in any combination between Corporate and Side A with higher or lower limits are available.

Policy Limit	Risk Profile						Mining Operations and Mine Development
	Market Capitalization						
	Less than \$100,000,000		\$100,000,000 to \$250,000,000		\$250,000,000 to \$500,000,000		
	A - Low	B - High	A - Low	B - High	A - Low	B - High	
\$5,000,000	\$12,000	\$18,000	\$15,000	\$20,000	\$18,000	\$25,000	Risk Dependent
\$10,000,000	\$9,000	\$13,500	\$11,250	\$15,000	\$13,500	\$18,750	
Excess Side A (\$5,000,000)	\$10,000	\$13,000	\$12,000	\$15,000	\$14,000	\$17,000	
Total	\$31,000	\$44,500	\$38,250	\$50,000	\$45,500	\$60,750	

Profile A - Lower Risk

- Listed on any Canadian Exchange and Europe and OTC Markets (QB, QX Pink)
- Non-reporting US issuer
- Projects in Canada, US or stable mining jurisdictions, except Africa
- Experienced Management and Board
- No reported claims experience or potential D&O losses
- Lower end of the market cap range

Profile B - Higher Risk

- Risks outside of Profile A
- Higher end of the market cap range
- Increased Geopolitical risk - Single projects in Africa
- Significant stock price fluctuations
- US reporting issuer



Important Risk Factors That Influence Pricing

Stock Market Listings

Any public offering of shares in the USA will have a significant effect on premiums. If shares are traded on major US exchanges (Nasdaq or NYSE) premiums will increase substantially. Some insurers may charge extra for US reporting issuers.

Market Capitalization & Securities Claims

Companies who have a larger market cap can be subject to larger securities claims. Plaintiffs will often allege disclosure failures and point to changes in share price once these are corrected as the damages they have incurred. The same percentage change in share price for a larger firm will of course mean significantly more in absolute damages alleged.

Stock Price Fluctuations

Insurance companies have a keen eye on major and sudden stock price moves. This can influence pricing or risk appetite depending on the reasons behind the move.

Board Composition and Management Experience

Prior Claims History

Financial Position

Clients who have strong balance sheets and have demonstrated the ability to raise funds as required will pay lower premiums. Those where there is less certainty about the ability to fund operations for the foreseeable future will pay higher premiums.

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Geographic Location

Insurance market capacity is limited and pricing typically higher when mining projects are located in Africa, certain developing countries, and other areas with geopolitical risk.

Insurer Quality

A quality D&O insurance company is one who has a consistent and long-term commitment to the mining industry. Coverage provided by such insurers tends to be at the higher end of the pricing scale. The benefit is that these insurers generate significant premium volume and have experience paying complex claims including US Securities class action filings (if applicable). Selecting a quality D&O insurance partner often saves time and reduces stress in the event of a claim.

Partnering on Experience & Expertise

The Mining Practice Team at Axis Insurance shares a combined 70+ years providing best-in-class insurance service and solutions to the mining industry. We have experience partnering with mining companies with projects across Canada and all over the world. We understand stock market listings, how to explain share price fluctuations, navigating transactions and how to best position your company to insurance markets.

Next Step?

Let's engage in dynamic discussion around the factors and variables that are unique to your business so we can obtain the best product, from reliable and stable insurers to meet your needs.

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Mining Team

Clive Bird



Clive is an insurance risk specialist, investor, entrepreneur, and product developer for bespoke insurance risks. For over 15 years Axis Insurance enjoyed a reputation for quality, innovation, creativity and relationship building.

Clive began his Insurance career at Lloyd's of London, renowned for its technical underwriting expertise and a creative approach to risk, providing him with opportunities to push the boundaries of product innovation. Moving to the West Coast of Canada, he has expanded his broad Insurance knowledge and London market relationships to produce products for Canadian clients working across the globe.

Clive has worked extensively with public companies with a strong focus on mining and mineral exploration industry, addressing the broad range of risk exposures they face worldwide. Dynamic business enterprises are starved for the innovation and market relationships Clive can deliver. As an entrepreneurially-minded investor himself, he is embracing new technology and the shifting business landscape to stimulate new market capacity and technically efficient insurance products for the new business era.

David Marsh



Dave is an accountant by training and joined the Axis Insurance finance team when he arrived in Canada in 2006, moving to the insurance side of the business shortly thereafter. Dave is now a partner with a significant book of business focused on the mining and technology industries, as well as any account with complex liability exposures. His product line focus includes directors' and officers' insurance, general liability, property insurance and errors and omissions.

Dave's mining portfolio consists of clients working in various aspects of the industry. These include drilling contractors, geological consultants, and mining and mineral exploration firms at various stages of development. Dave acts as a resource for Axis employees on D&O insurance, and attends industry conferences across North America in order to stay up to date with the most recent trends and topics.

Stacey Copeland



Stacey is an account executive with 30 years of experience focused in the resource-based industry in Western Canada. Stacey joined Finning International in 1997 after 7 years at AON, and was quickly promoted to a

management position with a mandate to build a highly competitive insurance facility for Finning customers. A combination of high service excellence, successful claims management, and expanded insurance offering meant a fivefold increase in net profitability.

Stacey joined Axis Insurance in 2005 as a senior shareholder and partner, immediately helping the company grow through a series of strategic acquisitions and partnerships and was instrumental in the sale of the company in 2016 to the Vertical Group, now renamed the Axis Group. Although specializing in mining, mineral exploration, forestry and energy sectors, Stacey has expanded her knowledge to include construction, transportation, cryptocurrencies, blockchain and other emerging markets and technology risks.

She aligns herself with clients that are best in class and embraces their technical challenges, meets their high service expectations and considers it the ultimate success to place the broadest coverage, at competitive pricing with A+ rated insurers.