



Photo: Jonathan Hayward / Canadian Press

Exploration risks – Pollution exposure is relevant to your operations!

As an exploration company you may not have the exposure prevalent with tailings dams and the spectacular losses in the tens of millions of dollars that result when a dam fails. However, you may have responsibility for storage of fuel for aviation and drilling operations, and above ground fuel tanks. Even if the responsibility lies with the subcontractors you can be named in suit or held vicariously liable.

Transporting fuel to and from a site via road, rail or air creates the risk of a pollution accident. If there are road building operations, heavy equipment accidents, such as a lowbed overturning, can dump fuel into creeks or riverbeds.

Identified ecologically sensitive areas have a higher threshold to remediate thoroughly, and ongoing site testing potentially for years as may be required by government bodies can exceed any direct environmental damage caused by the initial incident.

Have questions? We have the answers.

Clive Bird 604 817 8072 · clive.bird@axisinsurance.ca

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How insurance policies respond – or don't

Commercial General Liability (CGL)

CGL policies exclude pollution. Limited pollution, often referred to as Sudden and Accidental Coverage can be added under the CGL, however there are drawbacks:

- Generally, there is a small sub-limit
- They can be limited to a few hours (up to 120 hours generally) for the incident to be discovered and reported
- Coverage can be restricted to Canada and sometimes North America
- Coverage will not typically include clean-up, remediation, or ongoing testing of the polluted area / waters.

You do not need restrictive coverage! Ask us about our specialized Commercial General Liability product with broad form pollution coverage and other relevant coverage enhancements

Environmental Impairment Liability Policies (EIL)

EIL coverage solves many of the limitations in the Sudden and Accidental endorsements added to standard CGL policies noted above.

- EIL policies can be written either on a 'site specific' basis and include field exposure – or on a less expensive 'Contractors form'
- A Contractor's Form does not however, include first-party clean-up costs, but otherwise is quite comprehensive from a third-party standpoint.
- EIL policies provide coverage not only for sudden and accidental incidents, but also provide coverage for gradual events that can be significantly more serious in nature.
- EIL policies are underwritten by specialized underwriters with dedicated claims teams who understand environmental risks

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Directors & Officers Liability (D&O) – Why this matters to YOU!

Whether environmental/pollution claims are covered, or not, under a CGL policy or a more specific Environmental Liability Policy, claims can be advanced against Directors & Officers personally. This can happen in several ways:

1. Securities claims emanating from a stock drop or financial impairment because of a pollution incident. These claims can also name the corporate entity.
2. Regulatory Investigations.
3. Shareholder derivative suits.
4. Directors can even be held personally liable for clean-up costs.

Coverage varies depending on the insurer. For more severe pollution risks such as downstream tailing dams many insurers will exclude or severely limit coverage. Some policies do not cover the Directors' exposure to clean-up costs. This makes it critical to review the options and understand the benefits of EPL and Side A DIC coverage.

Operators Liability

Exclusive Coverage available through Axis to protect YOU from your Joint Venture Partner!

This coverage is exclusively available through Axis for you. A claim by your JV partner alleging failure to properly disclose pollution risks, divulge extent of potential problems etc. would all be excluded under a D&O policy. Coverage for this type of litigation is available with Operators Liability insurance (see our Operators Liability Guide for details)

We can provide this coverage as an extension to your current D&O Policy without disrupting or moving your current placement.

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How Axis Can Help

While the mining industry has garnered a reputation for its environmental impact, we know our clients typically operate to the highest standards, and in the exploration business in general environmental losses are less common.

Nonetheless there are insurance policies provided by specialty insurers who understand the risks and nuances of the industry and we have developed very strong relationships with them.

We have also introduced insurance programs which directly address areas where the lack of capability in the insurance market has restricted coverage and lead to very high insurance costs.

Our long experience and thorough understanding of the mining and mineral exploration business means we can shape coverage and make sure it is placed with underwriters **who won't over price** your business exposure and will agree to the kind of coverage enhancements and special provisions needed by our clients – **it's that dedication to securing the very best insurance for our clients which sets us apart.**

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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We invite you to visit our Mining Site to download additional insights from our team
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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.

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.