



### Admitted vs. Non-Admitted Insurance

Many small and medium sized companies are working across international borders. It is important for our clients who operate in foreign jurisdictions to understand local laws, regulations, customs and business practices. Insurance is no exception. Most governments have strict rules relating to insurance covering risks in their own country. These rules are designed both for the public benefit by ensuring liquidity standards, as well as protectionist measures for their insurance market. they require risks to be placed with “admitted insurers” which means insurance authorized and regulated in the local country.

For many years, companies have often overlooked these admitted insurance regulations. Instead relying on their global policy to protect them. However, many countries are now imposing fines, penalties and taxes on foreign companies that are in breach of their admitted insurance requirements; and they are getting better at enforcing the rules.

The rules and regulations relating to admitted insurance vary greatly from country to country. Axis Insurance Managers gives clients the information they need to navigate the complex minefield of international rules. Insurance programs need to be structured with the broadest possible insurance coverage under a global program, wherever their operations are – safe in the knowledge that any claims will be settled in compliance with local laws.

### Have questions? We have the answers.

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There are many different reasons why corporations with international operations want a global policy that covers their foreign subsidiaries, affiliates and joint ventures. These include a company's desire to negotiate consistent terms for the amounts and types of coverage and risk transfer they hold around the globe. Companies also want to control the type and scope of coverage purchased, rather than leaving it to the discretion of local managers whose knowledge of commercial insurance and corporate risk management may be limited. Larger corporations want to use their size and buying power as leverage to get favourable risk transfer terms and pricing – as well as the option to pay in one currency. A non-admitted international insurance program also acts as a method of obtaining consolidated loss information for all the local operations of a corporation.

Depending on where your business operates, you may only be able to negotiate with an admitted insurer in that jurisdiction. Therefore your insurance, although underwritten from Canada, may not meet the requirements for your operations in a different Jurisdiction; particularly if the insurer isn't admitted for underwriting insurance in that country. While it sounds highly technical, we have seen a number of countries strengthen their rules on admitted insurance policies. The consequences for violation of these rules can be severe, including seizure of personal assets, taxation on insurance indemnity and payment of royalty, tax, or even imprisonment.

At Axis Insurance Managers Inc. we understand the complexities of international insurance and have many years of providing comprehensive coverage for companies with operations in foreign jurisdictions. As a member of Assurex Global, we are able to create international insurance programs across the world – at extremely competitive rates. Being part of the Assurex Global network allows our clients to benefit from strong and independent businesses that have local knowledge, as well as being committed to collaboration, partnership and best-in-class customer service.

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With Axis Insurance Managers Inc. you can insure your operations wherever they are in the world and protect your company from unexpected penalty or litigation in the case of a claim.

### Options for International Insurance Programs from Axis Insurance Managers include:

#### OPTION 1: LOCAL ADMITTED POLICIES FOR EACH JURISDICTION

With this arrangement coverage is separately placed in each country in which you operate.

#### OPTION 2: GLOBAL NON-ADMITTED PROGRAM

This is a broad policy providing worldwide coverage which is not underpinned by local insurance policies.

#### OPTION 3: GLOBAL HYBRID DIC/DIL PROGRAM

DIC/DIL means difference in conditions and difference in limits. A DIC/DIL policy will wrap around the local policy. For example, if the local policy had a limit of \$500,000, the DIC/DIL policy would apply in excess of the local policy - so would only come into play once the local \$500,000 is exhausted. However if there was a claim that wasn't covered by the local policy but was covered by a standard and much broader Canadian policy, the policy would pay - from first dollar – the loss under the difference in conditions section.

#### OPTION 4: MASTER GLOBAL PROGRAM ADMITTED IN EACH JURISDICTION

Forming part of a comprehensive risk management program, this all-inclusive option comprises a global program admitted in each jurisdiction.

As with every insurance policy there are different options, policy wordings, enhancements or amendments available. Your Axis insurance manager will be able to help create a tailor-made policy to suit your exact requirements.

### 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.

#### Axis Insurance Managers

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For more information visit [info.axisgroup.insure/mining](http://info.axisgroup.insure/mining)

### 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.