



Mining Insurance & Risk Association
COLLABORATE | EDUCATE | CONSULT

Christmas Message from the MIRA Chairman

As I sit here in my office on the eve before Christmas contemplating just how much I shall overindulge in the coming days, I look back over a year that has seen some tremendous change. Some would say this is the nature of things and we live in ever changing times but it seems 2018 has seen more than its fair share.

We started off the year as an organisation changing our name to MIRA, the Mining Insurance and Risk Association, in an attempt to refocus our interest on a broader risk platform. Our discussions have returned time and time again to the issues of Sustainability, something that is of paramount importance to both the mining and insurance industries at present. Many of us will be at RIMS in Boston in 2019 where Sustainability will be the subject of the mining breakout session, and similarly Sustainability will be the theme for the MIRA 2019 conference to be held in Toronto in November 2019; more about that later.

After successive bearish years, fortunes within the mining industry have improved (although this cannot be said to apply to all!). Exploration spend is up, previously idle operations are being restarted, and the pipeline of new projects looks healthy. Certainly the smiles have returned to those mining insurance buyers I meet on my travels and the stories told are less about retreat and more about expansion.

In contrast the fortunes of the insurance industry have not been so good and 2018 has been somewhat of an annus horribilis with many individual underwriters being made redundant as various lines of business continue to operate at a loss. We can only hope that the remediation efforts being undertaken will result in a more profitable, resilient, and dare I say sustainable, industry.

Sadly the last few days have been the bearer of bad news. A methane gas explosion at a coal mine in the Czech Republic resulted in a number of fatalities and serious injuries, and a fire within a Russian potash mine similarly ended in fatalities. Our thoughts are with their families at this difficult time. These events have just been the latest in a succession of incidents that have plagued the industry worldwide; fires, pit wall failures, flood, earthquake, tailings dam failures, falls of ground, machinery breakdown, etc. Combined, the financial loss associated with these incidents has exceeded the estimated global insurance premium pool for the mining industry.

So, what for the outlook in 2019? Global uncertainties and trade tensions are likely to influence commodity prices but otherwise the underlying fundamentals remain generally positive with global deficits anticipated in many metals in the medium-term. Within the insurance sector, a combination of the remediation work being undertaken by insurers and global insurance losses in a specialist sector that is historically volatile, will naturally start to restrict insurance capacity, something that is already evident within the thermal coal sector. Within this environment, organisations such as MIRA will be all the more important in ensuring the insurance industry is able to properly support all mining businesses into 2019 and beyond.



Mining Insurance & Risk Association

COLLABORATE | EDUCATE | CONSULT

During 2019 MIRA will be working on your behalf to further the interests of the mining insurance community. We have resurrected the wordings group to improve clarity in coverage and we will be organising further seminars and presentations; watch this space for further information. However, the highlight of the year will be the second global MIRA Conference to be held at the Fairmont Royal York hotel in Toronto on 4th and 5th November 2019. The theme of the conference will be Sustainability and we will be working on an itinerary that I am sure will prove extremely interesting. There will be sponsorship opportunities for this conference; please contact one of the MIRA board members if you are interested in sponsoring this event. Further information will be forthcoming in the coming weeks and months and we will let you know when registration opens.

It just remains for me to wish you all a Merry Christmas, a Happy New Year, and best wishes for 2019.

James Fryer

MIRA Chairman

You have received this because you have previously indicated you wish to receive updates from MIRA. If you do not wish to receive future updates then please visit www.mininginsurancegroup.com to update your preferences or contact secretary@mininginsurancegroup.com.