Mining hotspots:

Key global trends

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Mining hotspots: Key global trends

South Africa

Debbie Geraghty
Regional Natural Resources Leader,
Willis Natural Resources, South Africa
debbie.geraghty@wtwco.com

South African (SA) insurers generally posted strong underwriting profits on property business for 2024. Competition from the London market is pressuring the local market to reduce rates to retain business and meet reinstated growth targets, as opposed to concentrating on addressing underwriting losses.

The property market is now firmly in a softening cycle. Rate reductions are being negotiated on renewals unless the claims experience is poor or there are risk management concerns. However, deductibles/retention levels required by insurers are continuing to hold firm at this stage.

Although Santam has been granted in principle approval by Lloyd's to launch a syndicate – in a new venture known as Santam Syndicate 1918 – there have been no new entrants in the SA property market in the past 12 months. Following the scarcity of reinsurance capacity for a number of years, reinsurers are now offering expiring plus additional capacity to insurers at reduced prices.

Risks under the spotlight:

- The increase in frequency and severity of nat cat events across South Africa continue to be a core focus for insurers and reinsurers. Despite the improved electricity supply situation, reinsurers remained steadfast in imposing a grid failure exclusion in the 1 January renewal treaty wordings. However, there has been a small shift in

attitude towards providing buy back cover for nat cat perils as well as fire and explosion, whether causing damage to the insured's property or the suppliers property.

Due to a number of cyber attacks on mining companies, we have seen an increase in requests for cyber cover or increase in current limits.

Mining hotspots: Key global trends

North America

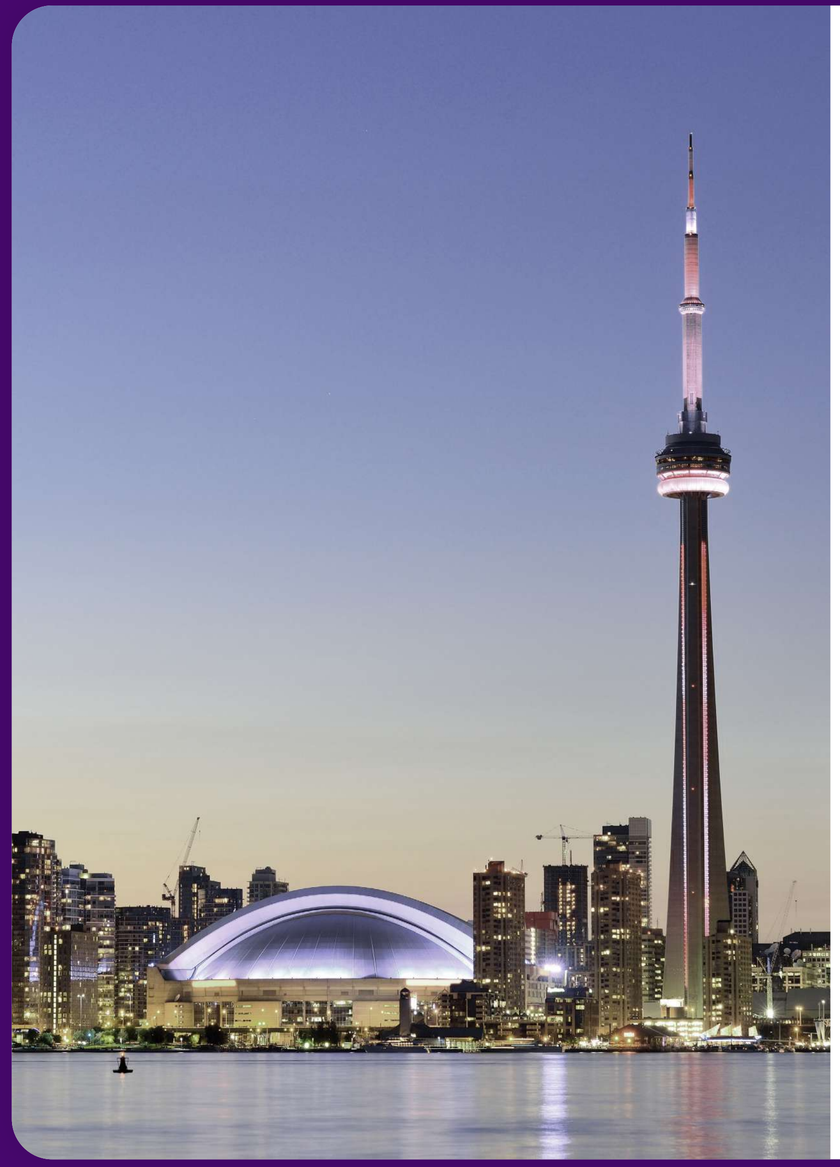
Ryan W. Medlin,
Managing Director, Willis Natural Resources, North America
ryan.medlin@wtwco.com

The U.S. mining property insurance market is experiencing a notable shift as more domestic carriers expand their appetite for mining risk, intensifying competition.

Recent renewals have observed rate decline from -7.5% to upwards of -20% in some cases. The increased capacity has driven rates downward, as insurers strive to protect and grow market share in an environment where competitive positioning is key.

While this creates favorable conditions for insureds, achieving the best program structure and pricing still hinges on strong loss control measures and robust engineering practices. Carriers continue to reward operators that demonstrate disciplined risk management underscoring the technical rigor and safety standards remain the foundation for securing optimal terms.

Meanwhile, rates in the U.S. casualty insurance market are increasing across general liability, commercial auto, workers' compensation and umbrella/excess, with workers' compensation following showing the lowest rate increases (c.1% to 5%). Despite some profitability challenges, the U.S. casualty insurance market continues to show strong appetite for precious metals and mineral mining, but coal operations continue to face limited carrier interest and heightened underwriting scrutiny.



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Canada

Jennifer Davis
Head of Property Broking, Willis, Canada
jennifer.e.davis@wtwco.com

The Canadian market has continued to soften in 2025 with ample capacity from both new entrants and incumbent markets. There is a continued flight to quality risks, with insurers looking to deploy disproportionately more capacity on the best business and increase their line sizes over their expiring signings to maintain and/or grow their premium.

Still further markets are competing for mining risks by either broadening their underwriting appetite or acquiring underwriters with technical and/or mining underwriting expertise. These soft market conditions are driving pricing down.

Key trends in Canada:

- The catastrophic heap leach pad failure at the Eagle Gold Mine in Yukon in June 2024 triggered market-wide concern. Insurers are now requiring engineering reports before deploying capacity for heap leach exposures and coverage is often restricted, including clean-up/ decontamination coverage
- The Mount Polley tailings collapse in 2014 continues to impact liability underwriting, with stricter sudden & accidental (S&A) pollution definitions, higher retentions and tailings-specific questionnaires required to obtain coverage. A large majority of mining risks continue to rely on the S&A coverage provided under their general liability (GL) programs. While pollution coverage is limited, GL premiums are more aggressively priced than standalone pollution cover – particularly on smaller risks

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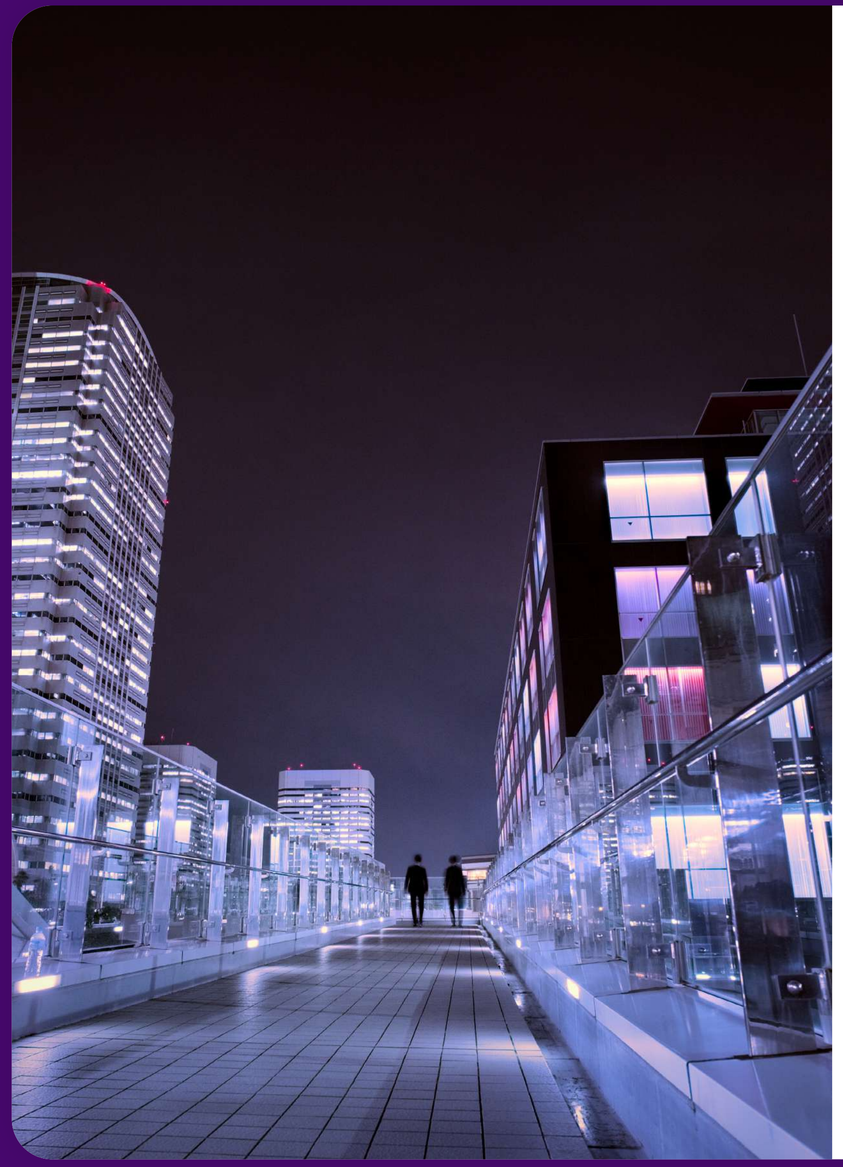
- There is a growing trend in the use of EIL insurance in the mining sector to provide “ground-up” pollution coverage. While traditionally used in operational phases, standalone EIL is now being placed during exploration and development stages for coverage continuity through the mining cycle
- As Canada experiences hotter and drier summers, mining companies that are located in remote, northern parts of the country are increasingly at risk from utility service interruptions and ingress/egress and civil authority restrictions arising from wildfires and resulting evacuations. Mining clients should review these coverages to ensure appropriate kilometre radius and time frame to deal with lack of access or utilities due to wildfires, and to also update their contingency plans in the event of lack of access to utilities and critical supplies



Mining hotspots: Key global trends

Asia

Vincent Deleon
Senior Associate, Willis Natural Resources, Asia
vincent.deleon@wtwco.com

Emerging from years of volatility, Asia's mining insurance sector has been stable in 2025. Premiums for key lines of cover such as property, casualty, and D&O liability are showing modest reductions due to increased insurer capacity and improved risk modeling.

However, pricing remains sensitive to natural catastrophe exposures and commodity price fluctuations.

Risk mitigation remains a growing priority with insurers. Some key trends include encouragement of alternative risk solutions such as parametric insurance, enhanced asset valuations, and improvement in business interruption (BI) declarations. Technology is also opening the door to building risk resilience – innovation welcomed by markets. The integration of real-time monitoring and predictive analytics is helping to reduce operational risks.

The continued ESG compliance challenges still play a role in underwriting, with insurers favoring clients with robust sustainability practices and transparent reporting.

Looking ahead, we anticipate that the sector will continue to see increased regulatory oversight, greater adoption of green insurance solutions, and a shift toward mandatory ESG disclosures. Nevertheless, this does not discount the fact that the mining insurance landscape in Asia is continuously becoming more resilient and buyer-friendly, with increased capacity and tailored coverage options.

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Latin America

Ricardo Rázuri R.
Regional Mining Leader, Willis Natural Resources, Latin America
ricardo.razuri@wtwco.com

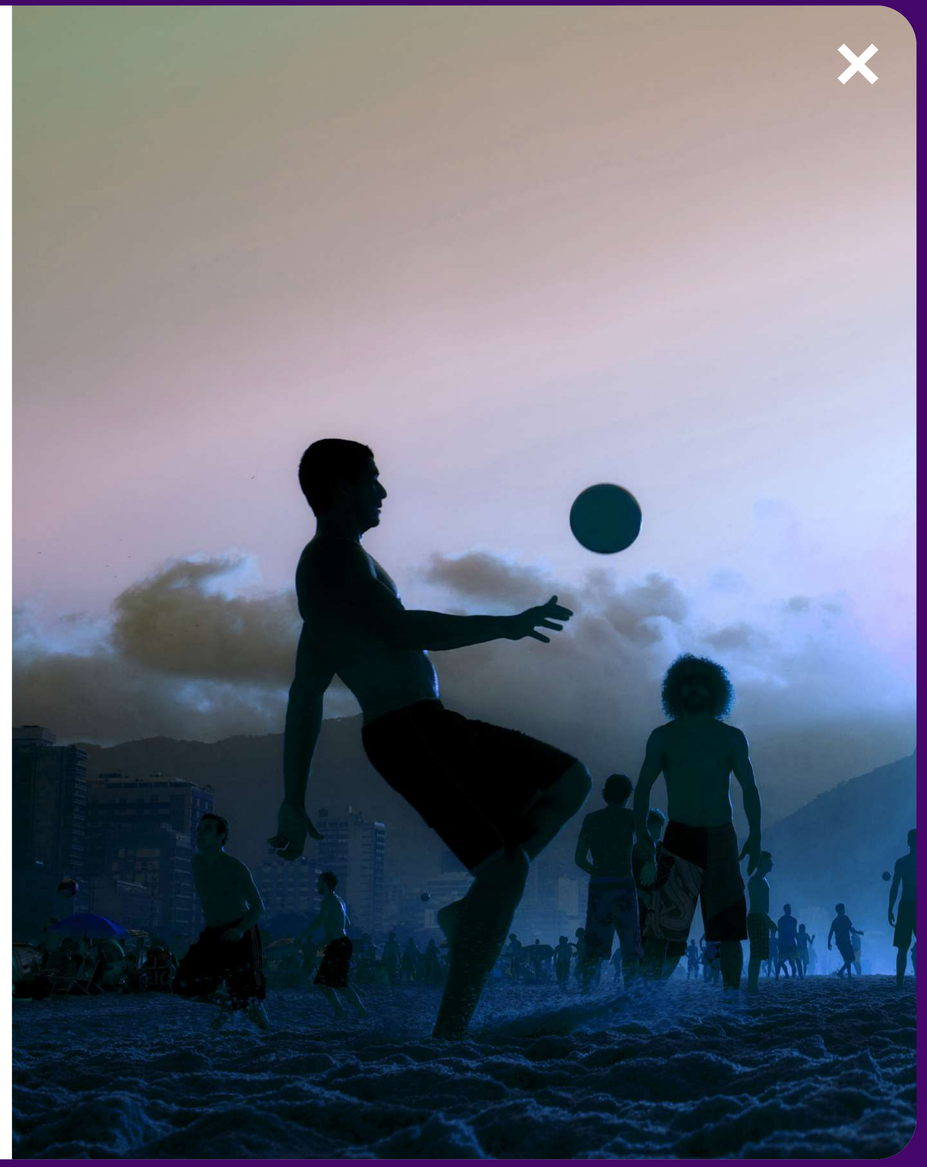
One of the most relevant shifts in the Latin American mining insurance market is the growing pressure around environmental liability and mine closure guarantees.

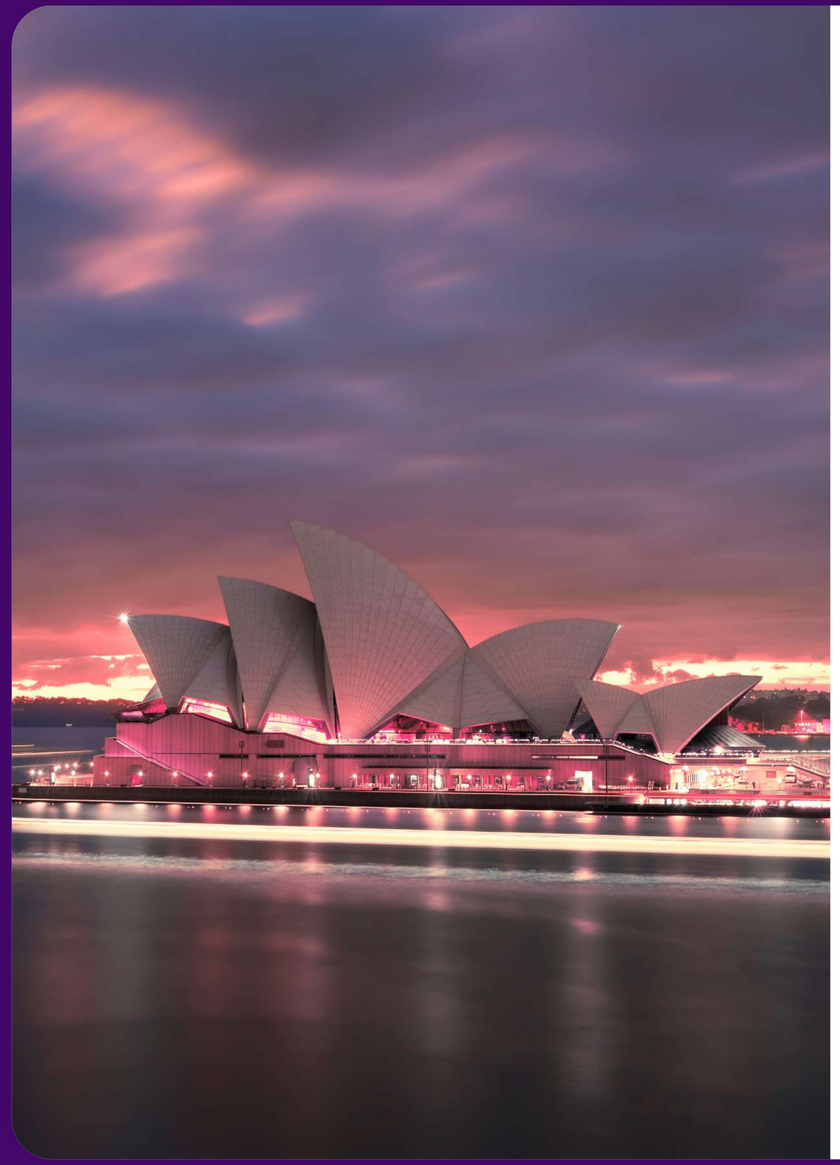
Regulatory bodies across the region—particularly in Peru, Chile, and Brazil—are tightening requirements for financial assurance instruments, such as mine closure bonds, to ensure long-term environmental accountability. This has led to increased demand for structured insurance solutions that can support compliance while optimizing capital allocation.

Insurers are also showing reduced appetite for high-hazard mining risks, especially in jurisdictions with political or regulatory volatility. This is driving a shift toward alternative risk transfer mechanisms, including captives and parametric solutions, as mining companies seek greater control and flexibility.

Cyber risk is emerging as a critical exposure, especially with the digitization of operations and remote monitoring systems. Mining companies are now expected to demonstrate robust cyber resilience as part of their risk profile.

Overall, the market is evolving toward more integrated, ESG-aligned risk strategies, requiring brokers and insurers to deliver deeper technical expertise and proactive advisory.





Mining hotspots: Key global trends

Australia and Pacific

Brett Forrest,
Mining and Metals Leader, Willis Natural Resources, Pacific
brett.forrest@wtwco.com

The Australian general insurance industry reported strong profitability in 2024, largely driven by increased investment returns rather than underwriting profits. This has resulted in a noticeable shift in appetite and increased competition, with new insurer capacity entering or re-entering the Australian market. The Pacific region, saw an approximately 10% decline in composite insurance rates in Q2 2025, indicating a more competitive environment.

There is evidence that the market is continuing to segment risks along the lines of risk profile and loss history. Insurers are starting to show a willingness to underwrite commodities that were out of favour as competition for premium heats up, especially for well managed risks.

Macro trends impacting the region:

Climate change demands a collaborative approach to risk: A few well publicised severe weather events underscore a broader trend where climate risk is becoming a systemic operational and financial burden. Insurable losses from cyclones have increased recently, and rising temperatures mean that the fire weather season in mining regions has also lengthened.

There's a more predictable environment for ESG integration: Australia and New Zealand recorded net inflows into ESG-aligned funds in Q1 2025, demonstrating continued regional investor confidence in ESG as a source of long-term value. This commitment is further solidified by new Australian Sustainability Reporting Standards (ASRS). This robust regulatory framework acts as a buffer against political backlash, fostering a more predictable environment for ESG integration and shifting the focus from mere disclosure to tangible action and verifiable performance.

There's growing demand for uranium: Australia possesses the world's largest known uranium resources, accounting for almost one-third of the global total. As the interest in nuclear power surges and drives spot prices to a 16-year high, Australia's role in global supply appears promising. But the election of a Labor government has curtailed hopes of a broad uranium revival and effectively decoupled Australia's vast uranium potential from the burgeoning global market opportunity – dampening investor appetite.

The Australian mining industry has had a dynamic year, with divergent commodity pricing, notable climate-related claims, green shoots for insurance capacity, and policy effects on areas such as uranium and ESG.

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