



DEFINING MINING CLAIMS PRINCIPLES

The inaugural Mining Insurance Group (MIG) Conference was held in London on 20 and 21 November 2017. Over 120 delegates from around the world attended and this was the next step in a collaborative approach that started in 2011, aimed at developing standards and best practice for mining insurance and risk management. One of the key sessions was a review of the MIG Claims Protocol.

Mining operations are typically complex and, given the scale of most mining operations, any loss normally results in significant risk exposures for insurers. With larger mining companies operating their own Captive this, also, brings an additional level of complexity.

To help raise standards and deliver better insurance outcomes, in 2011 Insurers, Reinsurers, Insurance Brokers, Loss Adjusters, Insurance Buyers, Risk Managers and other key stakeholders came together to work on two specific initiatives. To develop a clear and coherent mining specific policy wording and agree a claims protocol.

Working collaboratively this group of key stakeholders were able to realise a number of benefits and could see how insurance and risk management standards would be further improved by working together. The Mining Insurance Group was formed, a cooperative forum to enable ongoing improvements in underwriting, risk

management and claims and to facilitate an exchange of ideas and knowledge (www.mininginsurancegroup.com).

Stephen Thorpe, Managing Director Asia Pacific, Integra Technical Services explains "Integra Technical Services were at the centre of this group from the beginning. As proud members of the organising team for this successful inaugural conference, we facilitated a panel discussion for one of the key sessions that considered the success and next developments of the MIG Claims Protocol that was put in place back in 2012."

Having handled mining claims involving the protocol, joining Integra for the panel discussion were Kevin Miller, Major Loss Claims Adjuster at AIG and Jonathan Haysom, Senior Partner at JLT Specialty.

Prior to the conference, stakeholders that had been involved in mining before and after the MIG Claims Protocol came into effect were asked whether it had led to a better claims outcome.

The overwhelming response was that it had and the discussion raised some interesting points:

- How the MIG Claims Protocol reinforced the principles underlying global best practice for claims handling.
- The sharing of reports was to ensure factual integrity, not to provide editorial rights.
- The role of the claims preparer vs claims advocate – and how those roles were managed successfully.

To deliver a better claims outcome particularly for large and complex losses, the MIG Claims Protocol has a number of features:

- Open and transparent loss adjusting process.
- One Loss Adjuster pre-agreed by all stakeholders.
- The Loss Adjuster's reports shared with all stakeholders concurrently.
- An agreed loss management plan.
- Setting realistic time frames.
- An agreed dispute resolution process.
- The intention to endorse the MIG Claims Protocol onto the policy.

The one feature that exercised the minds of the audience and led to much debate was the independence of the Loss Adjuster. Whilst the MIG Claims Protocol requires openness and transparency, the fact remains that the Loss Adjuster is paid by the (Re)Insurers.

Stephen suggested "this should not be such a concern as all parties have to agree the Loss Adjuster appointment, which helps to ensure that they would not be too partisan one way or another."

While some remain sceptical, another potential mechanism would be to appoint a Chartered Loss Adjuster. As members of the Chartered Institute of Loss Adjusters they have additional obligations of independence codified within their Royal Charter.

MIG CLAIMS PROTOCOL BENEFITS

Efficient and transparent claims process

Enhancement of the financial outcome for all stakeholders by saving resources

Creation of sustainable relationships between stakeholders

FIVE KEY CONFERENCE TAKEAWAYS

1. The MIG Claims Protocol defines 'best practice' claims handling and has been proven to deliver better claims outcomes.
2. Insurance Brokers have an important part to play to help define the role of a claims preparer, to ensure expectations are managed and that there is transparency.
3. The MIG Claims Protocol seeks to minimise legal intervention in Property and Business Interruption claims. The intent is not to exclude lawyers but to focus their role on providing advice on key points, rather take over the conduct of a claim.
4. Variations of the MIG Claims Protocol have begun to emerge. As this was originally developed with input from all stakeholders, it was agreed that we should be promoting the Protocol without alteration.
5. There needs to be continuous review and development of the MIG Claims Protocol to ensure it remains up to date and relevant.