



# Energy and Mining Practice Groups



# FAQ

## Why are captives particularly suited for the energy and mining sector?

Due to the high-risk nature of the industry, captives offer the flexibility to cover unique operational risks, such as environmental liabilities and equipment failure, that may be underserved by traditional insurers.

## Can captives insure against regulatory and political risks in different countries?

Yes, captives can be designed to provide coverage for regulatory changes, political unrest, and nationalization risks, especially important for energy and mining operations across multiple jurisdictions.

## How does SRS facilitate the creation of a captive for energy and mining firms?

SRS offers expertise in regulatory compliance, risk assessment, and insurance program design tailored to the complex needs of the energy and mining industry, ensuring captives meet both financial and operational objectives.

## What are the benefits of managing environmental liabilities through a captive?

Captives allow for the creation of dedicated reserves for environmental liabilities, ensuring funds are available for remediation and regulatory fines, while potentially offering cost savings over traditional insurance.

## How can captives impact the overall risk management strategy of an energy or mining company?

Beyond financial benefits, captives can drive improvements in safety and environmental practices by aligning insurance costs with risk management performance, encouraging better overall risk mitigation strategies.

# Delivering Outstanding Service

The energy and mining sector is subject to a wide array of risks, including environmental liabilities, regulatory changes, and operational hazards. Companies in this field might form a captive for three main reasons: 1) to gain coverage for difficult-to-insure risks, 2) to better manage the financial volatility associated with large-scale industrial accidents or environmental events, and 3) to capitalize on the potential for cost savings and cash flow improvements through self-insurance mechanisms.

## SRS Approach

SRS's strategy for the energy and mining sector includes the development of captives that offer tailored insurance solutions, risk retention programs, and access to global reinsurance markets. Our services are designed to mitigate the sector's specific challenges, offering comprehensive coverage that aligns with the company's risk appetite and financial goals.

## Benefits and Outlook for 2024

Energy and mining companies working with SRS can expect to see a direct impact on their bottom line, with reduced insurance costs and a more efficient allocation of capital. Key indicators of success include a decrease in TCOR and enhanced risk management metrics. As the sector continues to evolve amid shifting regulatory landscapes and the transition to renewable energy sources in 2024, SRS's captive solutions provide a stable foundation for risk management and financial performance.

## Energy and Mining Companies form captives in order to gain:

**Risk Control:** Captives provide greater control over risk management. Energy and mining companies can tailor insurance coverage to their unique needs.

**Cost Efficiency:** By assuming a portion of the risk and retaining underwriting profits, captives can lead to long-term cost savings.

**Financial Stability:** Captives allow companies to build financial reserves and stabilize their insurance costs.

Captive insurance empowers energy and mining companies to manage risks effectively, reduce costs, and enhance financial stability. It's a strategic tool that aligns insurance coverage with their specific needs and business objectives.

## Energy & Mining Captive Stats

# 30+

### Energy & Mining Captives

### Types of Captives

- Single Parent
- Group Captive
- Cell Facilities

### Active Domiciles

|                  |                |
|------------------|----------------|
| Arizona          | North Carolina |
| Barbados         | South Carolina |
| Bermuda          | Switzerland    |
| British Columbia | Tennessee      |
| Georgia          | Texas          |
| Guernsey         | Utah           |
| Missouri         | Vermont        |
| Netherlands      |                |

## About Strategic Risk Solutions

SRS is the world's largest independent insurance company manager. With over 25 years of experience, SRS provides management and consulting services to a wide range of insurance company entities, from single parent captives to complex commercial insurers and reinsurers. SRS has operations in the United States, Canada, Europe, Barbados, Bermuda, Cayman Islands, Latin America, and South Africa. For more information on SRS, please visit [www.strategicrisks.com](http://www.strategicrisks.com).