



WHAT HAPPENS IF SOMETHING GOES WRONG? THESE CONCERNS ARE REAL. AND MINNESOTA PLANNED FOR THEM.

Financial assurance is required by Minnesota law. According to MN State Rule 6132.1200, the purpose of financial assurance is to ensure that there is a source of funds to be used by the commissioner if the permittee fails to perform: (1) reclamation activities including closure and postclosure maintenance needed if operations cease; and (2) corrective action as required by the commissioner if noncompliance with design and operating criteria in the permit to mine occurs.

- Before any project can move forward, it goes through environmental review and permitting that focus on **prevention** - engineering, water management and monitoring - all aimed at reducing the chance of a serious incident in the first place.
- Financial assurance must meet the following criteria: be sufficient to cover reclamation costs, payable and available to the DNR when needed, enforceable by law, **not dischargeable through bankruptcy** and approved by the DNR commissioner.
- Prior to receiving a permit, companies are required to put real financial assurance in place which can be a combination of financial assurance instruments, including surety or reclamation bonds, irrevocable letters of credit, a trust fund, and cash.
- Financial assurance can be used for cleanup, reclamation, and long-term care.
- Financial assurance estimates are evaluated and approved by DNR on a **yearly** basis to determine any necessary adjustments.
- Companies must also maintain **environmental liability insurance** coverage during the term of the permit to mine which would cover sudden, accidental, or gradual pollutant releases from a project.
- Beyond money, there is a **accountability** as companies and individuals can face serious legal consequences if environmental laws are violated. Engineers and operators aren't anonymous - they are licensed professionals with **legal and ethical responsibilities** tied directly to how facilities are designed and run.

MINNESOTA DOESN'T PRETEND THERE ISN'T RISK.

Instead, we manage and minimize that risk by layering science, planning, financial responsibility, insurance, and accountability. That's how Minnesota takes concerns seriously and turns them into protections. For taxpayers. For the environment. And for the communities we call home.

