



GLOBEX UPDATE

Property & Casualty

Events, developments, and opportunities in the international marketplace

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Ireland.

Brexit could be one of the most significant events to affect the Irish economy and Irish financial services firms in a generation. The full significance is impossible to predict at this stage given the high degree of uncertainty surrounding both the short-term arrangements and the longer-term relationship between the UK and the EU. The Irish insurance sector has significant international linkages and more than €3bn of non-life business written through international channels. With much of this written by UK related insurance firms, the potential loss of EU authorization will affect the ability of UK related insurance undertakings to continue performing certain obligations for EU policyholders. In addition, with some €17bn of non-life business written domestically and internationally by firms regulated by the Central Bank of Ireland, the concern is that many insurers remain too complacent about the challenges posed by Brexit. In a survey of insurance companies' Brexit preparations, only 38 companies out of 197 respondents deemed that Brexit would have a high impact on their business model and 12 a medium impact. The remainder thought Brexit will have little or no impact.

Chile.

A recent change in leadership in Chile has positive implications for businesses and their risk and insurance management programs. Sebastian Piñera took over as President of Chile for a second, non-consecutive term in March, and the economy is expected to expand after 4 years of stagnant growth. Pledges have already been made to cut corporate taxes and ease industry regulation to double growth and attract domestic and overseas investment. New projects in the areas of energy and health are expected to be approved more quickly and increased infrastructure development, construction activity and exports are also predicted, driving higher domestic consumption. Chile is the fourth-largest insurance market in Latin America, and is one of the most stable economies in the region. Economic growth means a growing need for insurance and, coupled with an increasing risk management focus, this should represent opportunities for all carriers in the region.

China.

With changes to requirements for foreign insurance companies, brokers and agents, China continues to open up its financial sector. The requirement for foreign insurance companies to have representative offices for two years before they set up businesses in China is being removed. Also, foreign businesses will be allowed to own up to 51% of shares in securities, funds, futures and life insurance joint ventures, with the cap being phased-out over 3 years. In addition, qualified foreign investors will be allowed to operate as insurance agents and appraisers in China, and foreign-funded insurance brokers will have the same business scope as their Chinese counterparts.

RECENT SUCCESSES

- Secured Broker of Record Letters for local policies issued in Jersey, Channel Islands and the USA for subsidiaries of a Canadian global gold-based financial services company.
- Placed standalone Employers' Liability policy in UK to cover both UK and Ireland operations of a US based multinational computer consultancy firm.
- Bound US Property, General Liability and Umbrella coverages for the New York based subsidiary of a French asset management & investment firm.
- Bound local automobile coverage in St. Thomas, US Virgin Islands for a vehicle being shipped from the US.



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