



GLOBEX UPDATE

Events, developments, and opportunities in the international marketplace

Global.

195 countries have signed a long-awaited deal in Paris that will change the world's energy policies in a bid to limit fossil-fuel production and combat climate change. The deal requires virtually every country in the world to set out its plans to avert climate change every five years. The agreement would take effect from 2020 with voluntary commitments from all nations. So far, 186 countries have made pledges for the Paris deal with nine yet to submit plans. The crux of the agreement involves slashing or eliminating the use of coal, oil and gas for energy. The Paris accord sets a target of limiting warming of the planet to "well below" 2.0 degrees Celsius while aiming for an even more ambitious goal of 1.5°C. To do so, according to the agreement, emissions of greenhouse gases will need to peak "as soon as possible", followed by rapid reductions. The five-yearly reviews of the countries' pledges start from 2023.

United Kingdom.

Current estimates are that insurers are facing a bill of up to £1.5 billion (\$2.22 billion) after towns, cities and countryside were deluged recently in the worst floods in Britain since 2007. Around 6,700 properties have been damaged so far according to the Environment Agency, with some estimating the total economic impact of the floods to be than £5 billion. However, the damage looks set to rise with the outlook for more rain with nine severe flood warnings in place in northern England. Most insurers are unable to provide detailed estimates on the scale of the claims they are facing due to difficulties accessing some of the affected areas. The scale of damage along with the increasing frequency of floods, is casting doubt on the capacity of Flood Re - a government-backed insurance plan to protect against future catastrophes due to launch in April - to actually help ensure flood cover for high-risk properties. With water now hitting homes and businesses which were either not insured or previously considered less risky by insurers, there is a question about how many of the current floods' victims would be covered under the scheme. The Environment Agency, which is responsible for handling the response to floods, has said Britain needs a "complete rethink" of its defenses as the country moves from "known extremes to unknown extremes" in weather patterns with insurers saying that, in addition to improving defenses, buildings now need to be constructed to better withstand flood waters.

Vietnam.

The Vietnamese insurance market has this year achieved its best performance in five years, growing at nearly 22% and earning revenue of over VND68.3 trillion (US\$3.1 billion). Non-life premiums this year are expected to reach nearly VND31.4 trillion (US\$1.4 billion), an increase of 14% year-on-year. Life insurance premiums would total VND37 trillion this year, a surge of nearly 30% over 2014. Alongside the rapid growth, the insurance industry faces many challenges including intense competition, especially with the country's signing of several free trade agreements including the Trans-Pacific Partnership agreement involving 12 Pacific Rim countries. Vietnam now has 61 insurance companies with 752 branches and over 350,000 agents.

RECENT SUCCESSES

- Bound Construction All Risks and Decennial Liability coverages in France on behalf of US based multinational refurbishing two new stores in Paris.
- Provided quotes for exposures in Singapore and Hong Kong within 24 hours and subsequently bound coverage for an Ireland based multinational company.
- Bound \$5m of Foreign Liability coverage for a US company undertaking a 3 week contract in Equatorial Guinea for the service of industrial oil pumps.
- Secured renewal of Property and Liability coverages in Puerto Rico for a recently acquired subsidiary of a US multinational.

The Globex team wishes everyone a safe and prosperous New Year.



GLOBEX INTERNATIONAL GROUP – PO Box 776 – Chester, New Jersey – 07930

Phone: (908) 879-1150

E-mail: globex@globexintl.com

Fax: (908) 879-1160