



# GLOBEX UPDATE

*Events, developments, and opportunities in the international marketplace*

## **Global Piracy.**

Piracy is one of the world's oldest crimes and, despite some potentially encouraging statistics, maritime security analysts say it will never go away. Global piracy last year reached its lowest levels since 1998, but more crews were kidnapped at sea in 2016 than in any of the previous 10 years. A total of 191 incidents of piracy and armed robbery were recorded in 2016, and pirates kidnapped 62 people for ransom in 15 separate incidents. Slightly more than half were captured off West Africa, while 28 were kidnapped from tugs, barges, fishing boats and, more recently, merchant ships around Malaysia and Indonesia. The reduction of piracy is attributed to the combined efforts of several of the world's navies, a system of Best Management Practices that includes security measures, and the introduction of armed security guards on ships. About 30% to 35% of ships in the high-risk area of the Indian Ocean have guards which is having a dramatic effect on piracy.

## **Thailand.**

In the interests of promoting stability for the insurance industry, the Ministry of Finance will relax the foreign shareholding and board limits for life and non-life insurance companies. Under the new measures, a licensed insurer may apply to the Finance Minister for permission to have more than 49% (and up to 100%) foreign shareholding, and for foreign directors to comprise more than half of the directors on its board. Among other conditions, the proposed foreign shareholder must be an insurance company, or a company engaged in a business related to the insurance industry with not less than 10 years of expertise and experience related to insurance business and possess a credit rating of not less than "A," issued by a reputable credit rating agency. There are timeframes within which an application must be considered and a decision issued. Once the permission is issued, among other requirements, the insurance company must at all times maintain Total Capital Available of not less than THB1 billion (US\$28.2 million) for a non-life insurer or THB4 billion for a life company. This is a significant move for the Thai insurance industry, especially on the life insurance side. There has already been some move toward liberalization on the non-life side – due possibly to catastrophic events in recent years.

## **Chile.**

Chile's National Agricultural Service (SNA) has said damages to forestry and farming will likely be in the region of US\$400 million, accompanied by "irreversible" effects on the country's ecology. A particularly hot and dry summer led to some of the worst fires in the South American country's history, with the blazes having covered nearly 600,000 hectares (1,482,630 acres) of land. SNA president Patricio Crespo highlighted the serious impact the fires have been causing on affected communities by describing it as a "social tragedy." Around 400 hectares of olive production had been burned, along with 100 hectares of wine grape production, with a total cost of around US\$5 million. Losses were also incurred to the wine bodegas and packinghouses. The estimated cost of damage to the country's forests is expected to be around US\$350 million. In the coming years there will be an impact on employment and rural incomes, which will undoubtedly have an effect on the future quality of life of the communities and could result in an increase in migration from rural areas to the cities.

### **RECENT SUCCESSES**

- Placed local General Liability, Pollution, Automobile, Umbrella and D&O policies for a manufacturer of specialty resins and polymers based in Quebec, Canada.
- Reverse Flow placement for large French optical store chain opening in North America.
- Bound Defense Base Act coverage on behalf of a US staffing company providing a local national language instructor for a 3 year contract at a US Air Force base in Germany.
- Placed local Property and General Liability policies in Ukraine as part of a Controlled Master Program for a US based technology company.



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