



Globex Underwriting Services

GLOBEX UPDATE

Events, developments, and opportunities in the international marketplace
Volume 3 Visit us at: www.globexintl.com March 2018

Key words in this issue: BI and Ransomware; Peru Tax; African nations

Business Interruption Policies and Cover for Ransomware

The threat of corporate ransomware attacks is growing, and we expect that questions surrounding insurance coverage for business interruption and lost income resulting from these attacks will continue to rise. Some insurers argue that coverage for business interruption resulting from a computer virus is limited in scope and limited by an optional computer and media coverage part. Claims can be complicated as one needs to determine which coverage part applies to the significant losses incurred by the insured, while its business operations were immobilized by a devastating ransomware attack. Policy wording that refers to what exactly is covered under BI cover will have to be very specific, given the current market digitalization. It is very easy to have business operations interrupted by malware, where no direct physical loss of or physical damage to property at the scheduled premises has taken place. Both Insureds and Brokers should be wary of what is and what is not covered under BI cover.

Peru – Issuance Fee Abolished

The 3% issuance fee is no longer applicable for all lines of business with effective date January 1, 2018.

African Nations: Under Stricter Market Regulations

Angola: With the massive currency fluctuations now in Angola, there are new internal guidelines relating to the exchange rate fluctuations and lack of foreign currency in the country. Business from multinational programs is to be issued in USD and reinsurance documents require specific clauses. For more information about this change please contact any member of our Globex Team.

Congo (Republic of): Local premium taxes have increased from 10% to 15%; all reinsurance premiums are subject to a 20% Withholding tax.

Gabon: An additional 5% cession is mandatory on all facultative reinsurance placements. Previously, all insurers had to cede a mandatory 20% of the risk and premiums to the State Insurer, SCG Re.

Senegal: The Senegalese authorities have enacted a new law regarding local retention by the State reinsurer Sen Re. The previous mandatory retention by Sen Re was 6.5%, but the new law imposes all local insurers to cede an additional 10% of the risk being placed on a facultative basis, to the State Reinsurer.

Sierra Leone: Strict implementation of the 2016 Insurance Law. Going forward the insurance Regulator will require local insurers to adhere to stringent regulations involving Cash Before Cover, market rates imposed by the regulator and compulsory lines. It will be important to exhaust local capacity before any risk and premium can be ceded overseas.

RECENT SUCSESSES

- Secured Directors & Officers policy in Brazil for the world's largest producer of printing inks and pigments, based in the USA.

- Instrumental in placing Commercial General Liability, Products Liability and Employers Liability fronting policies in China, Mexico, France and Germany, for a financial holding company headquartered in New York City.

- Placed Crime policies in Brazil and Colombia as well as fronting Crime policies in Mexico and China for a world leader in CRM and BPO services.

**Globex International Group | Globex Underwriting Services Tel: +1 203-256-1475
Email: globex@globexintl.com | Address: 100 Beard Sawmill Road, Shelton, CT 06484, USA**