



Globex Underwriting Services

GLOBEX UPDATE

Events, developments, and opportunities in the international marketplace

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Key words in this issue: IRDAI, Active Shooter insurance in the USA, GDPR and Social Media.....

India – IRDAI Imposing Order of Preference

The insurance regulator IRDAI has asked insurance companies to comply strictly with the order of preference when giving out reinsurance contracts. The current order is first preference to be given to an Indian reinsurer having a prescribed credit rating, followed by local branches of foreign reinsurers. IRDAI is imposing stricter regulations on those insurers who do not comply with said regulation. The order of preference has been a matter of contention between Indian reinsurers and the branches of global reinsurers. While the current regulations give preference to GIC Re, foreign reinsurers are seeking to be treated on par with their Indian counterparts. A final decision on any changes in this order of preference is yet to be taken by the IRDAI.

USA – More schools Purchasing Active Shooter Insurance

Since the Feb. 14 shooting at a Florida high school, seven South Florida school districts have bought \$3 million worth of “active shooter” coverage. There is no detailed survey of insurance coverage at U.S. schools, but insurers say it is only within the past year that more schools have been seeking “active shooter” and “active assailant” policies. School districts often find that their general liability policies fall short on coverage for the cascade of bills that follow a violent incident. The costs can include victim lawsuits, building repairs, legal fees, medical expenses and trauma counseling, as well as media consultants, accountants to handle charitable contributions, and even reconstruction of buildings where bloodshed occurred. In the case of public schools, state laws that exempt them from liability or limit the payouts can leave survivors and their families with huge medical expenses. Those laws can have exceptions and, in some states such as Florida the legislature has authority to waive such limits. Some coverage has been around since 2011, but more insurers have launched such policies since 2016, as mass shootings showed no sign of abating.

GDPR and Social Media Platforms

News about recent events involving social media gurus have been all over the place. The danger faced by these companies going forward is two-fold: complying with the rules means letting European users opt out of the highly targeted online ads that have made these platforms a money machine. Violating GDPR mandates could subject the firms to fines of up to 4 percent of annual revenues. A December 2017 survey found that only 21 percent of European consumers know what GDPR is. But after the regulation was explained, 82 percent of respondents said they plan to exercise their new rights. GDPR gives users the right to access their data, delete it or transfer it to competing companies. Social networks will also need to regain Europeans’ consent every time they want to use their data in new ways, including for targeted advertising. Lawmakers had social networks in mind when drafting GDPR, said Helen Dixon, the data protection commissioner of Ireland, which is the lead GDPR regulator for numerous tech companies including Facebook, Twitter and LinkedIn. Another challenge for social networks are GDPR provisions mandating how companies must obtain permissions. The regulation demands that requests for consent be presented “in an intelligible and easily accessible form, using clear and plain language.” In practice, social network users may find themselves seeing more “permissions screens” and being asked to check boxes every time a social network rolls out a new feature. This naturally could depress usage.

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- Placed reinsured Directors’ & Officers policy in Mexico for a provider of international payment processes.
- Instrumental in placing Directors’ & Officers policies in Brazil and reinsured policies in China, Korea, Panama, and Russia for a global manufacturer of footwear, sports, and casual apparel.
- Placed Excess General Liability fronting policy in Mexico for a travel agency.