



Multinational Underwriting Services

GLOBEX UPDATE

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Events, developments, and opportunities in the international marketplace

Disaster Pool in China in the Future

Disaster insurance in China will be introduced in a step-by-step manner, beginning with earthquake insurance, according to the CIRC (China Insurance Regulatory Commission). The first draft of the earthquake insurance regulations has been completed and has been circulated to the insurance industry for feedback.

The government will set up a company to manage a disaster fund, including an earthquake fund. The sources of funds for the earthquake pool would consist of quake insurance premiums, government grants, public donations, and income from fund investments. The Chinese government is now focusing on public-private partnerships in disaster risk management and response, with an emphasis on risk transfer through insurance.

Fine Arts - A Growing Industry

In the past few years there has been a significant increase in the number of syndicates writing fine art and specie. The London market remains a focal point of expertise. The increased demand is largely due to increased exposures rather than an increased number of insureds coming to the market. The traditional big regions are North America and Europe and this is still the case. There has been some growth in the Asian market. The demand for cover is on the rise and our observations are values are increasing as fine art becomes more popular as an investment class.

From an insurance perspective, fine art differs from many classes in that the asset increases rather than decreases in value as time goes by.

Historically, fine art appreciates as an investment and needs more coverage as its value increases. For the Middle Eastern market, some companies have launched sharia-compliant fine art coverage, which was very much in demand in the region.

Retakaful is on the Rise

Traditional reinsurance providers are negotiating means by which a retakaful pool can be implemented. This is a result of demands for capacity from the takaful market. Dubai is becoming the mega for setting up retakaful firms. One of the strongest reasons giving rise to this trend is that Sharia boards of takaful operators are increasingly insistent on the use of retakaful capacity. There is even regulatory impetus in some markets to help support this channeling of takaful risks to retakaful channels. The takaful sector has been struggling with a lack of Sharia-compliant reinsurance capacity to help manage excess risk. Islamic insurers have had to reinsure a considerable part of their risk through conventional lines.

From Our Friend at Worldwide Risk Solutions, Here Are Some Tidbits From Around The World...

• Private insurers in Myanmar must brace for foreign competition as the insurance market gets ready to open up to foreign firms. • At long last, India has approved the increase in the cap on foreign investment in Indian insurance companies from 26% to 49%. • Shipping losses continued their long-term downward trend with 75 large ships reported lost worldwide in 2014. Thus, making it the safest year in shipping in ten years. This does not disregard risks posed by so-called mega-ships and cyber-attacks on ports and ships which increasingly rely on IT navigation systems.

RECENT SUCCESSES

- Secured Inland Transit fronting policy in Israel for a global pharmaceutical company.
- Instrumental in placing Commercial General and Products Liability policy for a ten country multinational program for a leading Swiss manufacturer of passive cabling solutions for high-quality communication networks.
- Secured Professional Indemnity fronting policy in Qatar for a global data-driven marketing and loyalty analytics company.
- Secured Commercial General Liability and Products Liability policies in Brazil, Mexico and China for a leading distributor of raw materials for the flavor and fragrance industry.
- Placed fronting Ocean Marine and Inland Transit policy in Mexico for a distributor of video game hardware, software, and accessories.
- Instrumental in placing Commercial General Liability and Products Liability fronting policy in Peru for a global construction equipment manufacturer.
- Placed Inland Transit Marine fronting policy in Germany for a leading meat snack manufacturer.



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