



Multinational Underwriting Services

GLOBEX UPDATE

Events, developments, and opportunities in the international marketplace

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Key words in this issue: *Cyber Cover, Brexit, CIMA Regulation.....*

Cyber Liability Cover in the Coming Years

According to most insurance experts, every policy will have language to address cyber risk within the next five years. Tackling the lack of language to address cyber inclusion or exclusion within many policies will be critical for the market in the coming years. In a nutshell, if a policy is silent on cyber, insurers may have a hard time convincing a US judge cyber is not covered. While Lloyd's and the London market as a whole are very good at writing cyber insurance, we have many more policies that don't speak about cyber at all. The expectation is that this will change within the coming years, as companies are becoming increasingly aware of the cyber risks they may be exposed to, through writing other classes of business. The development of a common language for cyber exposures and losses will be an important part of product development across the London market.

African Retentions: CIMA Regulation

The CIMA (Conference Interafricaine des Merches d'Assurances) which met in April of 2016 resulted in new regulations that will be imposed on all CIMA member countries. The most important change is relating to compulsory local retention which will be increased from 25% to 50%. This provision applies to reinsurance cession abroad from the CIMA countries. For more information about placing business in Africa, please contact any member of the Globex Team.

Brexit: Impact on Business from Foreign Reinsurers

With Brexit came market volatility, uncertainty about London being at the center of Europe's insurance market, and potential firm migration to mainland Europe. To the extent that this event was anticipated at least in terms of timing, it did force major policymakers to prepare for such a scenario beforehand. What will the major banks arrange among themselves? Foreign reserves exchange accumulation would likely remain a key focus for most central banks, since Brexit reinforces the need to pad up insurance coverage. As per Lloyd's, they plan to stay at the center of the global specialist insurance and reinsurance sector, and to continue their valuable relationship with their European partners. For the UK Government, it will be important now to focus on ensuring that the UK remains a globally competitive place to do business with the best possible future trading network with the EU and the wider world. The general consensus is that the final outcome is not likely to impact the insurance industry as heavily as other sectors, such as the financial world. As far as Globex placed business is concerned, it remains business as usual!

RECENT SUCCESSSES

- Instrumental in placing a Warehouse Liability policy in Canada for a major distributor and manufacturer of toys.
- Secured Marine fronting policies in China and Malaysia for a global hydraulics manufacturer and distributor.
- Placed a multinational 10 country program of fronted General and Products Liability policies for a media distribution giant in Asia.
- Secured Inland Transit fronting policy in China for a distributor and manufacturer for electronics, solar and LED industries.
- Placed D & O reinsured policies in 13 countries for one of the world's largest distributors and manufacturers of technology products.
- Secured Public Liability program for a major restaurant and catering firm in Canada, USA, and several South East Asian countries.

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