



Globex Underwriting Services

GLOBEX UPDATE

Events, developments, and opportunities in the international marketplace
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Key words in this issue: *Money Laundering prevention in India, VAT Tax in MENA countries, UK Pool Re...*

India – Further Anti Money Laundering Steps by Government

In light of the recent push by the Government of India and the amendments made in the Prevention of Money Laundering Act (PMLA) Rules, 2005, all Indian insurers (General, Life and Standalone Health) have been directed by the Insurance Regulatory and Development Authority of India (IRDAI) to link “Aadhaar” number (similar to the USA Social Security number) and PAN (Tax ID number) of all customers (existing and prospective) with their insurance policies. Accordingly, the Company is under obligation to capture and link the Aadhaar number and the PAN of all customers with immediate effect, deadline being December 31, 2017. For any additional information please contact any member of our Globex Underwriting Services (GUS) Team. GUS will be distributing an exclusive update on this recent development with all of our clients in the next few days, and what next steps will be required for any local policies placed in India.

UAE & Saudi Arabia – VAT as of January 1 2018

Several countries in the MENA region will experience an implementation of 5% as Value Added Tax (VAT) on insurance premiums. This tax will be an Insured payable tax and will be effective on January 1, 2018. In some countries such as the UAE, it may well be levied not only on new policies effective from January 1st 2018, but also on any ongoing policies that are in place which have a remainder of their policy periods from 1st Jan 2018. If government regulation mandates this requirement, local insurers will have to charge Insureds the needful.

UK Pool Re to Cover Non Damage Business Interruption: Effective April 2018

Pool Reinsurance Co. Ltd., the U.K. government-backed terrorism reinsurance backstop, will extend its cover to include material damage and direct business interruption caused by acts of terrorism using a cyber trigger, starting in April 2018. The cover, which will exclude intangible assets, will be standard for all policyholders that purchase terrorism insurance from Pool Re members. Pool Re was set up in 1993 by the U.K. government and insurance industry, and its members include most insurers and Lloyd's of London syndicates that offer commercial property insurance in the United Kingdom. In 2015, the mutual insurer implemented a series of changes to modernize the pool.

2017 Costliest Year Due to Hurricane CAT Losses

This year's U.S. Atlantic hurricane season is officially the most expensive ever, racking up \$202.6 billion in damages since the formal start on June 1. Lloyd's of London has paid claims worth \$1.70 billion so far in response to hurricanes Harvey, Irma and Maria. The market is hardening up and this is already starting to show in local admitted policies, particularly in the Caribbean. Underwriters should bear this in mind when allocating international premiums.

RECENT SUCSESSES

- Secured Property fronting policy in Mexico, Bahamas and Venezuela for a leading laboratories' facility specializing in petrochemical and agriculture commodities.
- Placed fronting policy for Directors' & Officers in China for Australia's leading providers of salary packaging and industry experts in fleet and asset management.
- Secured fronting Marine policy in Mexico for a veterinary pharmaceuticals global producer and distributor.
- Placed Cyber Liability fronting policies in Russia, Thailand and Turkey for a major car manufacturer and distributor.
- Placed fronting Directors' & Officers policies in China, Egypt, Lebanon and Mexico for a leading developer of custom-engineered and application-specific products and solutions.
- Instrumental in securing Directors' & Officers policy in Brazil and fronting policy in China for a leader in design and manufacturer of sensors, gas and liquid analyzers, and custom systems.

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