



# Multinational Underwriting Services

## GLOBEX UPDATE

*Events, developments, and opportunities in the international marketplace*

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**Key words in this issue: *Marine Industry, African Economies, .....***

### **Some Respite for the Marine Industry?**

2016 has possibly been one of the worst years for earnings as far as the Marine industry is concerned. Marine insurers have weathered major losses and depressed rates in recent times. The continuing growth in trade, particularly in Asia, is one of the main driving forces for the marine industry. While geo-political issues and rising protectionist trends raise alarm bells, stable growth in China and the country's 'One Belt, One Road' policy will have a positive and huge impact on the shipping industry over the next decade. This policy is expected to boost exports of machinery and high-tech manufactured goods which would support the heavy lift vessel sectors, while infrastructure investments will boost demand for raw materials. As technology and the smart shipping agenda ranks high for shippers, insurers will have to pay even more attention to cyber exposures in the marine sector.

### **Africa: New Opportunities as the New World Order takes Shape**

Junk status for South African investments, wobbles over the state of the Nigerian economy and the continuation of low oil prices are making Africa a hard continent to read right now. However, many experts believe that new opportunities are just around the corner as Donald Trump hints of a move away from aid and towards more business deals with the African continent. Also, the UK looks for alternative markets as it exits the EU. For some it is a big risk and demands more information about the challenges African investment might pose. While, for the insurance and reinsurance markets, it is a question of how best to support those investors and how insurance can be used to galvanize African economies. Climate change is set to have a major impact on African countries. Another issue is raising food security supply issues for the home country but also for other markets currently served by African farmers. Agricultural insurance is often seen as a major mitigating tool in this area, but the question for many is how to reach the thousands of small farmers who make up the backbone of many African economies. Insurers and reinsurers are also beginning to consider those agriculturalists as the key to driving better insurance penetration rates across the continent. For any information about placing business in Africa, please reach out to any member of the Globex Team.

### **Myanmar: Continued Efforts to Open the Insurance Market**

The Ministry of Finance and Planning is preparing for the day when it will permit foreign insurers to operate in Myanmar. Currently, only three Japanese companies are allowed to do business in the Thilawa Special Economic Zone. In addition, there are 25 representative offices of foreign insurance entities in Myanmar. These offices have limited capabilities, but recently, the Myanmar government informed foreign insurers with representative offices in the country that they would be eligible to apply for a license to operate in the Thilawa Special Economic Zone. This is part of the efforts to open up the Myanmar insurance market.

### **RECENT SUCCESSSES**

- Placed fronting Employers Liability policy in Singapore for a leading industry firm involved in the development of low-cost liquefied natural gas.
- Secured reinsured Inland Transit and storage policy in India for a global designer and manufacturer of advanced wireless communication devices.
- Placed a fronting 5 country Commercial General Liability and Employers Liability program and local cover in Australia for a leading producer of climbing products.
- Secured Marine policies in Canada for Excess layers for a leading US based charter yacht, dining cruise and ferry service company.
- Instrumental in placing fronting Errors & Omissions policy in Philippines for a global provider of database-related products and services.

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