



Multinational Underwriting Services

GLOBEX UPDATE

Events, developments, and opportunities in the international marketplace
Volume 7 Visit us at: www.globexintl.com July 2017

Key words in this issue: *Malaysia Professional Indemnity, UAE Warehouse cover, EU Cyber regulation*

Malaysia - Professional Indemnity starting 2019, will be Mandatory

Medical practitioners applying for the Annual Practicing Certificate (APC) must also provide proof of cover for Professional Indemnity. Recent regulations pose that effective January 1, 2019, all medical professionals will require this as a mandatory cover in order to practice. At present this has only been a voluntary cover. The Malaysian government has decided to provide ample time for medical practitioners to comply with the new requirements, providing an almost 18 month time frame to get this into place.

UAE – Insurance Companies Wary of Providing Warehouse Cover

Insurers in the UAE are wary of providing cover for warehouses, where fire risk is seen as high. Warehouses are considered to provide high risk exposure and recent fires in industrial areas, make the risks less palatable. In addition, underwriters are asking for more detailed information such as inspection reports, protection measures, neighboring warehouse exposures, etc... Companies are becoming more discerning when offering such cover. Owners of warehouses are being asked to ensure that necessary safety measures are in place to mitigate the risk of fire hazards. Some insurers, which insure warehouses, decline to accept fire as a standalone risk. To diversify the risk, the insurers require warehouse owners to also purchase motor or medical insurance from them. Under the law, however, warehouses must be insured in order for the owner to renew his trade license.

Looming EU Cyber Rules on General Data Protection Regulation (GDPR)

The European Union's looming General Data Protection Regulation (GDPR) will require mandatory notification of serious data breaches and potentially massive fines for failure to comply. That's the bad news. The good news is that the GDPR, to be rolled out in May 2018, likely will create a marked growth in cyber insurance revenues. Stricter reporting of data breaches will increase transparency and spread risk awareness from major corporations to small and medium sized enterprises (SMEs), which will create higher demand for insurance protection. This growth trend is being reinforced by high-profile cyber breaches such as the WannaCry and Petya ransomware attacks, which spread across the globe in May and June of this year. Indeed, demand for cyber insurance increases after every reported breach. According to sources, coverage is estimated to increase to US\$20 billion by 2020 from the current level of US\$7.5 billion. In the medium term, as more and more reliable data becomes available, with positive implications for pricing models, insurance supply should gain momentum. As new entrants increase competitive pressures in the cyber insurance market, insurers will refrain from inserting additional exclusion clauses in their policies as a result of the GDPR.

RECENT SUCCESSSES

- Secured policy in Canada for Inland Transit and Warehouse cover for a leading distributor of pharmaceuticals.
- Placed Japanese fronting Directors' & Officers' cover for a leading software firm.
- Secured fronting policy in China for Marine Cargo Inland and Transit for manufacturer and distributor of flavor ingredients, chemical additives, food dyes, and similar merchandise.
- Instrumental in placing fronting Commercial General Liability, Property and Employers Liability policies in Japan for a Pharma giant.
- Placed fronting Directors' and Officers' policies in Japan and China for a specialist firm in investment and financial tools.

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