



Multinational Underwriting Services

GLOBEX UPDATE

Events, developments, and opportunities in the international marketplace

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Key words in this issue: *UK Policies post Brexit; Algeria; Philippines regulations.....*

United Kingdom – Policies written out of UK post Brexit

Insurers in Britain face crunch time within weeks if the government and the European Union do not allow millions of cross-border policies to continue to run undisturbed beyond Brexit. While Britain is not due to leave the bloc until March 2019, insurers say they need to know by November whether they must move contracts with EU customers out of Britain, due to the lengthy legal process involved. Ideally, insurers would like to have a system in place to allow these existing contracts to continue operating as they are. Leaving contracts to operate unchanged after Britain has left the EU is known as "grandfathering." Without this, an insurer would have to move contracts for EU customers to a new EU subsidiary after 2019 for them to remain in the same legal jurisdiction as the customer, or sell that portion of their business. Both options involve a court process, which takes time to implement with Brexit only 19 months away. The issue is particularly acute for long-term insurance contracts such as pensions or contracts where policyholders can make claims for years after the policy expires, such as professional indemnity cover. The BoE has advised that about 7% of general insurance contracts undertaken in Britain and 3% of life insurance contracts are written by insurers elsewhere in Europe. Time will tell how the process works itself out.

Algeria: Insurance Sector to Introduce Minimum Premium Rates

Insurance companies in Algeria will soon introduce "floor tariffs" after the validation of a framework agreement by the Ministry of Finance. The floor price, suggested by the Union of Insurers and Reinsurers (UAR), should not exceed 50% of the rates on any insurance policy. The move is aimed at combating dumping. The majority of insurance companies signed the framework agreement and are waiting for the approval of the Insurance Supervisory Commission. There are more than 20 insurance companies operating in the country. Heavily dependent on automobile insurance, the Algerian insurance market is suffering the full impact of a decrease in the imports of new vehicles, after the good performance of prior years.

Philippines – Higher Reporting Regulations

Insurers in the Philippines will now be required to submit regular quarterly and annual reports to the International Monetary Fund as a result of new reporting rules issued by the Philippines Insurance Commission. The new reporting regime is part of a wider initiative to compile a comprehensive measure of the claims and liabilities of the country's entire financial industry, according to a statement from the Commission. Life and non-life insurers as well as pre-need companies will provide reports under the new rules that will see the combination of the Other Financial Corporation Survey (OFCS) and the Depository Corporation Survey (DCS) in compliance with the IMF's new Special Data Dissemination Standard Plus (SDDS Plus).

RECENT SUCCESSSES

- Secured policy in Canada for Stock Throughput cover for a leading distributor of Bakery Ingredients, Food Additives, Bakery Equipment and Finished Bakery Products.
- Placed Indian reinsured Directors' & Officers cover for a leading Scientific research firm.
- Secured fronting policy in China for Inland Transit for a global laboratory supplies company.
- Instrumental in placing fronting Commercial General Liability, including Employers Liability cover in India and various European countries for a global laboratory equipment manufacturer and distributor.
- Placed Imports and Inland Transit cover in Brazil for a market leader in office supplies.

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