



# Multinational Underwriting Services

## GLOBEX UPDATE

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

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**Key words in this issue: Japan Earthquake premiums; UAE Fire policies; Ethiopia a Rising Star.....**

### Japan – Earthquake Insurance Premiums on the Rise

Earthquake insurance premiums are set to rise for certain regions in Japan, as major Japanese non-life insurers have begun to review their earthquake premiums by reassessing damage risks region by region. Insurers are likely to raise premiums in January next year for areas including the Shikoku region, which could suffer damage from an expected powerful earthquake occurring along the Nankai Trough off the Pacific coast of central Japan, and from subsequent tsunami. Premiums for some regions may increase by up to 50%, depending on building structure. The Osaka and Tokyo regions may remain unchanged.

### UAE – Cover for Cost of Temporary Housing in Fire Policies

The Insurance Authority in the United Arab Emirates has directed insurers to provide for the cost of substitute housing in fire insurance policies which cover residential property, in the event that the property owners or their tenants are forced to vacate their homes due to an incident covered by the policy. The demand for fire insurance in the UAE has increased due to recent fires. While temporary housing costs may be covered by fire insurance policies, homeowners or tenants need also to insure the contents of their homes as these have value too. Home contents at present are still largely uninsured. The price of insurance cover for home contents is low, and insurance companies have called for more activity to promote awareness of the importance of these products.

### Ethiopia – Rising to Challenge Top African Economies

Ethiopia is beginning to challenge its economic rivals – Nigeria, South Africa and Egypt – and could become the continent's powerhouse. This is a result of various factors: rising security risks and political instability in Egypt, economic downturn and militancy in Nigeria, and escalating political risks in South Africa have led to doubts whether the balance between risks and opportunities in these markets is still favorable for businesses. A fall in oil prices and lower production due to insurgent attacks in the Niger Delta have slashed growth from 6.3% in 2014 to 2.7% in 2015, followed by a sharp contraction of 1.6% last year. Meanwhile, Ethiopia outperforms every African peer; it attracted \$3.2bn of foreign direct investment in 2016 – more even than Nigeria, and double the figure for Morocco.

The East African nation is one of Africa's fastest-growing economies and continues to offer strong prospects. Growth averaged 10% from 2010 to 2015 and although 2016 growth was slower at 6.5%, the expansion remains impressive. A well-educated workforce and an innovative service sector, the government's continued investments in upgrading critical national infrastructure, and deepening integration with its neighbors through the East African Community, all allow the country to act as a gateway into the larger East Africa region. For more information about how to place local paper in Ethiopia, please contact any member of our Globex Team.

### RECENT SUCCESSSES

- Secured policy in Canada for Stock Throughput cover for a leading distributor of clothing, shoes, boots, sporting goods and equipment.
- Placed fronting policy for Errors & Omissions cover and Cyber cover in the UAE for a leading technology giant.
- Secured Inland Transit fronting policy in China for a global manufacturer of electronics and telecommunication related products and accessories.
- Instrumental in placing Inland Transit policy in Switzerland for a major global leader in high-performance plastic and rubber extrusion and converting systems.
- Placed Commercial General Liability and Products Liability policy in Australia for a Marketing and Public Relations provider to the hospitality. Industry.

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