



GLOBEX UPDATE

Property & Casualty

Events, developments, and opportunities in the international marketplace

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Marine Piracy.

The number of piracy and armed robbery attacks on ships reached a 22-year low in 2017, with just 180 incidents recorded by the International Maritime Bureau (IMB), down from 191 incidents in 2016 and 246 in 2015. During the year, 136 vessels were boarded, six vessels were hijacked, 22 attempted attacks were recorded, and 16 vessels were fired upon. Of the 16 vessels that reported being fired upon, seven occurred in the Gulf of Guinea. Indonesia recorded the highest number of piracy and armed robbery attacks on vessels followed by Nigeria. In the Philippines, the number of attacks more than doubled from ten in 2016 to 22 last year. Other significant rises in attacks were recorded in Bangladesh and Venezuela. By region, 76 of last year's 180 attacks occurred in Southeast Asia, 57 in Africa, 24 in the Americas, 15 on the Indian sub-continent, four in east Asia and four in the rest of the world.

Global Political & Security Risk.

Businesses will face "profound uncertainty" in 2018, as increasingly unpredictable behaviour from a rising number of national political leaders ushers in a period of geopolitical fragility. A recently published annual political and security risk map warns that such behaviour is making it extremely difficult for companies to plan ahead. In what is predicted to be a turbulent political year, the report points to the rivalry between Saudi Arabia and Iran which will likely inform and inflame conflicts and animosity in the region as a whole, particularly Syria, Lebanon, Iraq and Yemen, as well as between Israel and Palestinian territories. Elsewhere escalation of troubles in North Korea, US protectionist measures, large-scale cyberattacks against infrastructure and Brexit were listed among key risks to watch.

Taiwan.

Taiwan's insurers and other financial institutions are unlikely to be significantly affected by US tax reforms, according to the Financial Supervisory Commission (FSC). The Commission tallied the nation's exposure to the US economy at about NT\$6.89 trillion (US\$232.84 billion), with the insurance sector having the greatest exposure at about NT\$5.57 trillion. The US tax overhaul could make it attractive for US companies to remit a larger portion of their overseas profits back to the US, boosting the country's economy. As funds flow back into the US, the greenback is expected to begin strengthening while, at the same time, the tax cut would likely widen the deficit of the US federal budget, leading to higher US Treasuries yields. These factors should also benefit local life insurers, which grappled with foreign exchange-related losses in their massive overseas and US dollar-denominated investments as the New Taiwan dollar remained strong against the greenback throughout last year.

RECENT SUCCESSES

- Placed a local Package Policy in UK including Property, General Liability, Employers' Liability and Professional Indemnity for a US based Corporate Psychology and Management Consultant.
- Bound Property and General Liability policies in Canada and Mexico as part of a controlled master program on behalf of a US manufacturer of electrical and fiber optic cable.
- Co-ordinated placement of a full suite of local coverages for the Italian subsidiary of a US multinational engaged in cash automation technology.
- Bound 3 year Kidnap, Ransom and Extortion policy for an energy related company performing project work worldwide.



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