



# GLOBEX UPDATE

## Property & Casualty

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

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### Mexico

A growing number of Mexican truckers are armoring up their big rigs in order to keep their cargo safe from hijackers. As cargo thefts in Mexico have doubled from their 2015 rate to more 30 per day, truckers and shippers are desperate to try to deter cartels and gangs. Even more worrisome than the uptick in armed cargo theft is the fact that cargo thieves are now going after drivers rather than just trying to disable the trucks. To make matters even worse for Mexican truckers, more and more insurance companies are refusing to cover high profile loads like electronics and designer clothing unless the trucks are equipped to withstand armed cargo theft. In addition to coating the body of the trucks with steel and adding bulletproof glass, some of the trucks are even being equipped with retractable steps to keep thieves from climbing up. Along with the bulletproofing, armoring companies are also training drivers to “trust the truck” and stay put inside, where they are safer. According to one report, it costs about US\$27,000 to armor a semi truck so that it can withstand AK-47 fire. Violent crime costs the Mexican trucking industry \$4.6 billion per year.

### Turkey

The Turkish Grand National Assembly has approved a law providing for the establishment of Turk Reasurans (Turkish Reinsurance) to insure risks that the insurance sector is unable to cover and to develop new products in line with market needs. In particular, the reinsurer will cover risks in the furniture, paint, plastics, ginning, leather and textile sectors. According to the new law, Turkish Reinsurance is to be operational after a general meeting to be held in three months' time. The company's activities, purpose, resources, capital structure, shares, organization, accounts and issues related to the distribution of profits will be set out in the articles of association.

### Panama

The CCRIF SPC (formerly named the Caribbean Catastrophe Risk Insurance Facility) has expanded its parametric risk pool to include Panama. The CCRIF is a multi-country risk pool, providing parametric disaster insurance at the sovereign level for perils including earthquakes, hurricanes and extreme rainfall events. The facility has been steadily growing and with Panama signed-up, it now has two Central American members and a risk pool that includes exposures from 21 countries (19 from the Caribbean). Panama is particularly exposed to financial impact from rainfall – the “La Purisima” rainfall event in 2010 and flooding in the Province of Colon in 2012 both caused losses of more than US \$270 million. On one occasion extreme rainfall resulted in the temporary closure of the Panama Canal, which could lead to significant business interruption costs for the country and operators using the canal as a waterway.

### RECENT SUCCESSES

- Coordinated and completed the fronting and reinsurance process into Lloyd's for phase I of a multi- year construction project in Mexico.

- Bound Package policy for Property and General Liability risks in Puerto Rico for a provider of consultation services for invisible dental braces and aligners.

- Placed Controlled Master Program with underlying Property and General Liability policies in China on behalf of a US-based manufacturer of eco-conscious products.

- Bound an International Liability Program along with a separate K&R policy for a US company providing technical oversight as part of a plant maintenance project at a power plant in Mexico.

**GLOBEX BROKER SERVICES**

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