



# GLOBEX UPDATE

## Property & Casualty

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

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### Australia.

The D&O insurance market has become increasingly cautious in providing coverage to public company insureds. Aggressive pricing over the years, coupled with an increase in securities class action claims activity, has put the D&O premium pool under pressure. Now, insurers are actively seeking to re-align pricing and are becoming increasingly selective on risks they are prepared to insure. This is particularly so in the first A\$100m (\$74m) of cover. Volatility in primary and low attachment excess pricing is significant with some insurers seeking premium uplifts greater than 100%. As a result, London is playing an important role in the placement of mid to large listed company risks. By contrast, non-listed organisations are seeing only modest premium increases.

### Turkey.

A regulation has been published that makes it mandatory for freight forwarders and other logistics companies to acquire carrier liability insurance. The regulation covers all transport business organisers operating road, rail, sea or air transport or combined transport. A transport business organiser is one engaged in the organisation of shipping business; shipping, customs, storage etc. In the field of freight forwarding, in accordance with the relevant legislation, the activities include transportation, storage, packaging, labelling, order management, customs, insurance, distribution etc.. The regulation says that failure to obtain liability insurance will result in a fine.

### China.

The Hong Kong-Zhuhai-Macau (HKZM) Bridge connecting three major cities of Hong Kong, Zhuhai and Macau on the Pearl River Delta is open. Traversing three borders, no single motor insurance policy complies with the legal requirements of all three jurisdictions. Drivers using the bridge need to procure statutory motor insurance policies covering either two or three jurisdictions, depending on their route. If a Hong Kong resident is driving from Hong Kong to Macau, he needs statutory motor insurance of the three jurisdictions, because the main bridge between Hong Kong and Macau stands over mainland Chinese waters. The Hong Kong Insurance Authority and the insurance regulators of the Mainland and Macau have agreed on an arrangement whereby Hong Kong drivers can procure mainland and/or Macau statutory motor insurance through a one-stop service provided by Hong Kong insurance organisations. The 55km HKZM Bridge is an important part of China's masterplan to develop and integrate the Pearl River Delta to drive economic growth. The bridge slashes travelling times among the three places from three hours to 30 minutes. Home to 68 million people, the Greater Bay Area covers 56,500 sq km in central southern China, and encompasses 11 cities -- Hong Kong, Macau and nine cities across Guangdong province.

### RECENT SUCCESSES

- Placed Professional Liability coverage for the US subsidiary of a European parented tunnel design services firm.
- Bound primary and excess US General Liability and Workers Compensation coverage for an Australian contractor engaged on a US project for the insulation of liquefied natural gas tanks.
- Placed an Ocean Marine Cargo policy in the Sultanate of Oman on behalf of a UK company shipping goods to Muscat.
- Bound local Property coverage across locations in Belgium, Italy, Sweden, UK, Czech Republic and Germany at very short notice, on behalf of a US based multinational heavy equipment tire and wheel distributor.



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