



GLOBEX UPDATE

Property & Casualty

Events, developments, and opportunities in the international marketplace

Visit us at: www.globexintl.com

Brunei.

Brunei will introduce Motor Claims Guidelines (MCG) starting on 31 July to expedite the process of handling motor accident cases and settlement of claims. The MCG sets out a clear procedure on what should be done in a motor accident including immediate reporting. It will be implemented in stages and in the early phase, will cover only minor accidents that do not involve any injuries, deaths and damage to government properties. The initiative is a joint effort of the Land Transport Department of the Ministry of Communications, the Royal Brunei Police Force and the Brunei Insurance Takaful Association and is based on international best practices, in particular those in Malaysia and Singapore. In the early phase it will exclude any public vehicle that is licensed for the carriage of passengers for hire or reward; accidents happening outside Brunei Darussalam like in Labuan, Sabah and Sarawak; accidents involving foreign-registered vehicle; and hit-and-run cases.

New Zealand.

The New Zealand government has announced a 33% increase in the Earthquake Commission (EQC) levy to replenish the natural disaster fund depleted by the 2010-2011 Canterbury and 2016 Kaikoura earthquakes. The increase, which will take effect on 1 November, will affect those with home insurance cover as the levy is set to be increased from 15 cents to 20 cents per \$100 of home insurance cover. The maximum homeowners will have to pay will be pushed out from NZ\$207 (US\$146) to NZ\$276 including GST. The increase is being introduced in a year where the government was already planning a hike in the fire service levy. From 1 July, people with home, contents and automobile insurance will have to start paying a 39% increase in the levy to fund Fire and Emergency New Zealand (FENZ). The risk of increasing insurance costs is that people will not insure or will under-insure, particularly those in low income brackets.

Qatar.

The impact on insurers' business profiles, as a result of the current tension between Qatar and eight countries led by Saudi Arabia and the UAE, is likely to be negligible. Of greater concern are insurers' exposures to Qatar's stock and real estate markets. Qatar's insurance market is dominated by local insurers. With the exception of Qatar Insurance Company, they are largely single market players with limited overseas exposure. Most GCC insurers concentrate on their domestic market with limited premium exposure to Qatar, although some may have assets invested in the country. Many insurers will have sizeable exposures to, and concentration within, Qatar's equity and real estate markets. This is likely to create volatility in the short term. Restrictions on airspace, land borders and sea transportation are likely to impact the marine, aviation and transport insurance lines. Over the short term, little impact is expected on the credit quality of insurers but, if the situation persists, then the economic repercussions could begin to impact the insurance sector's rating fundamentals.

RECENT SUCCESSES

- Placed Warranty & Indemnity insurance on behalf of a Canadian multinational client in the non destructive testing sector making an acquisition in the UK.
- Placed local Employers Liability policy on behalf on an Ireland based contractor installing plumbing and ventilation works for a new hotel in Dominica.
- Bound an international package for the overseas exposures of a US subsidiary of a Canadian company in the nuclear power industry.
- Placed local Property & General Liability polices in India as part of a controlled master program on behalf of a US based multinational client.



GLOBEX INTERNATIONAL GROUP

PO Box 776 – Chester, New Jersey – 07930

Phone: (908) 879-1150

E-mail: globex@globexintl.com

Fax: (908) 879-1160