



GLOBEX UPDATE

Property & Casualty

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Jordan.

As a key part of reforms to boost the finances of a debt-burdened economy hit by regional conflict, Jordan's Cabinet approved major IMF-guided proposals that aim to double the income tax base. Among the proposals is a move to increase the corporate income tax on banks, financial institutions and insurance companies. The Jordan Insurance Federation has rejected the draft income tax law that would hike the tax rate on insurance companies from 24% to 40% if passed. This would make the insurance sector subject to the highest tax rate in the kingdom. The association called on the government to withdraw the measure, and not to proceed further with any proposed tax amendments without a comprehensive national dialogue. The insurance sector, comprising 24 insurers, only achieved a net profit after tax of JOD 3.9 million (\$5.5 million) in 2017 compared to JOD26.7 million in 2016. Despite losses borne by insurers in the area of compulsory compulsory lines, where the government insisted rates could not be raised, insurance companies continue to offer the insurance in the national interest.

India.

General insurers in India have expressed reservations about a directive from the Ministry of Road Transport and Highways for them to only provide third party insurance cover to vehicles which have a valid pollution under control (PUC) certificate. The Directive follows an order by the Supreme Court in accepting recommendations of the Environment Pollution (Prevention and Control) Authority (EPCA) for the mandatory linking of a PUC certificate with the issue of annual vehicle insurance. It had been expected that the Insurance Regulatory and Development Authority of India (IRDAI) might issue instructions to general insurers to comply with the court order but they refrained from doing so, leaving the matter between the Supreme Court and insurers. Insurers say it is not practical to execute the Directive and plan to meet with the IRDAI to explain the difficulties involved.

Vietnam.

Vietnamese lawmakers have passed a new cybersecurity law which requires online companies to set up local offices in Vietnam and store data on users in Vietnam. This could rein-in the activities of tech giants who now serve Vietnamese users from remote regional headquarters. In response to the draft law, the US urged Vietnam to delay any vote to ensure that it aligned with international standards. The law also raised fears among activists about tighter restrictions on the voicing of dissent online. Vietnam is not the first country wanting a greater say in how online content is shared and used. China recently banned virtual private networks that allowed its users to bypass state censorship.

RECENT SUCCESSES

- Placed overseas Directors & Officers policies in 5 countries as part of a controlled program on behalf of a global leader in energy storage and power delivery solutions.
- Bound a local General Liability policy in Australia for a US based non-profit organization holding a worldwide week long convention with over 600 participants.
- Placed both a Medical Evacuation policy and a K&R policy with Political Evacuation coverage for employees working in Afghanistan.
- Placed a Clinical Trials Liability policy for a drug safety and tolerance study in Jordan with a local limit equivalent to the high US limits.



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