



GLOBEX UPDATE

Property & Casualty

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Europe

It's been a year since the EU General Data Protection Regulation went into effect, and GDPR fines imposed on companies to date have been modest. But experts warn that larger GDPR fines are on the way as regulators start to get through the backlog of reported incidents and conclude investigations. In the first eight months since the implementation of GDPR, there have been 91 reported fines and over 59,000 personal data breach notifications across Europe. The largest GDPR fine issued so far was Google's \$57 million fine imposed by France's National Data Protection Commission for improper processing of personal data for advertising purposes. The maximum penalty for GDPR violations is €20 million or up to 4% of annual revenue from the previous year. Regulators, however, are not just going after tech behemoths; much smaller organizations are getting fined as well. The the risk of fines and litigation in the U.S. has driven significant investment in cybersecurity and wider privacy controls and it is anticipated that this trend will gather pace as GDPR-like laws spread across the US, such as California's new Consumer Privacy Act.

Turkey

The Ministry of Treasury and Finance has announced that a new Insurance Regulation and Supervision Authority (SDDK) will be set up to supervise the sector, raising expectations of expansion in the insurance industry. Demands in the sector include expansion of compulsory insurance, assets of the state being insured with private insurance and mandatory traffic insurance focused on drivers, not vehicles. The SDDK is part of Turkey's "New Economy Program Structural Transformation Steps 2019" announced in April, that promises structural reforms for the financial sector, including establishing a more sustainable pension system, and a Turkish reinsurance pool to facilitate access to insurance by businesses in "risky" industrial sectors such as chemicals. There are more than 60 insurance companies operating in Turkey, with foreign interests commanding around 70% of the market. Agents account for around 75% of sales.

Russia

A volcano previously classified as "extinct" in Russia's far east has woken up, and experts are now warning it could produce an eruption similar to the one that wiped out Pompeii and Herculaneum almost 2,000 years ago. The Bolshaya Udina volcano is a stratovolcano located at the center of the Klyuchevskaya volcano group on Russia's Kamchatka Peninsula. It is not known when Udina last erupted. However, scientists recently noticed continuing seismic activity, potentially suggesting the "awakening" of the volcano complex. Although impossible to say when or if Udina will erupt, when a volcano is silent for a long time, its first explosion can be catastrophic with a large amount of ash thrown into the air which can have far-reaching effects all over the planet.

RECENT SUCCESSES

- Arranged servicing for an admitted General Liability policy for an oilfield equipment company in Western Canada.
- Placed a local Business Automobile policy in St. Croix, USVI on behalf of a scouting organization contracting with a local entity to provide transport for their summer program.
- Bound a Homeowners policy for a high-end secondary home in Negril, Jamaica.
- Issued compulsory local Employee Compensation policy in Hong Kong for a global electronic components company.

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