



Multinational Underwriting Services

GLOBEX UPDATE

Events, developments, and opportunities in the international marketplace

Volume 10

Visit us at: www.globexintl.com

October 2015

Key words in this issue: China, Cyber Liability, India, MENA Region ...

China – Mandatory Reinsurer Registration with CIRC

In order to further standardize the reinsurance credit risk management, strengthen the supervision over reinsurers and reinsurance brokers, and facilitate the healthy and coordinated development of the reinsurance market, China Insurance Regulatory Commission (CIRC) has decided to establish a reinsurance registration administration system. Globex has received details about the registration fresh off the ground, and will be sharing this information with our clients and will be sharing a further update.

Cyber Liability Rates Zooming in the USA

A rash of hacking attacks on U.S. companies over the past two years has prompted insurers to massively increase cyber premiums for some companies, leaving firms that are perceived to be a high risk scrambling for cover. On top of rate hikes, insurers are raising deductibles and in some cases limiting the amount of coverage, leaving many potentially exposed to big losses. Average rates for retailers surged 32% in the first half of this year, after staying flat in 2014. Higher deductibles are also now common for retailers and health insurers. The spate of hacks is potentially good and bad for insurers. It means they have to pay out more in claims, but it also highlights the importance of buying insurance and gives them a reason to jack rates up. Insurers are wary of the hard-to-predict risks they are taking on, forcing retailers shopping for cyber insurance, to be subjected to stringent conditions on coverage, such as secure payment systems.

India – Liability Insurance Tailor Made

Liability insurance in India is increasingly getting sold via tailor-made products that take into account not only corporate needs but also sectoral needs. Cyber risk can affect industries such as technology and financial services differently, hence the need to prepare custom solutions suiting each client segment. Companies with large technology-related and Internet-related operations and those storing a large quantity of customer data are now opting to take liability cover. Firms in the investment banking space take blended insurance policies which are a combination of D&O, professional indemnity, and crime insurance since it covers all aspects of their business.

Global Programs in the Middle East

The Middle East is comprised of countries with varying degrees of Supervisory authorities, regulatory regimes, and underwriting guidelines. Some markets are considerably more developed, and some are better regulated than others. It is clear that the regulatory regimes in the region are at very different stages of development. The region has been issuing local policies as part of integrated global insurance programs produced outside of the Middle East for many years. Among some of the challenges when placing local policies in this region are the strict policy filing rules, or the restrictions by the Supervisory authorities. Processes can be quite time-consuming and sometimes expensive. For any assistance with placing local admitted paper in the ME, please contact any member of our Globex Team.

RECENT SUCCESSES

- Secured E & O fronting policy in Kenya for a leading provider of dental and medical imaging systems; healthcare information technology; non-destructive testing x-ray systems.
- Placed Marine fronting policies in ten European countries for a global pharmaceutical firm.
- Instrumental in placing a Marine policy in Argentina for a leading manufacturer and distributor of chemical products.

Globex International Group | Multinational Underwriting Services

Tel: +1-203-256-1475 | Email: globex@globexintl.com | Address: 100 Beard Sawmill Road, Shelton, CT 06484, USA