



Multinational Underwriting Services

GLOBEX UPDATE

Volume 6

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June 2015

Events, developments, and opportunities in the international marketplace

India – Growing Regulations from IRDAI

India's insurance regulator Insurance Regulatory and Development Authority of India (IRDAI) has asked the industry to make a concerted effort to rectify pricing anomalies by undertaking a scientific analysis of claims, so as to ensure adequate pricing. According to the state regulator, they encourage the local insurers to take a more serious view of the situation and bring a semblance of discipline and grace in the overall functioning of the insurance sector. Insurers have also been urged to meet insurance penetration targets and broaden their servicing capabilities. Over the past few months, Indian insurers are being subjected to more regulations, which previously had not been stringently enforced by the IRDAI.

Trends in Latin America

Costa Rica was the fastest growing insurance market in Latin America last year, according to reports. The Central American nation saw insurance premiums expand 14.3% in real terms, followed closely by Uruguay at 13.0%, Nicaragua at 12.3%, and Argentina at 11.6%. The only Latin American country to see its insurance market contract in 2014 was Ecuador, which saw premiums fall 1.0%. Honduras and Mexico fared a little better, with growth of 0.3% and 0.5%, respectively. Meanwhile, Brazil, the region's largest insurance market, saw premiums expand 7.0%, just below Peru at 8.5% but far exceeding Colombia and Chile at 1.3% and 1.6%, respectively. For assistance in placing local admitted paper in any of these regions, please feel free to contact any member of our Globex team.

Hong Kong and Impending Market Trend

New requirements associated with the impending roll-out of the Risk-Based Capital framework in Hong Kong, combined with the recent regulatory measures targeting the sales of investment linked insurance products, run the risk of undermining the image of the city as an open market. In the face of increasing regulations, some insurers have even questioned the viability of doing business in Hong Kong and expressed the need "to look elsewhere". The changes have been spearheaded by the Hong Kong regulator, the Office of the Commissioner of Insurance, which leads the charge in transitioning the Hong Kong insurance industry from a solvency regime, in place since the 1980s and largely inspired from Solvency I, to a risk based capital framework, which will impose tougher risk management, capital and disclosure requirements on Insurers once enforced.

From Our Friend at Worldwide Risk Solutions, Here Are Some Tidbits From Around The World...

- According to numerous sources, evolving technology brings unseen dangers with it and this can manifest itself in many ways. In Toronto, a panel of speakers has said that UberX and AirBNB can create vulnerabilities for Property & Casualty insurers. An example would be the cyber risk of hacking drivers' and passenger information.
- The Obama administration gave conditional approval to allow Shell to start drilling for oil off the Alaskan coast.
- In China, the CIRC has set up its first earthquake insurance consortium with 45 insurers to cover residential properties in urban and rural areas. Initial cover is for residential buildings, but it will be possible to insure contents, other property, and personal injury.

RECENT SUCCESSES

- Secured Stock policy in Canada for a leading manufacturer of disposable and durable cleanroom consumables.
- Placed fronting Professional Indemnity policy in Qatar for a leading marketing and analytics firm.
- Placed Transit and storage fronting policies in Peru and Uruguay for a major producer and distributor of gaming goods.
- Secured fronting Marine policy in the Philippines for a leading manufacturer and distributor of mobile phones and electronics.
- Secured fronting Employers Liability policy in Italy for global provider of steam generation systems and equipment.
- Instrumental in placing fronting Marine policies in Bolivia and the Dominican Republic for a leading brewery and distributor of alcoholic beverages.



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