



Multinational Underwriting Services

GLOBEX UPDATE

Volume 8

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August 2015

Events, developments, and opportunities in the international marketplace

Iran: Potential for Business Boom?

The relaxation of sanctions on Iran would open up one of the largest emerging markets to foreign investment and trade, with huge potential across a range of sectors, in particular oil and gas and various consumer markets. Insurance experts see Iran as a USD\$8-billion market in the wake of its nuclear deal with world powers last month. There is uncertainty over when sanctions on Teheran will be lifted, and foreign-owned businesses are trading with caution. Iran's oil and gas sector presents one of the most exciting opportunities globally. On the flip side, foreign-owned businesses are trading carefully due to various factors; years of sanctions and the resulting distrust of foreign companies and the country's hostile legal environment. In addition, an endemic culture of corruption in all areas of society in Iran presents a major obstacle for private and foreign-owned businesses. For more information on placing business in Iran, please contact any member of the Globex team.

Thailand: Interest in Terrorism Cover On the Rise

Demand for political-violence (PV) insurance has been sparked after last month's bomb attack at the well-known Erawan shrine in downtown Bangkok. Thai insurance companies are facing requests from corporate clients who are now paying more attention to risk protection. PV insurance is offered as an additional policy under the industrial all risks category. The policy offers wide coverage for damage from political unrest, terrorism, destruction, strikes, riots, conspiracies and even military coups, with liability coverage tailored to customers' requirements. There is no doubt that PV cover will become more sought after by clients, in particular those who have exposures in high traffic areas such as shopping malls, hotels, and sites with tourist attractions.

New Brazilian Reinsurance Laws

The Brazilian government has announced new rules concerning reinsurance which will allow international companies to obtain coverages and limits that are currently lacking in the market. This will allow the integration of local policies into global programs. The most significant changes involve the outward cession of premiums and risk to foreign registered reinsurers. Currently the cap has been 40%. Going forward, this is to decrease, ending up at 15% in 2020. The second important change is the partial increase in the limits of premiums that can be transferred between risk transfer companies that belong to the same group - currently restricted to 20%. The limit will be raised to 30% in 2017, 45% in 2018, 60% in 2019, and 75% in 2020.

GCC Counties: Possible VAT on Insurance Premiums

Recent talks among the GCC (Gulf Cooperation Council) involve the implementation of VAT in all six member states simultaneously. It is not determined yet whether insurance will be exempted from VAT. Once a decision to impose VAT is made, the public will be given no less than 18 months to prepare for its implementation, the ministry's statement said. The proposal for the introduction of the taxes stems from falling oil prices which have affected government coffers. The GCC countries include UAE, Oman, Bahrain, Kuwait, Qatar, and the Kingdom of Saudi Arabia.

Globex New Website

Globex International Group Multinational Underwriting Services is pleased to announce the launch of our upgraded website www.globexintl.com. We believe that you will find our new website user-friendly, easy to navigate, and informative. Please visit our new website when you have a moment. As always, kindly contact any member of the Globex MUS team if we can be of assistance regarding your international insurance needs. We look forward to speaking with you!

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- Placed Marine policy in Argentina for a global manufacturer and distributor of chemical products.
- Secured Marine policy in Canada for a leading manufacturer and distributor of school supplies.
- Instrumental in placing a Marine policy in India for a recognized leader in the healthcare industry providing medical billing, credentialing, contracting services, and provider solutions for any health system.



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