



# GLOBEX UPDATE

## Property & Casualty

*Events, developments, and opportunities in the international marketplace*

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### **COVID-19**

Amidst the COVID-19 social distancing, companies face substantial exposure throughout their supply chains. Federal and local governments worldwide are developing responses to pandemic scenarios, and companies should continue to review their emergency plans, policies, and procedures to ensure continuity of operations. Issues to consider include: 1) Company planning, such as the specific role, responsibility, and obligation of the company as the pandemic continues and the impact that local and federal laws may have on any corporate response; 2) Company communication; companies need to have communication with the entire supply chain and set reasonable contract performance expectations. A dedicated planning committee involving senior management is vital to ensure correct and timely communication to all stakeholders. The committee can address human resources, insurance, communication, security, and continuity of operations; and 3) Company resources. Human and technology resources necessary to support the policies and procedures should be maintained. While there may be a rush to minimize operations, furlough employees, or otherwise curtail operations, a company should evaluate both the short-term and long-term impacts on itself, its supply chain, and customer needs.

### **RECENT SUCCESSES**

- Bound Defense Base Act and Foreign General Liability coverage for a US firm undertaking a contract on a military base in South Korea.
- Placed Workers Compensation in Guam for one employee sourced by a personnel staffing client.
- Bound a General / Products Liability policy including Product Recall & Pure Financial Loss for a company in France selling high specification HVAC and Electrical suspension systems.

### **FRANCE**

French insurers will reportedly contribute up to Euros 200 million (USD 216 million) to funds set up by the government to help companies deal with a significant drop in their activity due to the coronavirus crisis. Discussions have been taking place with the government over a plan to help businesses in a situation when many of them are closed due to the country's lockdown. According to the French Insurance Federation, most insurance contracts - business interruption, supply-chain breakdown, cancellation of events, or failure to deliver - exclude epidemics. With the industry facing a risk of damage to its reputation in the event of widespread non-payment of claims, innovative proposals are awaited from insurers to design an insurance product that would improve cover of major health risks in the future.

### **UGANDA**

After a delay in implementation, Marine Insurance for importers in Uganda is expected to become compulsory by July 2020, according to the Insurance Regulatory Authority (IRA). The IRA, in collaboration with the Uganda Revenue Authority and the Uganda Insurers Association, have instituted a technical working group to implement the local marine cargo goods strategy after having initially set January 2020 as the start date. Under the compulsory marine insurance arrangements scheme, all imports will need to have a valid marine insurance cover underwritten by a Ugandan registered insurance company before clearance by the Uganda Revenue Authority. The new requirement will make it easier for importers to lodge claims with Ugandan insurers as opposed to the cumbersome procedure of lodging insurance claims with foreign insurers for lost or damaged goods. The IRA is expected to develop Marine Cargo Insurance guidelines, approve minimum premium rates, and engage insurers to ensure prompt claim payments.

**GLOBEX BROKER SERVICES**

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