



GLOBEX UPDATE

Property & Casualty

Events, developments, and opportunities in the international marketplace

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Volcanic Eruption.

A global volcano model has been developed that assesses risks in over 500 active volcanoes. One in seven of the world's largest urban areas, encompassing over 1 billion people, are located within a 93 mile radius of an active volcano, and some of the largest cities are at risk of total economic losses of up to \$30 billion. The top 10 exposed cities include Tokyo, Naples, Manila, Managua and Jakarta. A 2015 study named Iwo Jima as the site of the most dangerous volcano in the world, saying that a large eruption would cause a tsunami that could devastate southern Japan and coastal China. Apoyeque in Nicaragua, located next to the capital of Managua, with a population of more than 2 million, was second on the list, followed by Campi Flegrei in Italy, which scientists say poses an even greater threat than Vesuvius, because it is closer to the city of Naples and has the potential for much larger eruptions.

United Arab Emirates.

Billions of dirhams in losses from a spate of spectacular skyscraper fires in Dubai and Sharjah have prompted insurance companies to increase premiums on building owner associations and managing developers by as much as four fold. High-profile blazes at Tamweel Tower, the Torch tower and Address hotel in Downtown Dubai have raised the risk profiles of tall buildings. The blaze that engulfed the Address hotel in Downtown Dubai was estimated to have caused \$800 million in fire damage as well as another \$400 million in lost revenues. Attributed to an electrical short circuit on a spotlight on the 63rd storey, it then shifted to aluminium cladding, sweeping across the facade of the building. Flammable cladding used on towers, has been linked to at least a dozen skyscraper fires in recent years. An estimated 1,000 buildings in the UAE are covered in aluminium cladding. In recognition of the importance of understanding good fire safety management, this is now being replaced by more fire-resistant composite cladding as building owners of new towers become more cognisant of the materials they are choosing through architects and contractors.

Lloyd's of London.

Lloyd's of London, an anchor of the city's financial industry, has banned its employees from drinking during office hours. Boozy lunches have long been seen as a defining feature of finance industry culture in London. But times appear to be changing. A Lloyd's spokesman said the insurance market had updated its policy to "remove ambiguity about what's acceptable" and bring the firm in line with industry standards. A study by the City of London Substance Misuse Partnership found that finance workers are at an increased risk of health, social and work issues related to drinking. The study also found that the financial services industry has the highest level of alcohol misuse of any employment sector, with up to 40% middle management and general office workers engaging in binge drinking two to three days each week.

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- Placed UK Property, Business Income, General & Employers' Liability and Fine Arts policies for a new London hotel referred by a US partner broker.



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