Vol. 246 November 2017

GLOBEX UPDATE

Property & Casualty

Events, developments, and opportunities in the international marketplace

Visit us at: www.globexintl.com

RECENT SUCCESSES

- Placed a standalone General Liability policy for a company in Mexico buying and selling scrap metal and plastic commodities for steel mills and recycling facilities.

- Worked with US partner broker to implement a Property, General Liability, and Employers Liability program in Dominican Republic and UK for a US based designer and manufacturer of body-armor systems.

- Placed a local General Liability policy in USVI for short term rental properties on behalf of a US based commercial real estate developer.

- Placed local Directors & Officers policy in Brazil as part of a controlled program for a global Contract Research Organization.

EMEA.

New research reveals that only 15% of potential cyber losses are covered by insurance, and only 30% of surveyed respondents from the EMEA region are fully aware of the potential legal and economic consequences of the EU's forthcoming General Data Protection Regulation (GDPR). The research shows that insurance spend to protect cyber risks continues to lag behind budgets for more traditional cover, despite the growing cost of cyber losses. In the EMEA region it was found that insurance buyers spend four times more insuring property risk than cyber risk while also revealing that almost 40% of respondents have recorded a cyber loss in the past 24 months, at an average of $3.3bn. Companies are starting to realise the potential for cyber risks to damage their business, but this has yet to translate into buying insurance cover. Only 12% of companies surveyed said cyber risk is not a top ten risk for their company, while 37% place it in the top five and 35% in the top ten. On preparedness for the new GDPR rules which take effect in May next year, it was found that only 30% are fully aware of the consequences of the new rules with 24% saying they were not aware at all. Under the EU's GDPR, companies will have 72 hours to report personal data breaches. Nevertheless, insurers are starting to report an increase in demand for cyber insurance, as the risk becomes more embedded in enterprise-wide risk management geared to cyber resilience.

Vietnam.

Total insurance premiums in Vietnam in the first nine months of 2017 surged by almost 22% year-on-year to more than VND75.23 trillion (US$3.31 billion). Of the total, non-life insurance premiums reached nearly VND30.17 trillion, up 12.2% from the corresponding period last year. This year, it is predicted the growth rate in the non-life insurance sector will be 14%. The growth is a result of increased public awareness about the role of insurance assisted by the country's economic growth, targeted at 6.7% in 2017.

United Arab Emirates.

The UAE is set to introduce value added tax (VAT) at 5% on insurance premiums, except on life insurance and reinsurance, with effect from 1 January 2018. A Federal Decree-Law was issued on 28 August 2017 on VAT, with regulations to follow this month. All commissions – whether the underlying class of business is VAT exempt or otherwise - will also be subject to VAT. Now, brokers receive premium payments on behalf of the insurer, and transfer an amount to the insurer, after deducting their commission. After 1 January 2018, they will be required to issue a proper tax invoice to the insurer within 14 days of the date of supply, depending upon when payment is deemed to have been received. As a result, it is expected that insurance companies will demand earlier receipt of all premiums collected by brokers.

GLOBEX INTERNATIONAL GROUP

PO Box 776 – Chester, New Jersey – 07930

Phone: (908) 879-1150 E-mail: globex@globexintl.com Fax: (908) 879-1160