



GLOBEX UPDATE

Property & Casualty

Events, developments, and opportunities in the international marketplace

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Somaliland

An Islamic insurer has been established in Hargeisa, the capital of Somaliland, backed by some of the largest players in Africa's insurance industry. The new company, called Horn of Africa Insurance, offers automobile, property, medical and marine insurance along Shariah rules. The insurer will operate in a region where most vehicles are uninsured, and most cargo coming into the country is uninsured. Nevertheless, a compelling need for insurance products was recognized with Somaliland's central bank governor announcing that the bank aims to unveil an insurance law in 2019. Somaliland is a semi-autonomous territory that proclaimed its independence in 1991 but is not recognized by the international community.

China

The China Council for the Promotion of International Trade (CCPIT) has called for Chinese companies to enhance their legal knowledge and mitigate risk, when heading overseas. The call comes as many Chinese firms deploy more resources globally, tapping into growth in emerging markets or investing in construction related projects. Unlike mature markets in Europe, M&A activities in regions like Southeast Asia, Latin America or Africa carries greater risks due to Chinese firms being unfamiliar with the local legal or commercial environment. These emerging markets present other challenges too, including different languages and regional mindsets. A special unit of the Beijing-headquartered Asian Infrastructure Investment Bank is available to assist Chinese projects in overseas markets on issues such as compliance, effectiveness and integrity, to ensure the transparency and accountability of various projects.

Singapore

Singapore is establishing the world's first commercial cyber risk pool to strengthen the region's resilience to cyber threats. The pool is seeking to commit up to \$1bn in capacity and bring together both traditional insurance and insurance-linked securities markets to provide bespoke cyber coverage supported by better risk models to make sure that cyber risks are priced appropriately. To date, twenty insurance firms have indicated their interest to participate in the pool, which will allow corporates in ASEAN and Asia to be protected against cyber-related losses. Asia appears to be the world's most targeted area for cyber attacks, with hackers 80% more likely to target organisations there. Yet, Asian organisations take 1.7 times longer than the global average to discover cyber breaches, with more than 60% of Asian companies not having proper cyber threat monitoring systems. As digital technologies become more widely integrated into the economy and society, cyber threats will increase, and the cost of attacks will multiply. The cyber risk pool reflects Singapore's standing as a specialty insurance hub, committed to driving forward-looking insurance solutions to tackle new and emerging risks.

RECENT SUCCESSES

- Placed Defense Base Act coverage for a systems and software engineering consulting company undertaking a contract in Kenya.

- Bound Property and Liability policies as part of Controlled Master Programs for a high-end clothing retail store with multiple outlets in Korea.

- Placed a full suite of local coverages for an agribusiness fish farming operation in Jamaica.

- Bound local Property policies in Macedonia and Mexico as part of a Controlled Master Program for a multinational specializing in inflator technology for automotive airbag applications.

GLOBEX BROKER SERVICES

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