



GLOBEX UPDATE

Property & Casualty

Events, developments, and opportunities in the international marketplace

Visit us at: www.globexintl.com

New Zealand

There has been a very large increase in cyber incidents reported to CERT NZ, New Zealand's government authority on cyber security. According to CERT NZ's Q2 2018 report, cyber incident reporting by organisations has increased 145% since Q1 2018 – up from 506 to 736 incidents reported by organisations. Direct financial losses from all cyber incidents for the period totalled NZ\$2.2m, or US\$1.42m). However, this only reflects what CERT is aware of - NZ\$2.2 million probably represents a conservative number as there are many who don't report cyber incidents to CERT or may not even realize they have suffered a cyber attack. In an increasingly digital world, these attacks will continue and small to medium sized businesses are more vulnerable because they're likely to be less well resourced than their larger counterparts. In addition to recommendations on updating passwords, purchasing quality anti-virus and anti-malware software and setting up logs to detect unusual activity, the Insurance Council of New Zealand (ICNZ) recommends purchasing cyber insurance to help businesses get back on their feet faster.

India

India's insurance regulator, IRDAI, has directed that all motor policies are to include personal accident protection that will cover the owner-driver for INR1.5m (US\$20,400) in case of death due to an accident while driving. The move is seen as benefiting in particular two-wheeled vehicle owners who are often under-insured. The directive comes in the wake of a judgment of the Madras High Court in October 2017 which ordered the IRDAI to hike the personal accident cover from the existing INR100,000 to not less than INR1.5m. Insurers will have the freedom to offer a cover that is higher than INR1.5m. The additional annual premium will be INR750 for the cover, but the regulator has left it to insurers to decide on how to price longer term policies, noting an earlier order which makes it mandatory for insurers to offer long-term third-party liability cover of five years for two wheelers and three years for four wheel vehicles.

United Arab Emirates

The UAE Insurance Authority is considering allowing foreign investors to own 100% of insurance companies in the Emirates. Current regulations allow foreign investors to hold a stake of up to 49% in insurance companies incorporated in the UAE with nationals holding the majority 51%. The Insurance Authority's study of foreign ownership of insurers is in line with the general trend in the UAE. In May, the UAE Cabinet approved measures to allow foreign investors to hold 100% of UAE-based companies by the end of this year. Until the change takes effect, 100% foreign ownership of local companies is limited to businesses located in free trade zones. The Insurance Authority aims to achieve growth of the insurance sector at an average rate of 10% per annum. Gross written premiums in the UAE market amounted to AED44.8bn (\$12.2bn) in 2017, an increase of 12% over 2016.

RECENT SUCCESSES

- Bound Defense Base Act coverage for a temporary staffing company specializing in IT undertaking a government contract in Puerto Rico.
- Placed local Package & Umbrella policies in Canada on behalf of a manufacturer of ready to assemble furniture products.
- Placed a standalone Employers' Liability policy for an Italian restaurant chain opening up in the UK.
- Bound local policies in Australia and the UK as part of a Controlled Master Program for a leading provider of household consumer chemical products and restoration services.

GLOBEX BROKER SERVICES

a division of Globex International Group

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