



GLOBEX UPDATE

Property & Casualty

Events, developments, and opportunities in the international marketplace

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UK- Brexit

Should the UK leave the EU with no deal, corporate and private client policy holders who plan to drive in the EU will need to ensure they have a Green Card. This acts as proof of insurance; without one the driver could be breaking the law. There is a possibility that Green Cards may not be required if an exit agreement between the EU and UK is ratified. However, it has not been confirmed by the European Commission that the need for Green Cards will be waived. The insurance industry is planning on the basis of Green Cards being required. Among those affected are Northern Ireland residents travelling to the Republic of Ireland and vice versa, as well as anyone planning to take a vehicle to Europe, including families on holiday and corporate travel or freight companies planning to transport goods into the EU. The Green Card must be printed on green paper to be valid.

Hong Kong

A report citing industry insiders says that Hong Kong's businesses will likely have to foot the bill for vandalism inflicted over the past four months during the violent protests in the territory, as few of them bought insurance coverage for riot damage. Businesses, big and small, have suffered smashed windows, graffiti, and even fire for their perceived support of mainland China by activists concerned that the central government in Beijing is exerting increased control over the special administrative region at the cost of democratic freedoms. While businesses flood insurers with claims for such damage, few are likely to be fully compensated as Hong Kong insurance usually protects against events such as fire and natural disasters, such as typhoons. Coverage for civil unrest, particularly for small and mid-sized firms, is uncommon. Near term, Hong Kong insurers expect a surge in demand for coverage that includes riot damage. A sharp rise in litigation around what's covered and what's not, as well as pressure on earnings of insurance companies, is expected. The financial impact of the protests could not be determined with unrest ongoing, but some sources have suggested that liabilities for insurers could run into millions of dollars. Anti-government demonstrations have taken place almost every weekend since 9 June.

Japan

On 12 & 13 October, Typhoon Hagibis hit the greater Tokyo and surrounding areas, causing significant rainfall and floods. This followed significant losses from Typhoon Faxai in Chiba prefecture, located next to Tokyo, in September. The large Japanese P&C insurers have not yet reported their loss estimates for Hagibis because the scale of damage is just starting to emerge. Typhoon Faxai, which made landfall on 9 September, led to severe wind damages to a large number of properties. The ultimate losses are still uncertain, but two major insurance groups are estimating their gross losses at around \$1bn each - are far lower than losses from Typhoon Jebi, which lashed Japan in 2018. Despite the catastrophe losses, it is expected that the rated insurers' domestic, and most of their overseas, operations will continue to be fundamentally profitable.

RECENT SUCCESSES

- Placed an "All Risks" Contractors Machinery & Equipment policy in Kazakhstan for a company involved in an oilfield pipeline contract.
- Arranged the issuance of local Property & General Liability policies as part of controlled master program for a power transformer company with operations overseas.
- Provided Workers Compensation and Automobile budget premiums for a company tendering for a military logistics contract in Guam.
- Placed US and Worldwide Products Liability, both primary and excess limits, for an Australian owned beauty products distributor.

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