



# GLOBEX UPDATE

*Events, developments, and opportunities in the international marketplace*

## South Asia.

The South Asia region has the highest concentration of high to severe terrorism risk countries in the world. 66% of the countries in the region are rated as high or severe risk countries. Measured in terms of concentration of risk (that is, regions with the highest percentage of high or severe risk countries), South Asia is followed by North Africa, Middle East, Sub-Saharan Africa, Asia Pacific, Latin America, Western Countries in descending order of risk. Since 2007, 78% of all terrorist attacks have happened in 10 countries – Iraq, Pakistan, Afghanistan, India, Thailand, Russia, Somalia, Nigeria, Yemen and Colombia (in this order). On the brighter side, Bangladesh and Bhutan both attained reduced risk ratings (lowered to high and negligible respectively) as incidents of political violence in both countries decreased. Afghanistan and Pakistan retain severe risk ratings as both continued to witness frequent and often high impact terrorist attacks, active insurgencies and military operations against terrorist networks. Civil commotion and terrorism were the prevailing risks for four out of the six countries in the region. Insurrection and war perils remain in Afghanistan, Bangladesh, India and Pakistan. In Afghanistan in particular, the emergence of Islamic State affiliates in 2015 and the fragmentation of Taliban and Al-Qaeda-linked elements points to changing dynamics in the threat in 2015.

## Bahamas.

The Value Added Tax Act, 2014 came into force in the Commonwealth of The Bahamas on January 1, 2015. Under that statute, insurance services provided on or after July 1, 2015, other than those exempted, will be taxable at a standard rate of 7.5%. Life insurance and annuities are to be treated as VAT 'exempt', given that they are long-term savings products, while all other forms of insurance - property and casualty (home and auto) and health - will be VAT-able and attract the 7.5% levy on top of premiums. The rate is lower than the 15% originally proposed and has eased some fears in the local insurance community that it would lead to either non-insurance or underinsurance, as has happened in other countries in the region which have introduced VAT.

## Syria.

Despite the civil war in Syria, the country's insurance market has reported an increase of 3.6% in premiums for 2014 to SYP14.4 billion (US\$76.26 million), compared to SYP13.9 billion for 2013. Health insurance accounted for the biggest share of the insurance market, receiving 36% of total insurance premiums. The medical insurance sector saw premiums rise by 4.9% to SYP5.2 billion. Compulsory motor insurance was the second biggest insurance segment, with premiums growing by 29% to SYP4.1 billion. Comprehensive auto insurance ranked third as premiums amounted to more than SYP1.7 billion for 2014, an increase of 20% from 2013. Transport insurance saw the biggest decline in premiums of 40% last year, due to lower foreign trade. This class of business reported premiums of SYP686 million for 2014, representing a market share of nearly 5%. Engineering insurance premiums fell by 20% to SYP114 million, mainly due to project stoppages and the suspension of reconstruction work. Life insurance premiums were marginally down by 1% to SYP220 million last year, making up 1.5% of the total market. Fire insurance achieved the highest growth rate of 36.5% with premiums amounting to SYP1.6 billion or 11% of the total market. The Syrian General Organization for Insurance commanded the largest share of the insurance pie last year of about 55%, with premiums exceeding SYP8 billion.

### RECENT SUCCESSES

- Worked with US partner broker to help them win a multinational account with operations in Canada, Scotland, Netherlands, Singapore and Hong Kong.
- Placed homeowners policy in Mexico including full windstorm coverage after a major hurricane restricted capacity.
- Provided a quote for Defense Base Act insurance for an armed security and facility maintenance contract in 9 territories.
- Placed liability coverage for a new hotel on the French island of Reunion in the Indian Ocean.



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