



# GLOBEX UPDATE

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

## India.

In the wake of Parliament voting to amend the insurance law to increase the foreign investment cap in insurance companies from 26% to 49% and allow reinsurers to set up branches in the country, the Indian insurance sector is expected to generate more than 100,000 new jobs this year. Life insurers currently provide direct employment to nearly 250,000 people while general insurers employ around 110,000. In addition, the domestic insurance sector provides indirect employment to about two million others. A 10-15% growth in job creation is expected. Add to that the fact that if the economy grows at 6-7% per annum, the insurance industry is anticipated to see foreign inflow of around US\$8 billion to US\$10 billion in the next five years. This will provide additional, huge employment opportunities in the Indian market. The direct employment in health insurance, micro insurance and pension and retirement segments are also expected to see a sharp growth in the coming years with the overall result being a 25% increase in both direct and indirect employment as insurance firms expand their business operations.

## Middle East.

Lloyd's Middle East platform opened in Dubai this month. The move is part of Lloyd's Vision 2025 plan, to increase business from emerging markets as well as attract financial and intellectual capital into the market. Unable to rely solely on its traditional, established markets if it is to continue to grow and compete effectively, the goal for the office in Dubai is two-fold: to deliver practical benefits for Lloyd's businesses on the ground in Dubai, while promoting the brand and expertise more generally across the region and helping to develop Lloyd's cover-holder and broker-driven business destined for London. The move comes after years of speculation. While Lloyd's had been writing a large book of business from Middle Eastern markets in London, it remained very small, at less than 4% or about US\$350 million in 2009. By 2012, Lloyd's was writing \$1 billion in premium from the entire MENA region, half of it coming from the GCC countries. In establishing a platform, Lloyd's has recognized that Dubai has become the undisputed reinsurance hub for the region, attracting business not only from the GCC and wider Middle East countries but also North Africa and further south from Sub-Saharan Africa as well as Central Asia and the Indian Sub-continent. It will be able to provide those businesses with a cost-effective platform and a strong brand from which to market and underwrite their products. Additionally, there is an opportunity to access a significant book of business placed locally in the region which does not make its way through to London.

## Algeria.

The Algerian insurance industry achieved premiums of DZD119 billion (US\$1.22 billion) in 2014, an increase of 7.4% over the DZD111 billion reported for 2013, according to the National Insurance Council. The non-life segment contributed almost all of the premium, a 93% share of the market. Motor business accounted for the lion's share of non-life premiums with insurers collecting premiums totaling DZD61.4 billion. This growth was achieved despite a decline in vehicle imports. Fire and casualty insurance brought in DZD38.9 billion last year, a growth rate of 14.1%. Disaster insurance surged by 40.2% but accounted for only 6% of the total for fire and casualty insurance. In the non-life segment, private-sector general insurance companies held a market share of 22.5%. Personal insurance segment rose by 11.9% including life, health and accident insurance. The Algerian market comprises 18 insurers, including six which are state owned, two mutual, two specialized agencies and one reinsurer.

### RECENT SUCCESSES

- Placed a Business Travel policy for the employees of an Indian company travelling overseas.
- Bound automobile liability and physical damage cover in line with specific limit requirements for vehicle operating on military base in Afghanistan.
- Arranged property & liability program in Mexico for a large manufacturer and distributor of office and school paper products.
- Bound local coverage in France for a very high-end retail bedding company opening a new showroom in Paris



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