



GLOBEX UPDATE

Events, developments, and opportunities in the international marketplace

Global:

According to preliminary estimates, total economic losses from natural catastrophes and man-made disasters were US\$113 billion in 2014, down 16% from US\$135 billion in 2013. Natural catastrophes caused US\$106 billion, down from US\$126 billion in 2013 and insurers covered US\$34 billion, down 24% from US\$45 billion in 2013. The outcome is well below the average annual US\$188 billion loss figure of the previous 10 years and the total related loss of lives of 11,000 is down from the more than 27,000 fatalities in 2013. In the US, the storms at the beginning of 2014 alone caused insured losses of US\$1.7 billion. Mexico was impacted by Hurricane Odile where strong winds and heavy rains resulted in insured losses of US\$1.6 billion, as Odile hit the Cabo San Lucas and other tourist resort areas. In Asia, monsoon rains in September brought extensive flooding and damage across India and Pakistan claiming the largest number of lives of any flood event in 2014. The following month, India was hit by Cyclone Hudhud on the east coast and the Philippines was once again hit by a typhoon at the beginning of December. In Europe, one major event was wind and hail storm Ela in June, which caused significant damage to properties and vehicles in parts of France, Germany and Belgium, resulting in overall insured losses of US\$2.7 billion.

Morocco.

The Moroccan government has taken steps to introduce legislation which would make it compulsory for a project owner, the engineer and the architect to acquire insurance for a construction site. The Bill has been submitted to the General Secretariat of the government. The mandatory cover would be for all risks and liability. There are two parts to the cover, namely, insurance covering any accident during the construction affecting property or persons working on the site and professional liability insurance covering the contractor, architect and engineer that would be valid for 10 years from the delivery of the project. Construction insurance should speed up the procedures for compensating victims as insurance companies are deemed more solvent than the contractor, engineer or architect. The mandatory insurance for construction projects has long been delayed - the Moroccan Federation of Insurance and Reinsurance Companies stressed the need for such cover as long ago as 1995.

Middle East.

In the Middle East, only 2.44% of all road accident fatalities can be traced to the consumption of alcohol, according to an analysis carried out by global insurer, Allianz. The rate in the Middle East is the lowest among the six regions studied. There are significant regional differences: Eastern Europe and Central Asia hold the top position with 18.2%, followed by Europe (16.7%) and the Americas (12.9%). Meanwhile, Africa (8%), Asia-Pacific (7.3%) and the Middle East sit well below the global average of 10.9%. The countries that lead in fatalities in their respective regions are Belarus (51.4%), Lithuania (48.2%), Venezuela (47.1%), Namibia (43.2%), Mongolia (20.7%) and the United Arab Emirates (17.7%). Globally, every 10th fatal accident can be traced back to alcohol with men being more likely to expose themselves to this danger. At 18%, young drivers aged 21-24 are more frequently involved in accidents caused by drink-driving, almost double those of the 18-20 or 25-64 groups.

RECENT SUCCESSES

- Bound international property and liability program for US multinational company with operations in UK, Netherlands, France, Hong Kong and Canada.
- Bound Contractors Plant & Equipment policy for HDPE piping project in the United Arab Emirates.
- Bound Package policy for Property, General Liability and Employers Liability for large distributor of batteries opening a sales office in Shanghai.

The Globex team wishes everyone a safe and prosperous New Year.



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