



# GLOBEX UPDATE

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

## Algeria.

A Bill is being drafted which, when passed, would make it compulsory for construction companies to take out insurance on road and other infrastructure projects and provide a maintenance warranty, according to a Public Works Ministry official. The ministry committee responsible for drafting the proposed law should finalize the first draft of the Bill by the end of March. The Algerian government is introducing such insurance cover so as to reduce the cost of infrastructure maintenance. It is understood that roads and other infrastructure become damaged in some parts of the country after only a few years of being put into service, because of non-compliance to standards well as natural hazards. The existing law provides for a guarantee given by contractors that covers defects in construction for only 12 months after the handover of the project. At the end of the period, the contractor is no longer responsible for the risks and damages.

## Australia.

Australia's casualty insurance market continues to offer favorable and competitive buying conditions for customers, an environment that is expected to remain throughout 2015. While in 2014 there was heightened competition between some new market entrants and existing insurers looking to grow their market share, insurers continued to be cautious when underwriting certain industry segments; bushfire-exposed risks such as utilities, government, and contractors engaged in those industries required stringent monitoring of aggregate exposure and deployment of capacity. Insurers also looked to increase retail property owners' premiums where high-frequency claims have increased over the last five to seven years, in an attempt to offset the expected future poor claims development. Over the past year, business was also repatriated from the overseas markets in greater numbers. The rationale for business returning to Australia has been mixed, ranging from the competitive nature of the local market, through to mergers and acquisitions of Australian businesses. Despite this, there has been little change to buying patterns such as policy limits and deductibles. With greater capacity destined to flow into the local market in 2015, the majority of insurance buyers will continue to be spoilt for choice / alternatives. As a result, underwriting experience, claims service performance, policy coverage, and ability of the insurer to accommodate changing client requirements will remain important considerations.

## Turkey.

The Turkish insurance industry has seen premiums rise by 7.3% to TRY26 billion (US\$10.6 billion) last year, compared to the previous year's TRY24.23 billion. Of the TRY26 billion in total premiums, non-life insurance accounted for TRY22.71 billion or 87%. Non-life premiums increased by 9% last year compared to 2013. Life insurance contributed the remaining TRY3.28 billion in premiums, representing a decline of 3.4% from TRY3.40 billion in 2013. However, the growth of the insurance industry last year was the slowest recorded for the past five years. The sector reported growth of 13.6% in 2010; 21.5% in 2011; 15.5% in 2012, and 22.2% in 2013. In addition, real annual change in premiums last year, adjusted for inflation, reflected in fact a marginal decline, according to local media reports. The slowdown is attributed to lackluster motor business, which accounted for 41% of total premiums.

## RECENT SUCCESSES

- Arranged multiple coverages for a missionary group working in Romania, Argentina, Jamaica & Germany.
- Bound primary and umbrella liability policies for retail store opening in Puerto Rico.
- Provided standalone Employers' Liability policy in Ireland for service provider to the travel industry.
- Quoted homeowners risk in the Dominican Republic.



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