



# Multinational Underwriting Services

## GLOBEX UPDATE

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

### **India – ATM Related Insurance Cover**

In India, the majority of banks offer insurance cover for theft and damage in ATM related incidents. However, hospitalization cover as a result of the physical attacks is seldom included. The cost effectiveness of such extended cover would need to be determined. Many banks provide personal accident covers as a value-add for their credit and debit card customers. Such personal accident policies also provide a cover against attacks on individuals while using ATMs. Though compensation is provided in these covers for accidental deaths, providing cover against injury could be difficult due to high cover prices. Some major players provide very specific products: ATM Assault and Robbery Cover for ATM withdrawals lost due to a robbery, shortly after - within 15 minutes of - the cash retrieval. Additionally, it provides for emergency first aid expenses, but no hospitalization.

### **Honduras VAT**

VAT on insurance policies in Honduras has increased from 12% to 15% as of January 2014.

### **Saudi Arabia – Mandatory Third-Party Liability for High-Risk Factories**

The Saudi government has made third party insurance mandatory for all factories handling hazardous materials in suburban areas, amid growing demand in several cities to remove factories and workshops from residential areas. According to a report of the Saudi Industrial Property Authority (MODON) published last year, there are 3,660 factories in the Kingdom, of which only 40 percent are located in the country's 14 industrial cities, while 60 percent are in residential areas. The Civil Defense Council has been asked to identify factories and activities which will require the insurance. The Cabinet has also instructed the terms and conditions of tenders for government facilities in densely populated areas to include a mandatory provision for third-party cooperative insurance when the project is awarded.

### **Venezuela – Tax Changes**

As of January 29, 2014, premium taxes have increased as follows: for Property Damage policies, this will be 6.5%; for all other lines of business, this will be 5.5%.

### **Africa - Terrorism and Risks**

Terror risk is declining in many African nations but the continent is still one dominated by high political violence and terrorism risk. Nonetheless, multinational companies are keen to penetrate key economic markets in Africa and seek highly attractive opportunities where they can maximize greater returns from their investments. It is important for businesses to recognize that this will also pose significant political, security and operational risks. Risk managers need a clear understanding of exposure and risk including the possible rapid change in the political and security situations within their operating regions; this will allow them to ensure appropriate mitigation measures are in place to manage such exposures.

### **RECENT SUCCESSES**

- Bound Property fronting policy in Mexico for a global manufacturer of electronic components.
- Placed fronting Transit & Installation policy in UAE for a leader in creative marketing and rental exhibitions.
- Secured Marine fronting policies for a leading global distributor of specialty chemicals in Ukraine, China, India, Serbia, Russia & Turkey
- Bound Professional Indemnity fronting policy in Korea for a multinational asset management enterprise.
- Placed Storage fronting policy in China for a global manufacturer and distributor of toys.
- Secured Information Technology Liability fronting policy in Malaysia for a world provider of software services.
- Bound fronting Inland Transit policy in China for a leader in the manufacturing and marketing of high performance natural feed additives for global agricultural and aquaculture markets.
- Placed EAR fronting policy in Azerbaijan for a leading provider of tools and equipment to the offshore oil and gas industry.
- Placed General Liability and Workers Compensation in the US for an IT consulting firm.



**GLOBEX INTERNATIONAL GROUP**

**100 Beard Sawmill Road, Suite 320 Shelton, CT 0648**

**Tel: 1-203-256-1475**

**E-Mail: [globex@globexintl.com](mailto:globex@globexintl.com)**

**Fax: 1-866-578-8624**