



GLOBEX UPDATE

Property & Casualty

Events, developments, and opportunities in the international marketplace

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Globex Alert: The European Parliament voted and approved the terms of Brexit today. Please contact the Globex team to discuss your multinational programs that are issued to include Freedom of Services policies out of the United Kingdom.

Australia

The bushfires in Australia are now said to likely be the costliest insurance and reinsurance market loss, with latest data showing losses to have reached A\$1.65 billion (US\$1.13bn). This exceeds the Black Saturday bushfires from February 2009. Claims lodged now exceed 20,000 with some 7,000 properties and structures destroyed by the fires. Reported to have caused 31 deaths, the fires have burned an enormous 18.6 million hectares (46 million acres) of land. Worst affected is New South Wales with more than 80% of current claims. The recent severe hailstorm event, already thought to have caused a market loss of over A\$514m and rising, will only serve to make matters worse resulting in further possible erosion to aggregate reinsurance layers. While the overall impact to reinsurance markets may not be all that significant in terms of dollar value, the combined impacts of these ongoing and recent catastrophes could pressure Australian insurers and provide further impetus for carriers to better protect themselves, as well as helping to sustain rates in the region.

Indonesia

Indonesia is allowing foreign investors to own more than 80% of shares in locally listed insurance companies, following the signing of a presidential regulation on January 16th, provided they can raise their capital through an initial public offering in Indonesia. Foreign investors have long lobbied for change, arguing they had not been able to inject new capital to carry out expansion plans. Their local partners, more often than not, did not have enough money to keep their ownership from being diluted. The new rule also drops the requirement for a local partner, which, according to the old rule, had to be a locally based entity wholly controlled by Indonesian citizens.

West Africa

The Niger Delta is the focal point of West African maritime crime. The presence of global oil in the region serves to exacerbate social tensions between communities and private companies, often giving rise to militancy, illicit bunkering, and fuel theft. Beyond Nigerian waters, West African piracy has seen a number of notable incidents and trends -13 attacks occurring within the waters of Togo and Benin and 11 within the waters off Cameroon. The latter represents an 83% increase in incidents from 2018 and has led to Cameroonian waters becoming the fourth most affected by maritime crime after Nigeria, Indonesia, and Malaysia. While Nigeria has shown signs of effectiveness in dealing with its problems as evidenced by the downturn in incidents, this may have a squeezing effect on neighboring states, forcing piracy increasingly into more permissible areas, where a steady increase in incidents is anticipated.

RECENT SUCCESSES

- Placed a Property & General Liability Package policy for a 24,000 sq. foot poly-carbonate greenhouse risk in South Korea.
- Bound local policies for Property Damage, Business Interruption, Equipment Breakdown and General Liability for a large railcar service and repair facility in North America.
- Placed a high limit standalone Products Liability policy in Hong Kong with worldwide jurisdiction for a company that provides product development and contract manufacturing of custom components for a variety of industries.
- Co-ordinated the issuance & payments of local Liability policies in France, Italy, Switzerland and UK as part of a program for a US based software company.

GLOBEX BROKER SERVICES

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