



GLOBAL UPDATE

Events, developments, and opportunities in the international marketplace

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We hope all of our colleagues and partners and your families around the globe are doing well in this incredibly unusual and challenging time. Everyone at Globex is doing fine and working very hard to keep business as usual. If there is anything that we can help, please do not hesitate to contact any member of the team.

Stay well and healthy!

India - Data Protection Bill 2019: Potential Imprisonment for Directors & Officers

India's planned new Personal Data Protection bill, based on the EU's General Data Protection Regulation (GDPR), was to be presented to the Indian parliament this March. This updated bill which was originally proposed in 2018, has recently been updated and contains a number of controversial additions.



The aim of the Personal Data Protection Bill 2019 is to improve data handling and data privacy outcomes. Risk and insurance managers with international businesses, particularly those directly involved in the technology sector, will need to keep a close eye on the progress of this ground-breaking legislation.

The new legislation includes criminal liability for directors and officers who are found responsible for failing to prevent data breaches by their company. Additional changes make reference to data localization requirements and provisions carrying criminal penalties.

The bill also includes requirements that did not appear in the first draft, such as an enhanced right to erasure, obligations that attach to "anonymous data", and specific requirements for "social media intermediaries". It also has a provision that can give the Indian government unfettered access to citizens' data for "national security" purposes.

The recent bill proposes to carry out a "drastic upgrade" to India's existing data privacy regime, a regulation that was originally introduced in 2011. The result may include an

increase in D&O exposures, together with the imposition of penalty fees and in some cases imprisonment. With this new Data Protection (DP) Act, India emerges as having one of the most stringent data privacy regimes in the world.

Fines may be manageable, but potential imprisonment for up to five years is new territory. For any specific details about the DP Act in India, please contact Globex Underwriting Services.

West Africa - Transit and Kidnap & Ransom Rates



Marine experts who underwrite Marine Cargo accounts are aware of the various regions of the world where piracy, kidnapping & ransom are prevalent. It is a known fact that any cargo shipments which are part of a voyage in these “high risk” regions, will likely result in higher Marine premium rates.

Traditionally, insurers have charged significant security costs for transits in the Indian Ocean and the Red Sea, as these regions are known to be high piracy grounds. Recently, another part of the world has joined the list: West Africa.

Expert risk analysts claim that despite commanding the largest premiums and associated costs of armed guards, the Indian Ocean ranks fourth in maritime crime incidents. Pirates are starting to dominate Western African transit routes, although the region does not have the volume of traffic that the Indian Ocean does.

Marine premium rates are on the rise in this part of the globe, and underwriters may recommend and even insist on the usage of security measures such as armed guards, sophisticated GPS systems and other risk mitigating solutions.

Saudi Arabia - Regulator Imposes Restrictions on Broker Practices



The Saudi Arabian Insurance Regulator, SAMA (Saudi Arabian Monetary Authority), has imposed stringent regulations on brokerage firms in this region effective immediately. These new regulations are supposed to minimize “wrong practices” in the insurance sector. As such, hefty penalty fees are being charged to any brokerage firms which engage both their retail brokerage and reinsurance brokerage arm in the same policy placement process. This means that if a local retail broker requires reinsurance support for a particular risk, they cannot seek the services of the reinsurance brokerage department within the same company.

According to SAMA, these steps will increase the stability of the insurance sector, boost its contribution to national economic growth and reduce any corruption in the industry. Companies that currently combine both activities have 12 months to put the change into effect and must provide the Regulator with a business plan within three months.

- Secured a multinational program for Ocean Marine Cargo & Inland Transit policies across South East Asia, South Africa and Turkey for a leading manufacturer and distributor of solar energy inverters.
- Instrumental in placing a local admitted Freight Liability & Warehouse Legal Liability policy in

success
stories

Canada for a leading full services supply chain solutions provider.

- Assisted in placing a Directors' & Officers' fronting policy in Japan for a US based life sciences and materials science company that develops software for computational chemistry.
- Bound a Commercial General and Property fronting policy in the UAE for an American energy and defense corporation, specializing in research and technology development.
- Placed a Multinational Inland Transit Program in Australia, China and Mexico for a leading company specializing in fragrances, flavors and essential oils.
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