

Dear Friends and Colleagues:

Markets around the world have been affected and are responding to the current world situation in varied ways. We've been in continual contact with our Globex Partner Brokers overseas and they have given us updates by phone and in writing. Below is straightforward written commentary, largely in their own words.

We trust that you will find the specific market details and general responses useful, and importantly, give you and your clients a high degree of confidence in your ability to handle international exposures as a Globex partner. Some markets are becoming more selective, others are offering at least temporary relief from difficult compliance issues.

We would like to express our deep gratitude and admiration for our partners across the globe; in particular the dedication to *best in class* independent insurance broking.

Sincerely,

Your Globex Team



AFRICA - WEST & CENTRAL

We expect a halt or a big drop in the contractors/erection all risks business across the region at least till the end of the year. Most of them are government related projects. We also expect a significant drop in the commercial fire and liability insurance demand as they may want to reduce costs of operations.

A drop in the Motor insurance business because insurance Motor stickers are still delivered hard copy in the CIMA countries unlike Ghana (not sure about Nigeria) where they have already been digitalized. However, in both cases a total lockdown would just bring the business to null.

There are definite delays in the services as all companies have adopted safety procedures while operational processes did not take into account such scenarios. Businesses that are directly affected by the pandemic (cinema, restaurants, retail shops etc...) have already started requesting for payment facilities with uninterrupted cover.

Payment would be the first point of contention to be addressed by the regulators. A couple of companies are acting by way of donation to hospitals and the Ministry in charge of public health. (b) Governments across the region have however started taking decisions to support the economy and the less privileged people. Those decisions are mainly in respect of waiving taxes and levies for small businesses, postponing deadlines of payment for other corporate, bearing costs and/ or postponing payment deadlines of utilities bills (electricity, water, telecoms), awarding grants to businesses which are going to work towards fighting the pandemic, investing in some existing chloroquine manufacturing facilities

On a personal note, I am working from home and I go to the office once a week, The staff is also fine. Working remotely seems not to have affected the business that much so far.

BALTIC STATES

Herewith we inform you that, so far, both of us and our families as well as all team members are well & healthy despite the circumstances and hope that the same is valid at your side.



As we do not have significantly 'autonomous' large insurers / reinsurers (local markets rely themselves mostly on global reinsurance providers), the trends follow global guidelines with market hardening intentions which will most probably affect a business with corporate clients. A recent earthquake episode in Croatia 'shook' the industry as well. Particularly, the following scenarios are likely to be developed:

1. Property Damage rates slowly to raise, higher deductibles to be implemented.
2. Business Interruption rates slowly to raise, and also longer waiting period, more sublimits, longer

list of exclusions.

3. No signals for any retraction or expansion in capacity, product, risk appetite so far, but could be changed overnight.
4. Despite work from home, no significant operational delays arisen
5. Insurance industry reacted in conservative manner by declining (mostly BI based) claims related to COVID-19 so far, especially considering the exclusions
6. Governments are providing standard measures (direct support to SME entities and their employees, taxation postponing, release of numerous local taxes / imposts).



BELGIUM

Nowadays insurance companies are extending their guarantees for risks related to the Corona crisis without extra premium costs. Most insurers accept a delay in payment by their corporate clients. This will probably last until the end of the crisis. There's not much difference in the market compared to last year, the market was already getting harder with less capacity and higher premiums, especially in Property and B.I.

For high exposures and risky activities a 100% cover can not be guaranteed any more. Risk appetite is generally reduced, most insurers are more focusing on low risk covers and guaranteed profitability, due to the poor financial results. On the other hand, cyber insurance is growing and several companies in the Belgian market are now offering solutions, although the cyber exposure is far from well known. Due to the current Corona situation, the commercial business is slowing down, so delays in service are handled and solved now.

The government has taken measures to support companies who had to close or reduce activities due to the Corona crisis, and to support employees who went into temporary unemployment. Half of the active population in Belgium is now supported by the Government.

CHILE



Our colleagues have reacted with professionalism, to continue to serve our customers. We know that working from home is not the same as in the office; all tasks take a little more time than usual but with good spirit and disposition, everything can be managed. Market continues to work in general as usual. There are some minor delays in obtaining responses from some actors. Pricing is in general stable and is analyzed case by case. Due to the fact that we had the civil unrest, the market started to change rules last year. Those rules are still valid but softer, because since COVID19 started we almost do not have riot or civil commotion. As said before, the Chilean market is stable and we have not seen major changes. There are delays, but nothing to be worried about. The government got involved mainly in the health sector, to push the market to cover cost of a pandemic. For P&C we have not seen anything and believe we won't. The insurance industry in general is also facing delays in premium payment, that are being studied case by case, but in general with a good predisposition to solve the client's needs.



CHINA

No big difference in the market actually, most of our clients have almost the full coverage, some clients do request more details and explanations refer to the BI coverage. Not much delay in quoting renewals and new inquiries since the market is working well from home, and the cases can be handled in time by local underwriters. The policy issuance and claim handling is delayed due to this part needing to be done in office and staff at the office is intermittent.

There is some limited insurance product for Corona virus. Free insurance for individual. Usually the limit of indemnity is 100,000 CNY per person. Policy period is 3 month and it can be triggered if the insured is diagnosed with coronavirus and died to it. Accident & Health insurance including extension of coronavirus in the personal accident coverage, and communicable disease coverage. Insured value is usually up to 500,000 CNY per person.

Insurance for business recovery. This type of insurance covers companies for the loss incurred due to the shutdown caused by diagnose of coronavirus of employees after business resumed. This product has limits on loss per day and the maximum aggregate limits are usually not exceed 150,000 CNY.

It should be particularly mentioned that the main coverage of business interruption does not cover interruption due to the coronavirus outbreak. It can be triggered only when communicable disease clause is extended under the policy, and someone is diagnosed within the business premises, which finally leads to a shutdown of business required by the government.

Another coverage issue is whether employee who are infected can be identified as work related injury

under a Chinese issued Employer's Liability policy. Extension of communicable disease clause- foreign insurers are quite cautious of this extension now, but some domestic insurers are able to extend this coverage.

CZECH REPUBLIC / EASTERN EUROPE



No change on our market despite the pressure on premium. Market is surrounded by covid19 related coverage questions, but we do not expect any indemnification towards clients as this risk is out of coverage. The market is getting harder, we do expect increase of premium y 5-10% in PD/GL. The whole market works remotely, so no change in access so far. Due to a general lockdown here a lot of insurers accept policies without "wet ink" signature. Also they are tolerant in some aspects when client should deliver some property check etc., as this is sometimes impossible due to lockdown. Our government has made some restrictions on free movement of people and should this mean any delay in delivering our services (delivering insurance policies between carrier, client and us, impracticability for claim adjusters to see the claim on site etc) we will inform all partners and our clients and will be looking for adequate solution.

On March 16, the Czech government imposed a nationwide quarantine (karantena) and extended it on March 24 to April 12 and then to the end of May. Under the quarantine, movement outside of residence is prohibited except of commuting to and from work or conducting business, necessary trips to visit family etc. All individuals in the Czech Republic outside of their home MUST cover mouth and nose with either a protective medical mask, self-made mask, or a scarf. Foreigners are prohibited from entering the Czech Republic and foreign citizens without a long-term or permanent residence in the Czech Republic are not allowed to enter the country.



FRANCE

We do not see any irrational withdraw from the insurance market at this stage. Carriers have all confirmed that "work from home" is covered under the general liability as it was one of the most common question from our insureds.

We continue to see hardening on the Financial Lines with capacity withdraw especially in FI with max 10M on primary and price increase between +10-15 %. We see hardening on Cyber with capacity management and 10% rate increase.

Business interruption coverage is one of the "hot topics" where carriers explain that no coverage is granted for such event. But we are seeing lot of pressure from government and business associations asking for somehow "ex gratia payment" for the SME/MM in order to prevent Bankruptcy cases.

We see some delays in service but they are still manageable at this stage and clients understand reason behind it. Premium payment installments is generally accepted by all carriers in order to help insured facing financial troubles.

GERMANY



We already have been in a hardening market, current situation will bear this out. The market is pretty the same, but not sure how the market will be if the partly shut down of public life will extended longer. More or less all German insurance companies have sent most of their staff to work from home (if possible). This works very well, and after the initial IT challenges, services continues as before.

Insurers offering already options for deferral of premium payments, suspension of coverage for vehicles not in use (fleet MTPL). The government has already addressed several ad hoc measurements for affected business and/or employees, like:

- short-term-work ("Kurzarbeit" program allows companies to send workers home or sharply reduce their hours, with the government providing up to 60-percent of their previous salary.)
- one-off payments to secure liquidity
- options for deferral of tax payments
- reduction of advance tax payments, just to name a few.



INDIA



Pleased to hear that you, your family members and your colleagues are doing well. In India we are on total "Lockdown" since 25 March.

Our Insurance Regulatory Authorities have extended some concessions such as if a Policy on Employee Benefits is not Renewed on due date it will not be Treated as a Lapse but would be allowed to continue this Policy from Date of their paying the Premium without losing preexisting concessions already in force under Expiring Policy.

Our regulatory conditions on "Cash Before Cover" would still apply. Most of the nonessential Industries are shutdown and many Daily Wage Laborers are being supported for Food and other essentials by Government Support apart from few NGO's extending help under Government Monitoring

Few of our Multinational clients have renewed their programs on due date with everyone working from home. Even with quotes and the banking sector open for payments. Indian industries, and the insurance broking community are lobbying the Insurance Regulatory Authorities to force a cover on BI from Covid19 leading to BI Loss but the same has not yet taken any positive shape.

IRELAND



The majority of Insurers are offering renewal terms and are not increasing rates. Even prior to COVID-19, Insurers were becoming more selective in relation to the types of risks they were prepared to underwrite and this particularly applies in relation to the Lloyds markets who are operating under a restricted underwriting regime. In Professional Indemnity there was a tendency to move from aggregate limits to AOC limits and we expect this position to continue and insurers were reducing their limit capacity. We have seen a retraction in certain insurance areas for example, the credit insurance market is currently closed to new applicants or in providing increased limits for buyers. We have seen Insurers unwilling to increase Employment Practice Liability limits. The D&O and PI markets had been tightening up limits offered and increasing rates pre- COVID-19 and we would expect this to compound.

On the other hand insurers have generally postponed increasing rates at this time. They are prepared to provide additional premium credit facilities where required but only for limited periods. They are also accepting pdf. or photo of required documents by email where normally hard copies required. As many businesses are offering support to the Health Service Executive these exposure changes are being supported by insurers where they possibly can on a case by case basis. While normally cover is restricted to certain perils due to an unoccupied or an unattended property, certain Insurers have agreed to continue cover without restriction where businesses have followed government advice to close temporarily. They also recognize it may not be feasible to comply with unoccupancy conditions such as disconnecting utilities and these are no longer requirements for some insurers.

At present there are no severe service delays and Insurers have embraced the remote working model. In many cases the service is actually more responsive than before.

Insurers are reviewing their policy wordings to ensure there is no ambiguity in relation to their particular wordings for Business Interruption. Going forward, we would expect to see further exclusions applying under policies. There is some ambiguity with a number of policies in Ireland and these are currently being challenged by policy holders. The Irish Financial Services Regulatory body issued a letter to all Irish insurers confirming that where cover exists for a business closure as a result of a government direction, "the recent government advice to close in the context of COVID-19 should be treated as such a direction" and that the interpretation of any ambiguous clauses surrounding policy cover for COVID-19 related claims should be read in favour of the consumer.

Government support of Euro 1 billion is now available for essential liquidity support for small and large businesses. In addition, an extensive array of programs from Mentoring to Wage and all types of business support is available.



ITALY

We do not expect immediate great changes in the market with the exception of some lines of business (e.g., medical malpractice will raise the rates, employee benefits will probably include some specific guarantees, bodily injury could issue some new products in order to cover companies' lockdown). So far we are in a lockdown situation. Employees must work from home, if possible. We can leave the house only for work reasons (if you work in a vital sector that is not on lockdown), healthcare needs, or absolute necessities, such as to buy food. Unauthorized exits are punished with a fine and a criminal complaint.

The insurers/market should remain the same with the possible exception of the Employee Benefit branch where some carriers (e.g., Assistance Fund) has moved better than others. For example, in our case, we will work more frequently with Casbi Generali. Our public healthcare system normally guarantees care for the whole population. Due to the emergency, the number of the intensive care places has increased in most of the hospitals.

For the time being, we have observed certain retraction/rate increase in the medical malpractice sector (especially from Lloyd's syndicates). The creation of a product to provide diary in case of COVID-19 hospitalization and the extension of some bodily injury products in order to cover the interruption caused by Covid19. (This last case is relevant only to one insurer, for a very limited period and amount, and relevant only to small shops). There is some talk about a creation of a specific BI product from the major insurers but, at the moment, it's just talk.

We expect some problems/delays if there is a small/medium renewal that needs a site inspection, a renewal/quote/policy issuance to a very small business, or a small loss that needs the adjuster's inspection.

Insurers in some countries (including the USA) are under pressure to extend coverage in response to the Coronavirus. So far, in Italy, insurers have been asked to extend the policy payment terms and some have included small compensation amounts in case of business closure (only professionals and some shops).

JAPAN



We do not see any major changes and the Japanese insurance market remains stable with acceptable solvency margins. There are some increases in fire & financial lines rating and a small decrease in auto. We also expect that the trade credit insurance market to harden as a result of an increase in bankruptcies.

There is some retraction certain badly affected industries as regards trade credit insurance. Documentation such as application forms and policy documentation are delayed as most staff work from home. Initiatives are expected to offer some flexibility in premium payments and deadlines for documentation.



MALAYSIA

Our government had imposed a lockdown since 18th of March and we are currently exercising a "Working from Home" without any critical disturbance. All our financial sectors including insurance industry are maintaining "Business as Usual" where, we believe it is similar as yours. We just hope this outbreak will not prolong. From underwriting perspective, it is unlikely that local insurer will undertake significant move to expand risk appetite than what it currently have. While General PD & BI may enjoy huge retention capacity, it depends a lot on comprehensive underwriting. Such can be a challenge in a market to do more with less. Casualty lines on the other hand are more able to handle complex industry segment such as oil & gas. Underwriting processes are also fairly market standard making it the common favourites to most producers. One thing to be sure is that local insurers will maintain the current outbreak as exclusion in their primary coverage.

For marketing point of view, we may foresee a reduction in turnover since most of insurance products in Malaysia are on optional basis (except motor vehicle). Based on 2019 central bank report, general insurance premium growth is RM17 billion i.e. reduced by 0.8% compared to 2018. We anticipated for this year, the reduction will go as lower as 5% to 8%. At this juncture, we are maintaining our risk selection since we are able to tackle all types of general insurance products including employee benefits.

It is safe and fair to say that the Movement Control Order (MCO) may take away some extent of speed and efficiency in business processes; similar to attempting regulation with another 200 yards on a lofty iron (if you are a golfer...).

There are high level deliberations between Central Bank of Malaysia (BNM) and the industry to fine-tune the measures that can be undertaken to give temporary relief to policyholders in general. For example, recently our government and insurance industry had allowed the existing personal accident policyholders to claim COVID-19 Test for amount up to MYR300. Besides that, they are in the midst of discussing the possibility of waiving the "Premium Warranty Clause" and allowing "Installment Payment" to those businesses affected by this outbreak. We are predicting no major impact to us since our business model managed to cater this current issue.

Last but not least, we are grateful to have such wonderful associates with GLOBEX BROKER SERVICES.

MEXICO



Markets are facing their internal issues with home office and we foresee increases as the whole RI market is getting harder. A lot of underwriting information is

requested and are selecting specially on the financial lines. Retraction in capacity, product, risk appetite is seen and home office has been delaying all the processes.

All local carriers in Mexico are also working remotely. Basically business is "as usual". No major changes (at this time) for renewals. Policies in Mexico normally exclude damages due to pandemics. Due to this situation, we may see (in the future) local carriers include a more specific exclusion regarding this situation. The local primary market is basically the same as last year. Local capacity remains the same. Risk appetite depends on each individual carrier.

The only initiative (so far) from the local insurance industry is to allow more time (grace period) in the payment of premiums. This initiative is from individual carriers on a case to case basis. The government expressed no help at all for the private sector.



PANAMA

In Panama we have total quarantine. We've not left the house for one month, going crazy working at home. See below for comments:

We do not anticipate any coverage changes. However maybe they will not be insuring "looting" as freely as they were. Insurers are more selective when quoting. Service is business as usual, maybe a little delay. Most of staff of insurance companies working at home

Are there any initiatives from (a) the insurance industry and (b) the government in addressing the business effects of COVID-19? (a) mentioned above on health coverages. (b) lots of measures for the banks, All I know is the effect on our economy will take us some time to be on our feet. Thank God we have the dollar as legal tender.

Sorry to not be able to give more info. Personally, am a little worried about payments of premiums. The insurance companies have not announced if an insured cannot keep-up with his payment for health and life policies. – if they will allow time. Our insurance law is very strong on this and if payment is not received on the agreed time the policy is automatically cancelled.

PORTUGAL



So far all OK here, trying to adapt to a new reality. Portugal is now living the end of the 3rd week of Emergency State, declared for the first time for more than 45 years. The positive outcome of the situation is the flattening of the curve, with the daily increase of new cases within the range between 10% to 15%.

Economically the situation is very serious, and even before official statistics, we expect a strong impact and a deep recession for the remaining of the year, with estimates of GDP contraction between 4 and 6% and the doubling of the unemployment rate, with a recovery only next year.

As far as the insurance market is related, we see a very strong resilience by all the insurers, taking decisive measures to protect and help clients to cope with the situation, introducing grace periods for premium payment, adjusting policy conditions to risk changes like lay-off situation for workers compensation or mandatory fleet parking for motor liability policies.

These measures, promoted by the regulating authorities and supported by the insurers association have been implemented in a remarkably fast pace, along with the recommendations to speedier claims handling procedures, in order to push liquidity into the market and the clients.

On the other hand, we have seen a very strong push to digitalization from the market, insurers and brokers included, forcing the digitization of workflows, paperless contracts and swifter underwriting and placement requirements, that will prevail after the crisis.

Regarding market capacity, we do not see any change of risk appetite of underwriting restrictions, once most of the clients are focused on cost reduction and activity for new risks or opportunities has seen a serious decline.



SOUTH AFRICA

The local market in South Africa was under enormous pricing and capacity pressure already. With the hardening of the global markets in Property (Plus BI), Financial Lines and some specialist lines. Our view is that the rate increases and capacity withdrawal will continue in the medium term. We are really having to look for more and more foreign capacity to fill our larger corporate slips on all lines at the moment and expect this trend will continue across all lines. There are also policy

wording restrictions being added at regular intervals as well as capacity withdrawals from leading carriers.

Service is not delayed, most of the delays are going to come from client (insured) especially committing to annual renewals and accepting harder terms. There are a number of initiatives locally from both insurance industry and government for example a premium payment holiday (or significant reductions) on motor cover – where people are restricted to staying at home for a the lockdown period. The government have done a number of things including interest rate reductions, tax relief for small businesses, annual return deadline extensions for business in the financial services industry and many more.

We have had the ability to work remotely for many years now, so it's not too much of an adjustment, especially the clerical staff. We certainly are missing the face to face interactions and site visits with our clients. So far our entire staff compliment is healthy.

SPAIN



I hope you are all doing well, difficult times indeed. In Spain the situation is not being optimal. Nonetheless, the whole team is in good health as well as our close families.

We are all working from our home offices, everything is going very well and all proceedings are workflows for processing and settling are in place. So, business as usual with our clients and partners as well. Workload, however, is extremely high as a certain number of things still is be organized considering that confinement will probably last until end of April.

We have prepared an internal guide with a 58 pages “summary” of the principle measures of the different insurers. Depending on wordings and policy of each and every insurer but mainly to be negotiated on an individual basis. most insurers at least agree on payment facilities for all lines. there may be new liabilities if covid-19 contamination is considered work accident in terms of EL but no clear information available so far. Most of private health insurance policies currently provide cover for covid-19, this may change if the problem is not coming to an end.

The general market has no changes so far compared to the first 2 month of the year. There are difficulties for risk inspections and claims handling. For smaller claims video assessments are often accepted. sometimes delays are a bit longer than normal.

Our government prepared a package of preferred financing through an government owned financial institution, with reinsures part of the loans provided by private banks. insurance industry has prepared several welfare or charity initiatives.



THAILAND

PD: the sum insured might be decreased depend on company's downsizing or close the non-profit department or the worse case: close down the company. BI: Gross Revenue/Gross Profit limits have decreased, impact the sum insured. Every insured asked why the policy does not cover infectious disease. GL: Still require in biz. The insured is now more concerned about price and does not hesitate to move from incumbent underwriter/broker. In the future, the liability should cover the Premise/Work Away. We have Social Security Fund offered to all employees as a mandate, and most corporates top up by Life and Health Benefit.

New quotes: There is more difficulty as we could not introduce or do presentations face-to-face. Renew quotes: Not much difference, our insured understand the situation. E Certificate/Policy is launching and it's working well. Reinsurance quotes: Quite delayed. Claim Handling: That's fine. Not much difference. The Covid19 outbreak is trend down in Thailand. So, outdoor work is available. Even the Plant is locked down, the loss adjuster can survey.

We have a new Policy to cover Covid19: a small limit per person by online and group of employee by offline. Government: free cover to officers and also medical workers.

UNITED KINGDOM



Good to hear from you – I was actually due to be in California this week, taking a 10 day road trip from San Fran to LA but there will be plenty of opportunities to do that in future. From our part, we have had our team of 150 working from home since mid- March.

The market is reacting in different ways. The UK position, much like the rest of the world, is that there is no pandemic cover as standard under BI policies. Comments made by UK Government that in declaring a pandemic, businesses could claim on their BI cover has unfairly raised expectations. There are a handful of businesses that proactively bought the cover and an element that had extensions on old “scheme”

wordings so some claims will be met.

We expect an attempt at future claims from both employees and the public against businesses from people who have contracted Covid-19 alleging liability against them. The reality is this will be hard to prove but will add defense costs to this line and could lead to increase in premiums.

The market has been hardening for the past 12 months. The Professional Indemnity market has been difficult for about a year and continues to struggle. D&O is a hard-hit area. We are already seeing a restriction in capacity in some property markets and that will push rates upwards. No new capacity, some markets have ceased writing P&C. Motor is a strange one – with the lockdown, accident rates are at an all-time low reducing insurers costs, but at the same time many businesses have “laid up” vehicles and are reducing cover, so the premium income will also drop.

We expect some future challenges in Employers and Public liability rating if we do see an influx of claims as above. Industry and insurance class wide, insurers are proactively excluding any pandemic losses going forward. In addition, we are seeing some insurers breaking Long Term Agreements

Insurers have had to adopt to home work and this has caused some challenges in service standards but overall, things are being managed. Travel insurance claims particularly delayed.

The insurance industry is pushing for future pandemics to be insured through government, similar to the Pool Re Terrorism and Flood facilities. HM Treasury have written to ABI (Association of British Insurers) to suggest that insurers should be stepping up to pay business interruption, but this has been firmly rejected.

Outside of that insurers have relaxed lots of usual requirements on removal of property from business premises to home, requirements on vacant building inspections, relaxed deadlines on risk improvements etc. to reflect the fact that people are unable to travel to work. That has eased a lot of our early day enquiries.

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