



## GLOBEX UPDATE PROPERTY & CASUALTY

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

### GLOBAL



Global economic losses from natural catastrophes and manmade disasters in the first half of 2020 stood at \$75bn, according to preliminary estimates released yesterday. The figure was higher than the \$57bn for the same period a year earlier, but well below the average of first-half economic losses of the previous 10 years (\$112bn). Of the economic losses, around 40% (\$31bn) were covered by insurance, up from \$23bn a year earlier. In the previous 10 years, first-half insured claims averaged \$36bn annually. Natural catastrophes accounted for \$28bn of the insured losses in the first half of 2020. The figure was an increase from \$19bn in the first six months of 2019, while insured losses from man-made disasters decreased to \$3bn

from \$4bn. The catastrophe loss estimates are for property damage and exclude COVID-19 related claims. More than 2,000 people lost their lives or went missing in disaster events during the first half of this year. The main driver of the first half losses were secondary perils, with thunderstorms in North America playing a significant role.

### UNITED KINGDOM

The UK Government is proposing GBP 5.2 billion (\$6.6 billion) of spending on flood defenses through 2027 in an effort to protect businesses as well as hundreds of thousands of British homes. Under the plan, billed as “the most comprehensive in a decade,” the UK will build about 2,000 new flood and coastal defenses to better protect about 336,000 properties. Some GBP 170 million of spending will be accelerated to push forward on what are described as “shovel-ready” projects this year and next. The UK has been beset by a series of floods in recent years. The UK’s Flood Re insurance program will also be modified to allow claims to include the installation of flood resilience measures as well as repairs for affected properties. The government will put GBP 200 million into drainage techniques that will make use of nature and restore habitats, making homes, businesses and infrastructure more resilient to the accelerating impacts of the climate crisis.



### GHANA



A new bill has been approved to replace the current Insurance Act, which has existed since 1958 and has outlived its relevance in modern insurance practice. The bill, if passed into law, will deepen insurance penetration as it will add another three compulsory insurances to the already-existing two – a move that is expected to hugely impact the sector with projections that the current insurance penetration rate will increase from 29% to 40% in the next 3 years. The three new mandatory insurances to be introduced are: Public Liability Insurance, Group Life, and

Professional Indemnity Insurance for certain kinds of professionals. Public Liability will be mandatory for select sectors of the economy as yet not defined but will include activities with a propensity for mass destruction of life and property in the event of a disaster. Under the bill, all employers will be required to buy Group Life Insurance for employees as an enhancement of workman’s compensation. While employers are required to compensate employees who die or get injured while doing their job, they are not compelled to insure that liability. The Act will compel employers to cover those liabilities.

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## Recent Success Stories

- Implemented global programs for Property & General Liability with underlying policies in 12 countries for a consumer electronics after-market services company.
- Bound standalone Property policy for a facility in Mexico on behalf of a global Industrial manufacturing services company.
- Placed Property and General Liability Programs for a specialist maker of professional sports uniforms in the Netherlands.
- Bound local Engineering Inspection and Automotive Product Recall policies for a UK manufacturer of copper, fiber optic and high performance specialty cabling.

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