



## GLOBEX UPDATE

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

**Volume 10, 2020**

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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 do to help, please do not hesitate to contact any member of the team.**

***Stay well and healthy!***

### Singapore - Workers Insurance Compensation (WIC) Important Timelines



In our April 2020 monthly newsletter, Globex shared some important updates on Workers Insurance Compensation (WIC) coverage in Singapore. Our network on the ground has recently shared some further developments on this topic.

The General Insurance Association of Singapore has issued some additional information regarding Workers' Insurance Compensation (WIC). The Ministry of Manpower agreed that all employers are expected to:

*(a) Provide the binding order/instructions to proceed to local authorized insurers to buy or renew WIC insurance policies 21 days before commencement of policy*

*(b) Submit all the data required by the insurers 21 days before commencement of policy*

(c) (a) and (b) are important to ensure that employers maintain adequate WIC insurance coverage at all times and avoid gaps of coverage, especially where the work injury occurs before a valid WIC insurance policy has commenced. Employers may be held responsible if they are found to not have valid WIC insurance coverage at any point in time.

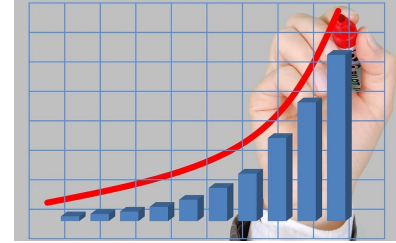
Overseas reinsurers and brokers who place multinational programs in Singapore which include WIC policies, are advised to ensure that their Insureds provide binding instructions

with enough lead time to fall within the new requirements. This would be applied to both new business as well as policy renewals.

## An Insight on the Australian Market - Words From our Partner

### Down Under

Dear friends, we are very proud of our Network, and are pleased to share some insight that our Globex Partner has shared with us this month:



“A lot has been happening in Australia. Most States have closed their borders for the past 6 months. There is no international travel till March 2021 and that is opportunistic.

Most of us are still working from home and are loving the work/life balance. Strange as it may seem, commerce has continued with few interruptions. Essential industries have been able to continue as long as they follow the Covid Safe Protocols. Face Masks, Hand Sanitizing, Social Distancing and Temperature Testing are now a way of life. We will always have a couple of people who will not follow the rules but the fines are massive for non-conformers.

Australia's 3 largest exports are minerals, tourism and education. Obviously, the mining sector has not been affected as all countries need this for manufacturing and growth. The Tourism, Hospitality and Accommodation sectors have been severely affected with a number of businesses closing.

#### ***Insurance Rates continue to increase***

- Property rates continue their upward trend for the past three years. Wildfire and Catastrophic Storm events have impinged on the profitability of Insurer portfolio. Rates are increasing by between 10-30% and capacity is being restricted.
- Corporate D&O with Side C rate increases are between 100-300% and a number of Insurers have removed their capacity from this class. The number of Shareholder Class actions continues to increase.
- Professional Indemnity for consulting engineers and financial advisers continues its upwards increase with a 30% rate increase being an excellent result. Lloyds Underwriters have either reduced or removed their capacity from the Australian market due to adverse claims. Australia is an extremely litigious society where people are always looking to blame others.
- Casualty, Workers Compensation and Motor Vehicle rates have remained stable with maximum increases of 5%.

Hopefully this gives you a little bit of an overview from Down Under. We are not sinking but are waving for more capacity in our market.”

## UAE - Central Bank to Merge with Insurance Authority

The Insurance Authority (IA) has recently merged with the Central Bank of the United Arab Emirates (UAE). The new



economic organization in the country aims at raising the efficiency and competitiveness of the insurance sector and of their local financial markets by giving them greater flexibility in their business. The goal is to enhance the UAE's ability to compete in a global economy.

The move will transfer all operational and executive powers of the Securities and Commodities Authority (SCA) to the local stock markets, while the financial watchdog maintains regulation and oversight of the local financial markets. This consolidation of one or more of the UAE's financial regulators does not come as a surprise within the industry; what was indeed unexpected was that the merger took place between the IA and Central Bank of UAE, and not with the SCA.

The merger within the historically complicated regulatory landscape will lead to better consumer outcomes and a stronger and more prosperous local economy. A future outcome is the further consolidation of insurance companies due to higher capital requirements and increased compliance and regulatory supervision.

How will this move affect multinational programs, in a region which has traditionally been very flexible on reinsured placements to overseas insurers? Will the increase in regulation aid or hinder the flow of policy placements? Will the higher capital requirements result in less options of local insures from which to choose?

Only the passage of time will determine this. For any further developments on this matter please do not hesitate to contact any member of the Globex Team.

- Secured a multinational Property policy program in Argentina, Australia, Brazil, Canada, Chile, Colombia, Costa Rica, Indonesia, Israel, Japan, Malaysia, Mexico, Peru, Philippines, Russia, Singapore, South Africa, South Korea, Thailand and Vietnam for a global leader in flexible space, providing businesses of all sizes with the space, community, and services they need to run and grow their business.
- Bound a General Liability and Property reinsured Policy in Indonesia for a global nonprofit organization providing cutting-edge medicine and advocacy to over 1,000,000 people in 45 countries.
- Instrumental in placing a Directors' and Officers' policy program in Brazil for a gold and base metals producer who builds and operates mines in Europe, Asia and the Americas.
- Placed an International and Inland Transit reinsured program in China and South Korea for a worldwide leader in photomask products and services for integrated circuits and flat panel displays.
- Secured a reinsured Pollution and Environmental Liability package in Russia and Turkey for a leading international supplier of building materials and infrastructure solutions.



