globex UNDERWRITING SERVICES

GLOBEX UPDATE

Events, developments, and opportunities in the international marketplace

Volume 11, 2020

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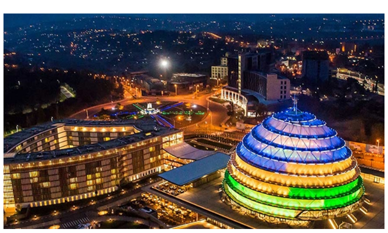
We hope all of our colleagues and partners and your families around the globe are doing well in this incredibly unusual and challenging time.
Everyone at Globex is doing fine and working very hard to keep business as usual.
If there is anything that we can do to help, please do not hesitate to contact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

Globex Insight - New Country Database Online Platform

Commercial Risk Online recently published an in-depth article about Globex Insight; please **click here** to view the article.

We are excited about the launch of Globex Insight and look forward to your feedback! Thank you.

Rwanda - Locally Imposed Insurance Rates



In our Globex newsletter Volume 7, we shared some insight into the Rwandan insurance industry; pursuant to these changes there have been further developments. The insurance association of Rwanda, ASSAR, (Association des Asseureurs du Rwanda), has put together a comprehensive directive of premium rates that are applicable to the local market. These local rates are being enforced since the law prohibiting fronting has been published.

The local rates have been shared with the Rwandan Insurance Regulator, and any local insurer who does not follow these norms may be subjected to hefty penalties. Overseas insurers with multinational programs should be wary of these changes, given the prior flexibility in the Rwandan market. In addition to the Rwandan authorities' insistence on the application of local premium rates, local insurers are being reminded that pure fronting is absolutely prohibited.

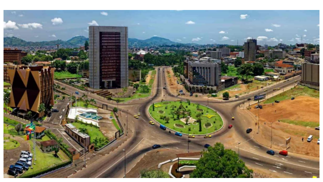
The Democratic Republic of Congo - Warning Against Buying Insurance from Overseas Insurers

The Insurance Regulatory and Control Authority (ARCA) of the Democratic Republic of Congo (DRC) has issued a reminder of a "ban on direct insurance abroad" to anyone living on Congolese soil.

The reminder to local insureds comes as a result of a meeting of the Council of Ministers on the fight against tax evasion on insurance premiums. ARCA's decision is backed by the Insurance Code of 2015 which strictly prohibits the acquisition of direct insurance abroad for a risk concerning a person, property or liability located on Congolese territory, or with a company not approved by the ARCA. This law underlines that only licensed insurance companies in the DRC are permitted to issue local admitted paper.

The Insurance Code also states that any insureds who purchase cover for their insurable interests from overseas insurers will be in violation of the law, and liable to a penalty of 50% of the premiums issued. This fine can double were the offense to be repeated. Foreign insurers with multinational projects in the DRC are urged to seek local admitted paper in this country. For any assistance on this matter please reach out to any member of the Globex Team.

Cameroon - A Reinsurance Body Within the Country



Cameroon joins other African countries where state-owned reinsurance companies are being established for the purposes of increasing local retention within the borders. The beginning of 2021 will see the final stages of the emergence of “Cameroon Re,” and it is very possible that the company may start operations as early as January 2021.

All local insurance companies will be shareholders in Cameroon Re; a mandatory cession of 10% of each risk/premium will be ceded to this entity, aside from the mandatory cession of 5% to CICA RE. Overseas insurers will likely see a decrease in cessions to them.

Burundi - Insurance Laws Follow Neighboring African Nations

The insurance code in Burundi has been amended to reflect the need to exhaust all market capacity before any risk and premium may be ceded to overseas insurers. Foreign insurers with multinational programs will require a special approval from the Insurance Regulator in Burundi, if they require more than 60% of the risk to be ceded overseas. The new law, (N°1/06 of July 17th 2020 amends law N°1/02 of January 7th 2014) also makes provision in its Paragraph 2 of the need to exhaust local market capacity before any cession takes place outside the country.

- Secured reinsured Marine Cargo Policies in Russia and Indonesia for a leading manufacturer of construction and mining equipment, and diesel and natural gas industrial products.

- Bound a reinsured Management Liability policy in Mexico for a global supplier of quality textile products for the North American automotive market.

- Instrumental in placing a reinsured Package policy in Croatia for a leading designer and builder of custom vessels for commercial, defense, and law enforcement applications worldwide.

- Placed a Professional Indemnity policy in Canada for one of the world's leading real estate and infrastructure investment managers.

- Secured Directors' & Officers' reinsured policies in China and Malaysia for a worldwide manufacturer and trader of steel consumables and investment holding.

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