



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

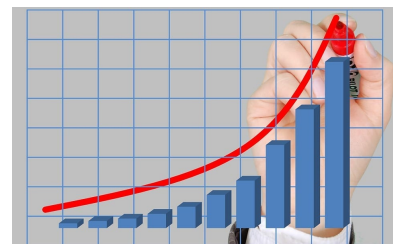
Stay well and healthy!



Spain - Premium Taxes to Increase Effective January 1, 2021

Premium taxes in Spain will rise from 6.15% to 8.15% starting January 1, 2021. Globex's sources on the ground confirmed that the increase takes place across all lines of business and the taxes are all Insured payable. Policies which have an inception date prior to January 1, 2021, and have been issued in 2020 but have premiums pending, will be subject to the original 6.15% rate.

Policies that have an inception date in 2020, but are issued and paid in 2021, will have the new rates applied. Therefore, three factors determine what rate of taxes correspond: policy issuance date, policy inception date and premium payment date. For any questions on this topic please feel free to reach out to any Globex Team member.



Paraguay - Changes in Reinsurance Tax

As of January 1, 2021, foreign reinsurers who place



multinational programs in Paraguay will be subjected to an increase of 1.5% in the Reinsurance Tax. The regulatory authorities have applied the rate increase which means that instead of a 3% RI Tax, reinsurers will pay 4.5%. In short, 30% of all premiums and other income produced by reinsurance transactions are subjected to a withholding tax of 15%. This results in an

effective rate of 4.5%.

Zimbabwe - Local Policies in Foreign Currency

The government of Zimbabwe enacted a new legislation governing insurance companies and pension funds. The terms of the regulation state that insurers and pension funds may now conduct business in foreign currencies. The measure has been taken with the aim to protect the sector from hyperinflation. In 2019, the authorities imposed the exclusive use of the Zimbabwean dollar in local transactions, despite the US dollar-denominated policies. At the repeated requests from local insurers, the Zimbabwean Insurance Regulatory Authority (IPEC) has decided to authorize US dollar policies. In effect, this move will simplify the accounting process in multinational programs and make it less cumbersome. As currency fluctuations are frequent, working with a single currency should be a welcome development for international reinsurers.



CIMA Region - Mandatory Cession to Regional Reinsurer



The Francophone, or French speaking nations in Africa, comprise the CIMA region. There are 15 countries in the CIMA region: Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Comoros, Congo, Cote d'Ivoire, Equatorial Guinea, Gabon, Guinea Bissau Mali, Niger, Senegal and Togo.

During a recent meeting within the CICA Re (Compagnie Commune Africaine de Réassurance des Etats), the regional Reinsurer for the CIMA countries, it was determined that a mandatory 10% of all facultative reinsurance business must be ceded to CICA Re.

In addition, the mandatory retention by local insurers decreases from 5% to 2.25%.

To summarize: for any facultative business in the CIMA region in Africa, effective January 1, 2021:

- 1) Local insurers will retain a minimum of 2.25% of the risk and premium, and
- 2) Local insurers are obliged to cede 10% of the risk and premium to the regional Reinsurer, CICA Re.

- Placed a reinsured Commercial General Liability policy in South Korea for a premier Fortune 500 technology integration company.
- Instrumental in placing a Marine Cargo policy in Brazil for manufacturer of commodity yarns, specialized yards and premier value added (PVA)



yarns.

- Secured multinational reinsured Management Liability policies in Chile, Colombia, Malaysia, Mexico, Singapore and UAE for a reseller of agricultural biodiesel fuels.
- Placed a reinsured Cyber Liability policy in Turkey for a provider of technology for electronic payment transactions and value-added services at the point-of-sale.
- Established a reinsured Commercial Liability policy in Russia for a leading provider of drilling technology and services to oil and natural gas producing companies.

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