



GLOBEX UPDATE

Events, developments, and opportunities in the international marketplace

Volume 1, 2021

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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!

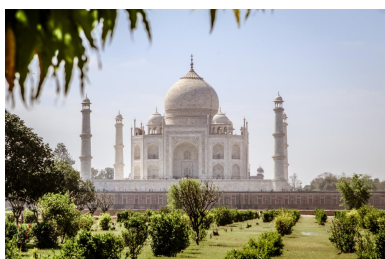
Ecuador - Issuance Rights Levy

Issuance Rights Levies in local policies in Ecuador are subject to varying fee levels. The minimum Issuance Rights Levy is USD 0.9, or 90 cents, and the maximum a local insurer may charge is USD 9, depending on the policy premium. The amount can only be applied during the policy issuance stage, and not at the quoting stages, as it is based on the local authorities' schedule. This amount is automatically produced by the local insurers' policy issuance systems, only after the details are submitted into the framework.



Globex has requested our sources on the the ground to share the latest Levy schedule issued by the local regulatory authorities.

India - IRDAI Offers Flexibility for Insurance Contracts



The Insurance Regulatory and Development Authority of India (IRDAI) introduced some flexibility for insurers affected by the widespread impact of the COVID-19 pandemic and proposed consequent regulatory changes.

Among substantial changes in the Life Insurance market, Commercial Lines too have been affected as follows:

- The introduction of standardized and tariff products for various lines of business
- The relaxation of existing timelines for regulatory filings and submissions

In terms of reinsured placements, the Guidelines on Filing of Reinsurance Arrangements with the IRDAI became effective on January 31, 2020, which prescribed conditions for the submission of Indian insurers' annual reinsurance programs.

The IRDAI exempted insurers from issuing physical copies of policy documents and proposal forms for the financial year 2020 to 2021, and allowed insurers to obtain customer consent without requiring wet signatures on proposal forms. In this pandemic situation, the IRDAI also issued norms on video-based identification processes as an optional electronic and consent-based identification, for the purposes of completing the commonly denoted Know-Your-Client process.

Myanmar - An Evolving Insurance Market

Myanmar is known for its monopoly insurance market. Despite attempts in recent years from global players to establish themselves in this country, the State Insurer, Myanmar Insurance Company, continues to dominate the arena.



Globex's sources on the ground have advised us that multinational programs will likely experience an increase in local retention. Until last year, local carriers were able to cede back up to 70% of the risk and premium to foreign insurers.

This is no longer the case: Myanmar insurers will retain a minimum of 40% starting January 1, 2021 for Total Sum Insureds (TSI) of up to USD 10 million. If TSI exceeds USD 10 million, the local retention will correspond to the percentage that is equivalent to a sum insured of USD 4 million.

At present, placement of policies in Myanmar is business as usual.

Ghana - Additional Compulsory Lines of Business



An insurance bill was passed by the Ghanaian Parliament in December 2020 in reference to mandatory lines of business.

As a rule, local insurers in Ghana no longer offer pure fronting in multinational programs. The local market is to exhaust local capacity before recourse to external reinsurance.

At present, Globex network carriers can cede up to 30% externally without having to seek approval from the insurance regulator.

With the addition of more compulsory lines, coverage that was previously reinsured by foreign insurers may now fall into the mandatory list. Cases will be reviewed on an account by account basis, and factors that will determine how much external cession is permissible, will include situations whereby there is no interest from the local markets, or if the limits are too high.

For a complete list of compulsory insurances within the bill, please contact any member of

the Globex team.

- Placed a multinational reinsured Package Policy Program in China, Czech Republic, France, Germany, India, and Japan, including cover in Ireland, for a global leader in plastic welding products.
- Instrumental in placing a Commercial General Liability policy in the United Kingdom for consultants on project management, engineering, supervision of work and support functions.
- Secured multinational Marine Cargo policies in Argentina, Brazil and Turkey for a company that researches, develops and manufactures cleaning products for food processing industries.
- Placed multinational reinsured Environmental Liability policies in China, Hungary and Taiwan for a global leader in engineering materials to power, protect and connect the world.
- Established a reinsured Marine Cargo policy in Malaysia for a leading fully integrated satellite communications designer and provider.



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