

Events, developments, and opportunities in the international marketplace.

South Africa



The rioting that erupted in parts of South Africa in July caused damage worth \$1.7bn (ZAR25bn), according to Sasria, the state insurance company handling the insurance claims. The government insurance company that covers special risks like political violence, riots and terrorism is now seeking funds from the government to cover all the claims. Sasria executives, addressing the Parliament on 8 September, asked for a bailout from state coffers to cover the shortfall it will face in settling all claims.

Official figures show more than 300 people died and more than 200 shopping centers were looted in the KwaZulu Natal and Gauteng provinces when rioters ransacked and looted shops. Factories and warehouses were also robbed and burned. The unrest was triggered by former President Jacob Zuma's arrest for refusing to comply with a Constitutional Court order to testify at a state-backed inquiry investigating corruption allegations during his presidential term from 2009 to 2018. Sasria is reportedly in talks with National Treasury for a larger bailout than the ZAR3.9bn (\$272m) already promised and will likely increase its premiums to cover a rise in reinsurance costs linked to the July riots.

Mexico

Insured losses from a Sept. 7 earthquake in Mexico are estimated to be close to \$200 million, with total losses for insured and uninsured residential, commercial and industrial buildings, estimated to be as much as \$900 million. Reports of power outages affecting a million customers or more including scattered outages in Mexico City. Major structural damage, however, was not reported, although there were reports of collapsed masonry walls. Impacts are expected to be moderate with instances of structural damage to hotels and other buildings, and significant damage is likely to be restricted to more vulnerable structures, such as unreinforced masonry buildings.



The magnitude 7.0 earthquake hit Sept. 7 around 8:47 p.m. local time near Acapulco City, Mexico.

India



The Insurance Regulatory and Development Authority of India (IRDAI) has decided to revamp the Insurance Information Bureau (IIB), in a bid to ensure that the non-life and life industry underwrites healthy business. The regulator will empower the IIB to collect data from the industry and set benchmark pricing. It will be similar to credit information bureaus and help companies identify and reprice loss-making businesses. Draft regulations for the IIB have been issued and the industry has until the end of September to respond. The IIB will be a repository of data for all entities regulated by the IRDAI and will use the

data for analytics as well as providing benchmark rates for life, motor, health, fire, and marine insurance aimed at promoting "reasonableness of rates and sustainability of business". It will also ensure that information about losses due to fraud is shared among all players to help reduce the impact on the industry as a whole. While the IIB will be given an industry-specific level of permission to use the data, the IRDAI will be the overall exclusive owner of the information. The proposed regulations come at a time with many non-life companies reporting underwriting losses in various lines of business.

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