

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

### Global



A mergers and acquisitions (M&A) survey in the global insurance industry showed that M&A increased at the fastest pace for a decade in the first half of the year. A total of 242 deals were completed in the period, up 9.5% from the 221 transactions in the December half and compared with 197 at the same point last year. In the face of stark economic pressures – inflation, rising energy costs, and looming recession – insurers remain focused on growth opportunities. Private equity firms and asset managers also remain keen to explore entry into the insurance market or expansion of

existing footprints. Significant deal activity in the US pushed the number of transactions in the Americas to 132, the highest number of transactions in 10 years, up from 108 in the second half of last year. Deal numbers in the Asia Pacific rose 12.5% to 27, with Japan the lead acquirer ahead of Australia. Transactions in Europe fell 9.5% to 67, while in the Middle East and Africa numbers rose to 16 from 12. Eleven of the top 20 deals by value involved acquirers from the Americas, with the US accounting for six, Bermuda three, and Canada and Colombia one each. The six-month period also saw a significant increase in transactions involving the divestment of non-core assets as carriers focus on their main business in a challenging environment. While the survey focused on the carrier space, there is also significant M&A activity in distribution, with PE interest driving an increase in broker consolidation and expansion across the US, Europe, the Middle East and Africa and Australia.

### Hong Kong

In recent years, Hong Kong has seen significant activity from parties wanting to enter its insurance market. The establishment of the Hong Kong Insurance Authority (HKIA) in 2017 underpins the commitment to promote and support the growth of Hong Kong as a leading international insurance and reinsurance market and it is doing its utmost to make Hong Kong a destination of choice for both global and regional insurance head offices. A long list of insurers is looking for the right opportunity to enter Hong Kong's insurance market and acquisition-hungry parties includes insurers/reinsurers looking to either establish a presence or expand their existing business. Hong Kong can also be attractive to Chinese insurance groups, as the territory has no currency convertibility or remittance restrictions, such as those present on the mainland. Despite these prospects, Hong Kong has also seen a degree of consolidation with the number of locally authorized insurers dropping from 202 to 163 since 2002. However, the market remains crowded and insurers have to face business pressures with partial disposals and portfolio transfers likely along with some large exits.



### United Kingdom



A UK insurer has issued a warning of the growing fire risks associated with electric bikes and scooters with lithium-ion batteries posing a significant fire risk when damaged, over-charged or exposed to extreme temperatures. This follows payments of almost £500,000 on just two claims involving lithium battery fires. The cost and frequency of these fires are likely to grow as electric bikes and scooters become more popular. Data shows that fires are predominantly occurring in residential

buildings where the associated damage can be devastating. One claim was the result of a faulty battery being charged in a ground-floor apartment. An explosion occurred and fire spread throughout the home, extending to two stories above. It is now recommended that batteries are never left charging overnight or in a building that is unattended, to unplug or disconnect the battery as soon as charging is complete, and to ensure it is charged on a hard surface where heat can disperse. Monitoring and assessment of any damage (including the charger) and fitting of smoke alarms where charging takes place. The risk also extends to commercial businesses, who should ensure that they put in place reasonable precautions, review and update existing risk assessments, and install specific fire protection designed for use on fires involving lithium batteries.

### Recent Success Stories

- Secured appointment of overseas partner broker to locally place Package & Crime policies for a provider of specialty transport, logistics, storage, and distribution solutions expanding internationally.
- Placed a standalone North American Directors & Officers Liability policy for a clinical-stage pharmaceutical company working in the field of orthopedic surgery and arthritis management.
- Placed All Risks Homeowners coverage on Contents for a secondary apartment residence in Europe.
- Assigned servicing brokers in two overseas territories in response to an acquisition undertaken by a US multinational engaged in sign supply and screen print products.

Contact us

Visit our website



Try email marketing for free today!