



GLOBAL UPDATE

Events, developments, and opportunities in the international marketplace

Volume 1, 2023

Visit us at www.globexintl.com

Ecuador - Outgoing Currency Tax Update



The transfer of any reinsurance premiums from Ecuador was previously subjected to a 5% tax. This tax is denoted as the "Impuesto a la Salida de Divisas (ISD)". The Ecuadorian government decided to gradually decrease the tax amount in quarterly steps, so that every quarter, a 0.25% decrease in the tax would apply. As of January 1, 2023, the ISD is currently set at 4%. Globex's sources on the ground in Ecuador shared that the tax authorities may further

decrease the ISD, and we will continue to communicate with our Network Partners in Ecuador and follow up on the progress of this tax change.

India - Annual Tax Documentation Reminder

In order to place any reinsured business in India, insurers who are registered with the Indian Regulator, the IRDAI (Insurance Regulatory and Development Authority of India), have to provide their tax documentation on an annual basis. These documents are provided to the Indian tax authorities typically within the first quarter of the calendar year. Globex's reinsurer registration desk coordinates the process every year for any Globex Partner Market that has local policies in India, and seeks help with the steps.



Globex was reminded by our friends on the ground, that in order to get any net reinsurance premiums ceded back to the Foreign Registered reinsurers in a timely manner, it is imperative that the registered entity name on the Tax Residency Certificate (TRC), as well as the registration address, correspond with all other tax documents requested by the local Indian insurers. If there are any discrepancies among the set of documents, the review process will encounter delays, and reinsurance premiums remittance may also encounter additional delays as anti-money laundering and exchange controls are very stringent in India. For any additional information on this matter, please reach out to any Globex team member.

Globex Insight

Your international insurance intelligence database



Experience
Expertise
Execution

Globex Insight is an online platform to provide practical and easy to understand Information and Intelligence on global insurance markets, including Laws and Regulations, Country Nuances, Taxes and Fees, Market Practice, Accounting Requirements, etc. per line of coverage and on an annual subscription basis.

The first line of coverage – **MARINE** is now available! More lines, including but not limited to Property, General Liability, Management Liability are coming soon.

Please visit www.globexinsight.net for a trial subscription to experience Globex Insight.

Globex Underwriting Services
a division of Globex International Group

Japan - Market Practice: Cash Before Cover



In Japan, a common market practice in the insurance industry is that insurers cannot provide insurance coverage without the full premium payment to the company or its agent. This applies to both new businesses and any renewal accounts. For some lines of business such as Marine and large non-Marine risks, an installment of the premium may be paid at or before inception of the policy period. Multinational programs are complex due to their multi-structured nature and

numerous nuances. Japanese insurers and brokers are well versed and equipped to handle the Cash Before Cover process of billing and collecting premiums, and together with the Globex team, will do our best to ensure that there is no lapse in cover. For any information about the process, please reach out to any Globex team member.

United Kingdom - Current Market Updates from our Network Partners

The United Kingdom is going through challenging times; socio-economic-political forces are at play, and the insurance industry is not impermeable to factors that can drive rates up or down. Insurers have been experiencing a hard market for some time now. Globex reached out to our network partners in the United Kingdom, and received some very interesting insight into the current insurance scenario in the UK:



“... Rates have increased across the board for lines of business. To cite a few that stand

out, Cyber and Professional Indemnity rates are higher than they have been in the past; rates in the Property market can be as high as 20% more than in previous years. In some cases, brokers have even reduced their fees in order to accommodate their clients....”

From an economic point, things to bear in mind: inflation in the UK is at 12-14 %. Fuel prices have increased by over 300%; supply chain issues during and post-pandemic have not helped, and all of these resulted in an increase in the cost of goods. The public sector has been facing labor strikes, and insurers are apprehensive about including Strikes & Riots coverage in their property policies. Supply and demand forces in the market are at work, and Brexit is certainly not helping, as there has been a marked decrease in the workforce, as European labor is not readily available.

Last but not least, the weather has always been a topic for conversation in the UK, due to its proximity to the Atlantic, which acts as a temperature buffer, warming the Isles in winter and cooling them in summer. Climatic volatility has caused much damage and losses recently. Such claims drive Property rates up, and the end-user has little choice but to pay higher premiums.

- Placed Management Liability policies in the USA for a leading German-based firm specializing in magnetically levitated bearingless motor technology, and the supply of process equipment for Microelectronics.

- Secured Commercial General Liability reinsured policies in Ecuador, Guatemala, and Peru for the world's largest alpine solar plant producer.

- Instrumental in the placement of an Auto Liability coverage in the US Virgin Islands for a leading company that creates cost-effective, environmentally sustainable solutions for waste to energy such as anaerobic digestion and biogas, landfill gas, biomass, and fuel blending.

- Assisted in placing a fronted USA Marine Cargo policy for a German-based firm specializing in exporting activities, including the transport of a diversity of products including medical equipment, photocopy machines, tools, and furniture.

- Secured a fronted Commercial General Liability policy in Japan for a global leader that can deliver IT solutions such as enterprise maintenance, hardware, and lifecycle services worldwide.

- Placed a fronted Professional Indemnity policy in Singapore for a leading banking corporation.



Globex Underwriting Services | a division of Globex International Group
Tel: 1-203-256-1475

Globex@globexintl.com | 2490 Black Rock Turnpike #411, Fairfield, CT 06825, USA

Globex International Group | 2490 Black Rock Turnpike #411, Fairfield, CT 06825

[Unsubscribe lasky@globexintl.com](mailto:lasky@globexintl.com)

[Update Profile](#) | [Constant Contact Data](#)
[Notice](#)

Sent by sutton@globexintl.com powered by



Try email marketing for free today!