

GLOBAL UPDATE

Events, developments, and opportunities in the international marketplace

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UAE - KYC Documents Needed for Renewals



Our network partners in the United Arab Emirates reminded Globex that the Know Your Client documentation, required for any policy issuance, must be furnished before any local policy is issued. What is important to remember is that the KYC documentation is needed not only for new business, but also for any policy that is renewed, as the insurers' policy issuance systems will flag any KYC documentation that has not been updated. We urge our clients to take this up with

the brokers, and to please remind them that the requirement is being more stringently imposed by the insurance regulator.

Mexico - Update on Tax Deductions on Policies

Mexican policyholders are familiar with the Artículo 492, whereby a list of required Insured documentation is needed in order for any insurance company to issue a local policy. This is all a part of the Anti-Money Laundering process.



Local brokers in Mexico coordinate the 492 documentation process with local insurers. Typically, local policies are paid by policyholders within a 30-day period, and if this does not take place, a policy may be canceled automatically but can be later reinstated. With multinational programs, getting a policy paid within 30 days is challenging. Our network partners in Mexico are aware of this and have put in place failsafe processes whereby a local policy that is part of a multinational program will be flagged in their policy issuance system, and the grace period for payment will be extended so that the policy will not be canceled automatically. In addition, if a local insured seeks to have a tax deduction on the taxes applicable to a local policy, but the premium has not been paid within the calendar year, our network partner's system takes into account that the policy is part of a larger program, and any corresponding tax deductions that need to be accounted for, will be deducted from the calendar year corresponding to the policy inception date.

Globex Network Partners will go the extra mile to accommodate our clients' needs, and for that, we thank them. For any additional information regarding this matter please reach out to any Globex team member.

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Sign of the Times - Inflation and Local Insurance



Recent conversations with Globex's network partners raised a common concern about multinational programs: the rising inflation, and the consequent impact on local policies. Higher prices for goods and services, increasing cost of energy, labor shortages, and supply chain disruption, all can affect margins and threaten profits. This undoubtedly will affect future claims costs as well.

Inflation and supply chain disruption for example affects business interruption, with a direct effect on profit margins. Customers incurring a loss could experience higher business interruption values impact than originally estimated. Higher energy prices increase costs, making it more expensive to produce and transport goods and materials. Supply chain disruption can also result in longer repair and rebuild times through shortages and delays in manufacturing and shipping times. When valuations are inaccurate, or need to be updated, underinsurance takes place. If this is not taken into account, underinsurance will widen the protection gap for companies and undermine the value of insurance.

During the renewal of accounts, it is essential to ensure valuations and appraisals are accurate and are kept updated. The review of deductibles is imperative, as inflationary pressure does increase the cost of goods and services, and valuations get affected. Local insurers can offer assistance with risk mitigation services, engineering reports, and overall risk management, all of which can aid with the risk analysis for local coverage terms. Globex is in daily contact with our network, and with their guidance, we can help our clients by sharing local knowledge and market practices.

Globex's International Corner:

Going forth, our Globex Underwriting Services newsletter will include our International Corner. We will share snippets of developments across the world, and interesting news that may or may not have business implications. This will be our way to share international knowledge with our international partners.

International Corner: The Holiday Season in the USA

In the USA, when we refer to the Holidays, we typically are referring to the period of time between the Last Thursday in November, and January 1, New Year's Day.

Thanksgiving is a big holiday here in the USA. For Globex, the last Thursday of November, followed by Friday, is a time to celebrate with our loved ones. It is when we travel to friends and family, or receive friends and family. We cook our famous Turkey; roasted turkey, fried turkey, baked turkey; we eat those all-American pies: apple pie, pecan pie, pumpkin pie and cherry pie, and oh my, any pie! A time to meet and eat, no gifting, no stress, except if your oven just stops working! We decorate our homes with pumpkins, we take our children on hay rides through mazes, and go pumpkin picking. We watch American football, we get ready for Black Friday Sales, but more than anything, we enjoy our long weekend off.



For our readers who enjoy some historical facts; The origins of Thanksgiving date back to the 17th century. Americans model their holiday on a 1621 harvest feast shared between the Wampanoag people and the English colonists known as Pilgrims.

- Placed a 13-country Management Liability multinational program for a consulting firm providing technical, scientific, and financial expertise across all assets and value at risk.
- Secured fronted Marine Liability policies in the UK, Canada, and across Europe for a leading privately owned sugar refinery conglomerate.
- Instrumental in the placing of a fronting Umbrella and Excess policy in Bulgaria for a Canadian-based international gold mining company.
- Placed a Marine Ocean Cargo reinsured policy in India for an omnichannel, consumer goods company that develops and markets clean health & wellness products through eCommerce and direct-to-consumer channels.
- Secured a Commercial General Liability fronting policy in Spain for an American nonprofit corporation that operates a federally funded research and development center. The corporation provides technical guidance and advice on all aspects of space missions to military, civil, and commercial customers.
- Assisted in the placing of fronted Directors' & Officers' policies in Switzerland and the UAE for a global leader in legal finance and risk management.



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