



GLOBEX UPDATE PROPERTY & CASUALTY

Events, developments, and opportunities in the international marketplace.

Recent Success Stories

- **Placed US General & Products Liability, Workers' Compensation and Umbrella policies for the world's largest manufacturer of premium bristle dartboards, darts and related products.**
- **Bound Property and General Liability policies for a residential rental property in St. John, US Virgin Islands.**
- **Bound a Clinical Trials Liability policy for a 200-participant study in Panama to evaluate an imaging device for major eye diseases on behalf of a Canadian company.**
- **Placed Homeowners coverage for a \$1,750,000 condominium in Great Guana Cay, Abaco, Bahamas.**

Europe



In 2023, the European property and casualty insurance market has been hit by a wave of reduced reinsurance protection, resulting in increased volatility for primary insurers. This has prompted primary insurers to retain more catastrophe risk, with significant implications for financial stability. As reinsurers have scaled back their coverage of natural catastrophe risk and hiked up their pricing, primary P&C insurers across Europe are finding themselves with greater exposure to potential losses. Diversified global players in the insurance sector have managed to navigate this environment by strategically reducing their exposure to certain catastrophe-prone regions or lines of business while expanding into more stable markets. This allows them to mitigate the impact of reduced reinsurance protection and maintain a more balanced risk profile. Insurers with limited or no geographic diversification are facing more significant challenges. It is estimated that these undiversified insurers will bear approximately 10% more of the claims costs for small to medium-sized catastrophe events compared to previous years.

Morocco

Morocco is reeling after a magnitude 6.8 earthquake struck to the south of Marrakesh with more than 2,000 deaths now reported. Significant structural damage was seen in rural areas and within cities and towns. Provinces just to the south of Marrakesh appear to have suffered the most significant damage and loss of life, with close to 1,500 injuries of a serious nature reported. The quake is the deadliest to strike Morocco since 1960 and once again lays bare the insurance



protection gap and the lack of catastrophe risk coverage in countries at this stage of development. It is estimated that the economic cost will fall between \$1 billion and as much as \$10 billion and could cost the country up to 8% of its GDP. The insurance market losses are expected to be insignificant compared to the economic loss. Morocco has a social safety net catastrophe insurance system in place, that provides households and business with a low-level of guaranteed coverage, through a World Bank supported scheme.

Canada



One major Canadian insurer has estimated that its catastrophe losses due to wildfires and other weather events have totaled about \$570 million for the third quarter so far, but noted the wildfires continue to burn and actual losses may differ from its estimate. Evacuations in Yellowknife and Kelowna, B.C. will drive up the wildfire losses going forward. This year has seen

the worst wildfire season in Canada on record, with thousands of residents displaced from British Columbia and the Northwest Territories in recent weeks. Earlier estimates suggested that the insured losses due to wildfire in the third quarter would be between \$700 million and \$1.5 billion for the Canadian insurance industry, which was labelled "manageable" for insurers.

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