



## GLOBEX UPDATE PROPERTY & CASUALTY

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

### Recent Success Stories

- **Coordinated the marketing and placement of local Property Damage & Business Interruption policies in Hong Kong, India, Mexico, Singapore, Taiwan & Thailand for a US based multinational company.**
- **Bound a local General & Products Liability policy for a private island in the Bahamas operating as a sport fishing resort with full marina facilities.**
- **Secured Workers Compensation coverage via a Globex Partner Broker for the US subsidiary of a Brazilian multinational whose coverage had lapsed via the payroll company.**
- **Bound a General Liability policy in Canada as part of directed program on behalf of a software service company.**

### Global



According to a recent survey Artificial Intelligence (AI) and climate change have emerged as the top priorities for insurance executives worldwide. The survey asked respondents to choose their top three concerns from six categories: Economic, Political and Legal, Social and Environmental, Operational, Technology and Innovation, and Business and Financial. For the first time, AI emerged as the leading priority in Technology and Innovation, with over 50% highlighting its importance. Slow adaptation to technological changes and the need for extensive reskilling due to an aging workforce were cited as major concerns. Climate change continues to dominate the Social and Environmental category for the fourth consecutive year, with 60% of executives prioritizing it for 2024. Increasing frequency and severity of natural disasters pose significant challenges, such as difficulties in predicting future losses and rising costs that could destabilize insurers, governments, and consumers. Almost 25% admitted their companies are not ready to address this issue in 2024. Inflation, which falls within the Economic category, remains the most widely selected priority for 2024, but while inflation concerns persist, recession fears decreased from their 44% peak in 2022.

### South Korea

A 4.8 magnitude earthquake struck near Buan-gun in North Jeolla Province, South Korea, on June 12<sup>th</sup>, with significant implications for the insurance industry now preparing for an influx of claims related to property damage. The quake is the strongest in South Korea this year and the most powerful ever recorded in the country's southwestern region. The earthquake's depth was measured at eight kilometers and was followed by 17 aftershocks, the strongest registering a magnitude of 3.1. Tremors were felt across various regions, including Seoul,



Incheon, and Gyeonggi Province, raising concerns for insurers regarding widespread claims. The earthquake was classified as “moderate” on the Modified Mercalli intensity scale, indicating notable effects on buildings and structures. No injuries or casualties were reported. Such a strong earthquake is unusual for the region, which lacks seismically active fault lines. Historically, there have been 28 recorded earthquakes within an 80-kilometre radius of Buan since 1978, with the strongest measuring 3.9.

## India



India's Goods and Services Tax (GST) Council has announced a decision that reinsurance commissions and co-insurance premiums will no longer be considered taxable services, providing significant relief to the insurance and reinsurance industry. In addition, retrocession (the reinsurance of reinsurance) will now be exempt from GST under specific conditions yet to be clarified. This move will reduce costs for insurers with significant savings on operational expenses by reducing the administrative burden of tax compliance and enabling them to focus more on improving their services and less on navigating complex tax regulations. On a broader scale, the GST exemption enhances the competitiveness of Indian insurers on the global stage and could lead to greater uptake of insurance products, providing financial security across various sectors and setting the stage for a more dynamic and robust insurance sector.

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