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GLOBEX UPDATE
PROPERTY & CASUALTY

Events, developments, and opportunities in the international marketplace.

Recent Success Stories

- **Placed Hull and Protection & Indemnity insurance with diving risks included for a fleet owned by a large resort in Bonaire.**
- **Bound Foreign Voluntary Workers Compensation / Employers' Liability coverage for a US millwright contractor undertaking a crane erection project in the Bahamas.**
- **Placed a local German Property Damage & Business Interruption policy for a large manufacturing company.**
- **Bound standalone Natural Catastrophe coverage, including flood, earthquake and landslide for a client with offices and warehouses in Italy.**

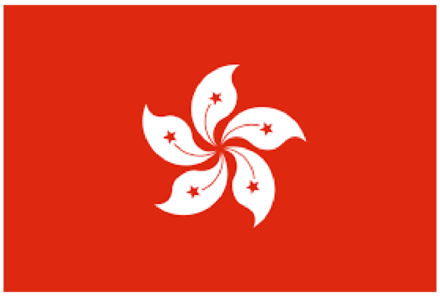
Global

Total insured losses from catastrophe events in the first half of 2025 could reach as high as $90-$100 billion, which would make it the second-highest first half on record. This marks a sharp increase compared to the first half of 2024, when insured losses from natural catastrophes totaled $58 billion. 2025 began with a particularly heavy first quarter, with major wildfires in the Los Angeles area causing approximately $30 - $40 billion in insured losses, driving Q1'25 to be the costliest opening quarter since 2011. Overall, the US drove 94% of global Q1 loss activity. In contrast, the second quarter of 2025 was relatively quiet in terms of catastrophe activity with global insured catastrophe losses expected to be in line with the five-year average of $30 billion, again with approximately 85% of losses stemming from the U.S. severe convective storms. The mid-May SCS outbreak across the Ohio River Valley was among the most costly events in the quarter with estimated insured losses of $5bn. International natural catastrophe losses in Q2 2025 were roughly in line with the five-year average of $3 billion. Notable events included severe convective storms in early May across Spain, France, and Southeast Europe, with a additional storms in early June across Western and Central Europe, together with mid-June events in Western France and Northern Italy. Meanwhile, insured losses from Hurricane Erick are expected to remain well below those of 2023's Hurricane Otis, which resulted in $2 billion in insured losses.

UK

The UK government has confirmed it will move forward with the creation of a regulatory regime for captive insurance companies, following a formal announcement by Chancellor of the Exchequer Rachel Reeves during her Mansion House speech on 15 July. The move marks the culmination of a multi-year campaign by the insurance industry, calling for a dedicated, proportionate framework to enable UKbased captives and strengthen London’s role as a global risk management hub. A public consultation launched in November 2024 received 42 responses, primarily from insurers, brokers, trade bodies and other market stakeholders. The upcoming regime is expected to provide UK corporates with new options for strategic risk retention and support the repatriation of captive business that might otherwise be domiciled offshore. It also positions the UK to compete more directly with other jurisdictions — such as France and Italy — that have recently introduced or expanded onshore captive regimes. Alongside the new framework, the government also announced plans to consult on the introduction of protected cell company structures. This would provide additional flexibility and access to captive solutions for mid-sized and smaller businesses, broadening market participation. The announcement has drawn strong support from across the industry. The initiative is intended to be developed in close collaboration with financial regulators, with a clear timetable for delivery. It is also expected to align with broader government goals of attracting inward investment, promoting financial innovation, and creating high-value jobs across the UK’s insurance and risk services ecosystem.

Hong Kong



Typhoon Wipha has been lashing Hong Kong with hurricane-force winds and heavy rain, grounding hundreds of flights and causing major disruption at nearby airports on the Chinese mainland. The storm led Hong Kong officials to issue the highest cyclone warning for the first time since Super Typhoon Saola in 2023. Hong Kong's highest tropical cyclone warning, T10, was in effect for around seven hours but was downgraded to the third-highest T8 warning as Wipha departed the city. The neighboring casino hub of Macau issued its own top-level typhoon warning, with authorities suspending all public transportation services. China's Hainan and Guangdong provinces were put on high alert. Hong Kong's Airport Authority earlier cancelled around 500 flights due to the weather, while airports in Shenzhen, Zhuhai and Macau cancelled or postponed all their daytime flights. Wipha also brought heavy rains and flooding to the Philippines.

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