

Global Insurance Issues Bulletin



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Welcome to the third of our global bulletins keeping you up to speed with corporate insurance developments and market news from around the globe courtesy of our global corporate insurance group.

Looking for new markets?

Our Entering New Markets document outlines the essential information around regulatory authorisation, capital requirements and the ability to do business for 26 different jurisdictions across Asia-Pacific, Europe, Latin America, Middle East, North America and Russia.

To request a copy of the full report, please [click here](#).

New EU Regulations against Iran & Syria

The European Council has announced that the European Union is to increase restrictive measures against Iran and Syria as a result of “serious and deepening concerns over Iran’s nuclear programme” and the “continued brutal repression and widespread violation of human rights by the Syrian government”. The decisions will be published in the Official Journal on 16 October 2012 and the implementing regulations are expected imminently.

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Europe

Maximising the return on capital

Activity in the legacy market has undergone significant change in the last several years as the focus has shifted away from dealing solely with the historic issues of APH claims. The more traditional backward-looking view of legacy has been replaced by a focus on active liability management, and this includes looking at more recently underwritten risks as well as those going back some years.

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Solvency II –the perils of procrastination

Every week brings new announcements of delays in the Solvency II process. What should insurers and reinsurers make of these? With the latest ‘guesstimates’ set at 2017 for its introduction, it is perhaps time to look at what the consequences for the industry might be of the slipping timetable, and ask whether the benefits of more preparation time might be outweighed by the costs of ongoing uncertainty and confusion.

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Moving business around Europe

Re/insurers are taking a long hard look at their business in the light of new capital requirements, and portfolio transfers are becoming increasingly popular as carriers seek to rationalise their business in advance of implementation of Solvency II. The use of the UK Part VII transfer procedure has increased exponentially over the past three years. The number of cross-border transfers has also increased significantly, as (re)insurers seek to re-organise their groups by eliminating subsidiaries, operating on passported basis, rather than having an authorised carrier in each European Economic Area (EEA) state.

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Middle East and North Africa

New draft UAE intermediary regulations: an opportunity missed?

In May 2012, the UAE Insurance Authority (the Authority) issued a consultation document outlining a new regime for the regulation of insurance intermediaries (the Draft Regulations), which would replace the current regulations that date back to December 2006. Few would disagree with the need for regulatory overhaul of the distribution channels and roles played by insurance intermediaries, but do the new Draft Regulations meet the need for the UAE insurance industry? This article looks at some of the industry requirements and whether the new Draft Regulations measure up.

[Read article](#)

QFC Regulatory Authority signs agreement with the International Association of Insurance

The Qatar Financial Centre (QFC) Regulatory Authority (QFCRA) recently announced that it is a signatory to the International Association of Insurance Supervisors (IAIS) Multilateral Memorandum of Understanding (MMoU). The IAIS represents insurance regulators and supervisors from 190 jurisdictions and issues global insurance principles, standards and guidance papers for supervisors on insurance supervision. Becoming a signatory to the MMoU is a significant development for the QFCRA, as it will enable the QFCRA to exchange supervisory information globally with other insurance supervisors potentially strengthening its already considerable governance and enforcement structures.

[Read article](#)

The Saudi Arabian Legislative Spring – towards an insured securitisation

The Saudi Arabian Legislative Spring has seen the issuance of the long-awaited Mortgage Law and other significant new legislation. The legislative environment in the Kingdom is being prepared for the emergence of mortgage-backed securities and the consequential development of the insurance sector.

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Qatar Insurance Sector overview

Companies will be aware that they have a number of options from which to obtain their insurance coverage. They will also be aware that, when operating in Qatar, such insurance is required to be procured locally. This article provides a brief overview of the insurance sector in Qatar.

[Read article](#)

Asia-Pacific

Reform continues apace in India

In early October, the Indian Cabinet' decided to raise foreign direct investment ("FDI") in the insurance sector from the current 26% to 49%. Though the Indian cabinet has cleared the hike to 49%, major obstacles remain prior to such decision being implemented.

Sakate Khaitan was interviewed by the Financial Times on this subject, and wrote the following for Insurance Day – reproduced with the kind permission of Informa.

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The potential for a new flow of trade in Myanmar

After 50 years of military rule Myanmar is opening up its borders to foreign companies. EU sanctions against the country were partially suspended in January 2012 for a 12 month period (except for the arms embargo which remains in force) while US sanctions were relaxed in September 2012. Already companies in countries bordering Myanmar are actively trading there, and, with the rules on foreign direct investment due to change imminently it is expected that Australian, US and European companies will soon join them.

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Asia-Pacific overview – Mergers and Acquisitions 2009–2012

This article first appeared in Asia Insurance Review, November 2012. Andrew Holderness Head of Global Corporate Insurance at Clyde & Co says that mergers and acquisitions activity has been trending down over the last three years, adding that Asia-Pacific has also seen its share of global M&A activity drop from a high of 24% in the first half of 2011 to 8% in the first six months of 2012. In this article, he shares details from a report released recently by the Corporate Insurance Group at Clyde & Co.

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New Outsourcing Guidelines from the Hong Kong Office of the Commissioner of Insurance

The Hong Kong Office of the Commissioner of Insurance recently published a Guidance Note on Outsourcing (GN14), to regulate the business and operational risks created by the outsourcing of business activities by insurers. GN14 sets out the essential issues which an insurer should take into account in formulating and monitoring its outsourcing arrangements.

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Upcoming events

Please see our [events page](#).

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