



AXIS INSURANCE MANAGERS INC.

"Quality Insurance for Quality Clients"

1108 W. 8th Avenue | Vancouver, BC | V6H 3Z5

t. 604.731.5328 | f. 604.731.3137



NON ADMITTED INSURANCE INTERNATIONAL INSURANCE FROM AXIS INSURANCE MANAGERS

ADMITTED VS. NON-ADMITTED INSURANCE

It seems that wherever you turn these days someone is talking about globalization and international business. And it's not just giant corporations which are taking on the world. Many small and medium sized companies are working across international borders. It is important for our clients who operate in foreign jurisdictions to understand local laws, regulations, customs and business practices, and insurance is no exception. Most governments have strict rules relating to insurance covering risks in their own country and these rules are designed both for the public benefit by ensuring liquidity standards, as well as protectionist measures for their insurance market. They require risks to be placed with "admitted insurers" which means insurance authorised and regulated in the country.

For many years companies have quite often overlooked these admitted insurance regulations, relying instead on their global policy to protect them. However, many countries are now imposing fines, penalties and taxes on foreign companies that are in breach of their admitted insurance requirements, and they are getting better at enforcing the rules.

The rules and regulations relating to admitted insurance vary greatly from country to country. Axis Insurance Managers gives clients the information they need to navigate the complex minefield of international rules so insurance programs can be structured with the broadest possible insurance coverage under a global program, wherever their operations are – safe in the knowledge that any claims will be settled in compliance with local laws

There are many different reasons why corporations with international operations want a global policy that covers their foreign subsidiaries, affiliates and joint ventures. These include the company's desire to negotiate consistent terms for the amounts and types of coverage and risk transfer they hold around the globe. Companies also want to control the type and scope of coverage purchased, rather than leaving it to the discretion of local managers whose knowledge of commercial insurance and corporate risk management may be limited. And for larger corporations they want to use their size and buying power as leverage to get favourable risk transfer terms and pricing – as well as the option to pay in one currency. A non-admitted international insurance program also acts as a method of obtaining consolidated loss information for all the local operations of a corporation.

Depending on where your business operates, you may only be able to negotiate with an admitted insurer in that jurisdiction. Therefore your insurance, although underwritten from Canada, may not meet the requirements for your operations in a different jurisdiction - particularly if the insurer isn't admitted for underwriting insurance in that country. While it sounds highly technical, we have seen a number of countries strengthen their rules on admitted insurance policies. The consequences for violation of these rules can be severe, including seizure of personal assets, taxation on insurance indemnity and payment of royalty, tax, or even imprisonment.

At Axis Insurance Managers Inc. we understand the complexities of international insurance and have many years of providing comprehensive coverage for companies with operations in foreign jurisdictions. As the representative for UNiBA Partners in Western Canada, we are able to create international insurance programs across the world – at extremely competitive rates. Being part of the UNiBA Partners network allows our clients to benefit from strong and independent businesses that have local knowledge, as well as being committed to collaboration, partnership and top class customer service.



AXIS INSURANCE MANAGERS INC.

"Quality Insurance for Quality Clients"

1108 W. 8th Avenue | Vancouver, BC | V6H 3Z5

t. 604.731.5328 | f. 604.731.3137



NON ADMITTED INSURANCE INTERNATIONAL INSURANCE FROM AXIS INSURANCE MANAGERS

With Axis Insurance Managers Inc. you can insure your operations wherever they are in the world and protect your company from unexpected penalty or litigation in the case of a claim.

Options for International Insurance Programs from Axis Insurance Managers Inc. include:

Option 1: LOCAL ADMITTED POLICIES FOR EACH JURISDICTION

With this arrangement coverage is separately placed in each country in which you operate.

Option 2: GLOBAL NON-ADMITTED PROGRAM

This is a broad policy providing worldwide coverage which is not underpinned by local insurance policies.

Option 3: GLOBAL HYBRID DIC/DIL PROGRAM

DIC/DIL means difference in conditions and difference in limits. A DIC/DIL policy will wrap around the local policy. For example, if the local policy had a limit of \$500,000, the DIC/DIL policy would apply in excess of the local policy - so would only come into play once the local \$500,000 is exhausted. However if there was a claim that wasn't covered by the local policy but was covered by a standard and much broader Canadian policy, the policy would pay - from first dollar - the loss under the difference in conditions section.

Option 4: MASTER GLOBAL PROGRAM ADMITTED IN EACH JURISDICTION

Forming part of a comprehensive risk management program, this all-inclusive option comprises a global program admitted in each jurisdiction.

As with every insurance policy there are different options, policy wordings, enhancements or amendments available. Your Axis insurance manager will be able to help create a tailor-made policy to suit your exact requirements.

To find out more about Non Admitted and Admitted Insurance, or to discuss your existing insurance policies, please give one of Axis Insurance's professional and experienced team members a call at 604.731.5328 or email: info@axisinsurance.ca. We would also be pleased to outline the benefits of Non Admitted Insurance with your management team or board members. If you would like to schedule a meeting or request an application form, please call Lee Weitman directly at 604.630.0757 or David Marsh at 604.708.6242.