



## International Solutions

# Before you bind, understand these key international practices

The world is a big place, and it can be challenging to keep track of the various regulatory requirements that affect insurance coverage around the globe. When you place insurance contracts across national borders, here are some best practices you'll need to know.

### Local Admitted Policies/Local Servicing Brokers (LSBs)

In some countries, appointing a local broker to represent the local insured is not a regulatory requirement. However, assigning a local broker in country can be a significant source of support for you and your client's local subsidiary for local policy administration. This collaboration most often contributes to smoother execution of the global program.

LSBs provide key advantages, including:

- Communication with the controlling U.S. broker (i.e., your office)
- Communication with the local client representative
- Expediting local premium payment
- Verification of insured values
- Verification of policy issuance
- Claims coordination
- Assistance with the completion/compliance with local regulatory documentation requirements

We recommend the appointment of an LSB in each country where a local admitted policy is issued on behalf of the insured.

The LSB typically receives commission compensation for representing the insured in country. Central Collect Premium options can be considered where permitted. If your office does not have a designated LSB in country, CNA may be able to provide in contact information for one that your office can work with. Please contact your CNA International Underwriting representative for additional details.

### Cash Before Cover

Found in certain countries, Cash Before Cover is a strict regulatory requirement for compliance that the local premiums be paid locally in full in country, either prior to or at the beginning of the requested coverage period. There will be no admitted coverage provided for any incurred losses prior to premium payment, taxes and fees being received for the local admitted policy. This means that delayed premium payment will result in a gap in coverage due to the absence of a local admitted policy being in force.

The Cash Before Cover regulations apply to both new and renewal business, as well as mid-term endorsements that are subject to additional premium charges. Local policy documents can only be issued when the premium, taxes and fees have been paid in full. Local insurance regulations do not permit coverage without local policy documentation in place. The backdating of coverage, including backdating of coverage prior to premium payment, is not permitted.

### **Insured Contact for CNA Companion Services®**

Please provide the contact information for the insured's U.S. representative. The CNA's Claims team will notify the representative should the CNA Companion Services® be activated. Please provide the U.S. representative's full name, title, telephone number and email address.

### **Regulatory Documentation Requirements**

Several countries have formal regulatory documentation requirements to issue a policy locally (e.g., Know Your Customer, SARLAFT, Article 492). Documents must be completed prior to policy issuance in the following countries: Antigua and Barbuda, Brazil, Cambodia, China, Colombia, Costa Rica, Egypt, Georgia, Guatemala, Honduras, Hong Kong, Jordan, Malaysia, Mauritius, Mexico Netherlands, Nigeria, Philippines, Qatar, Saudi Arabia, Thailand, Turkey and Uganda.

If you have any questions about these best practices, please contact your CNA International Underwriting representative.