

# Ensuring greater compliance of global insurance programmes

Multinational companies need to be confident that their insurance programmes comply with all insurance regulations and premium tax laws.

Marsh maintains the insurance industry's only dedicated Insurance Regulatory & Tax Consulting Practice. It is Marsh's unique centre of excellence, specialising in compliance of global insurance programmes from a regulatory and tax perspective. The team operate on a truly global basis to ensure that the global programmes of our clients are not only 'fit for purpose', but are as compliant as possible.

Our team can help to address the following questions, so that multinational companies can make an informed decision:

- What is the value of a global insurance arrangement for a multinational organisation? Why is there a need for an insurance arrangement?
- Is the global insurance arrangement 'fit for purpose'? Will it respond in accordance with the needs and expectations of the multinational group?
- Can claims be paid to the group insured entities? If not, why not, and what are the consequences?
- Is the premium allocation methodology just and reasonable?
- Can allocated premiums be recharged to group insured entities?
- How can multinational companies pay applicable premium related taxes on global insurance arrangements?

## Regulatory and tax risks

The global insurance regulatory and tax environment continues to undergo significant changes, such as:

- Insurance supervisors and tax authorities entering into bilateral and multilateral arrangements to exchange information about the activities of insurance companies/brokers.
- Corporate governance criteria has become a priority and a point of attention that needs to correspond with the current business model and trends.
- Increase in premium tax rates compounded by proactive premium tax audits in Australia, Canada, Belgium, Germany, Switzerland, and the USA.

 **20,000+**

Marsh's multinational clients span across all industries, geographies, and market segments demonstrating our deep knowledge of global programmes and local coverages.

 **50,000+**

Global and local programmes providing our specialists with extensive knowledge to deliver advice on compliance, local regulations, and execution of global risk strategies.

## How we can help

Our team can provide the following services to multinational companies:

- Review of current global insurance programmes to identify insurance regulatory and tax issues.
- Participate in pre-renewal strategy with representatives from insurance and tax departments of multinational companies.
- Participate in the placement process to determine the options for the insurance programmes and their consequences.
- Review current premium allocation methodology and consider how it could be restructured optimally.
- Provide credible information on global insurance regulations and premium tax obligations.

### Case Study

A manufacturing group was concerned that the Product Liability insurance programme and premium allocation was not appropriate.

Our specialist team held a workshop with the internal tax, legal and finance representatives to understand the internal business model.

Outcome: The global Product Liability programme was restructured in order for claims to be paid to the loss making entity in its country of residence. The premiums were reallocated in accordance with the exposure and the likelihood of a loss that could occur on each layer of the programmes. The premium tax obligations were identified to ensure that the multinational company would be able to budget for the Total Cost of Risk (which included taxes) more accurately.

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## OUR SOLUTIONS IN ACTION

### Premium Allocation and Tax Liability

A multinational corporation was concerned about the high cost of taxes associated with insurance premiums. Our Insurance Regulatory Tax and Consulting Practice found the client was paying unrequired premium taxes on its entire global premium. Bottom line: A reduction of annual premium tax by €1.3 million.

## CONTACT

For further information, please speak to a member of the Marsh Multinational team, or visit [Insurance Regulatory and Tax Consulting](#).

### About Marsh

[Marsh](#) is the world's leading insurance broker and risk advisor. With more than 45,000 colleagues advising clients in over 130 countries, Marsh serves commercial and individual clients with data-driven risk solutions and advisory services. Marsh is a business of [Marsh McLennan](#) (NYSE: MMC), the world's leading professional services firm in the areas of risk, strategy and people. With annual revenue of \$23billion, Marsh McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses: [Marsh](#), [Guy Carpenter](#), [Mercer](#) and [Oliver Wyman](#). For more information, visit [marsh.com](#), and follow us on [LinkedIn](#) and [X](#).