

Demand for insurance against cartel violence surges across Mexican economy – expands from usage in leisure industry

- Mexican business now demand coverage for cartel violence as part of their standard insurance package.

Demand in Mexico for insurance against cartels and other organised crime is rising as companies across a much wider range of industry sectors have started to purchase coverage as standard, says global speciality (re)insurance group Chaucer.

Demand for the insurance policy has historically been driven by companies the tourism and leisure industries, as well as multinationals with operations in Mexico. However, local businesses are also increasingly seeking cover, fearing the impact of cartel violence on their ability to do business and on direct physical damage on their property.

Chaucer says demand for cartel cover is now regularly bought for factories & other industrial sites, warehouses and toll roads.

Damage caused by cartel violence is excluded under standard Property Damage and Business Interruption policies (PDBI). However, as cartel activity increased across Mexico, business have sought additional “organised crime cover” for property damage and business interruption caused by cartel violence.

Demand for coverage has also been driven by cartel activity becoming more geographically widespread into areas that have been previously relatively untouched by cartel activity such as popular tourist areas including Cancun.

Gabriel Mayorga, Political Violence Underwriter at Chaucer, says: “Over the last decade cartel activity has become more dangerous – hitting wider segments of the Mexican economy. In some cases the cartels have deliberately targeted innocent businesses as part of their efforts to intimidate politicians and the state, for example attacks on retailers.”

“We are seeing more and more businesses purchase cartel insurance due to concerns that they too will be hit by this violence.”

*Source; United Nations Office on Drugs and Crime

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Media Enquiries

Jane Bye

Chaucer

Jane.Byde@chaucergroup.com

Gus Montgomery or Arjun Singh Lotay

Mattison Public Relations

+44(0)20 7645 3636

gus.montgomery@mattison.co.uk

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We are defined by an enterprising, bespoke approach to (re)insurance, enabled by the individual character, experience and imagination of our expert teams.

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