

October 27, 2022

## **Chaucer to provide capacity for mid-size corporates against hurricane and earthquake damage in the US in partnership with K2 Parametric**

- Latest parametric initiative from Chaucer, which is providing lead capacity through London market
- Policies, tailored to the unique needs of businesses
- Chaucer's additional limit boosts the total K2 parametric line size capability to \$15m.

Chaucer, the global specialty (re)insurance group, in partnership with K2 Parametric, will provide coverage for US mid-size corporates and municipalities against hurricane and earthquake damage, an area which has previously been underserved by the market. Chaucer will be providing lead capacity for this new parametric product through the London market.

Customers of K2 Parametric can tailor their policy to determine the limits and threshold under which a pay-out is triggered. For example, a hotel that requires coverage against hurricane costs can set the limits to pay out pre-define amounts for various wind speed thresholds at pre-defined locations.

Parametric insurance is a rapidly growing segment of the insurance industry and is popular amongst users for its simplicity and the predictability of its pay-out versus traditional insurance products.

A key advantage of parametric products is the speed of payment. In many cases, claimants receive a pay-out within a month of the trigger event's occurrence. Traditional insurance products may necessitate a loss adjustment process, which can take time. As the amount of coverage as well as the trigger event is pre-determined, the claims process for parametric products is straightforward.

The partnership with K2 Parametric is the latest parametric initiative from Chaucer, which also provides coverage for property owners that suffer losses from hurricane damage in the Caribbean. The firm also co-launched one of the first multi-peril parametric insurance product in Canada.

K2 Parametric is a parametric insurance managing general agent. It was established in 2021 in California as a subsidiary of K2 Insurance Services. It is led by Scott Carpinteri,

who has 25 years of industry experience, most recently at Swiss Re, where he spent six years building a portfolio of parametric insurance business.

Chance Gilliland, Head of Global Property Delegated Authorities at Chaucer, says: “Chaucer is excited to be partnering with K2 Parametric to provide hurricane and earthquake cover to the US market. K2 Insurance, through Scott and his team, have the knowledge and expertise to help bridge the insurance gap for these underserved customer segments.”

“As risks posed by natural perils become more severe, the need for parametric insurance products is becoming more pronounced. Chaucer is delighted to be expanding its presence in this fast-growing and innovative area of the market. We believe our partnership with K2 Parametric complements our ability to offer catastrophe cover through more traditional products.”

Scott Carpinteri, President of K2 Parametric, says: “It’s a pleasure to be working alongside a carrier of Chaucer’s stature, to provide coverage for small to mid-size corporates through the Lloyd’s market.

“Parametric insurance, such as the product offered by K2, can help mid-size businesses transfer risks for business assets and entities that are at high risk of economic losses and costs from earthquakes and hurricanes.”

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#### **About Chaucer**

Chaucer are a leading specialty (re)insurance group working with brokers, coverholders and clients to protect and support business activities around the world. Our services are accessed both through Lloyd’s of London and the company markets.

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

Chaucer is a member of the China Re Group and backed by their financial and operational resources. China Re is one of the world’s largest reinsurance companies whose outstanding and comprehensive strength is rated A (excellent) by AM Best and A (strong) by S&P Global Rating.

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