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HDI INTERNATIONAL ACQUIRES THE LATIN AMERICAN INSURANCE BUSINESS OF LIBERTY MUTUAL FOR USD1.5 BILLION

Several LatAm firms ink US$1.5 billion cross-border insurance buy

Lily Squires

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Hogan Lovells LLP has acted as lead counsel for insurance group HDI International in its acquisition of the Latin American business of Liberty Mutual Insurance for nearly US$1.5 billion, a deal that includes assets in Brazil, Chile, Colombia and Ecuador.

Three offices of Hogan Lovells, Brazilian firm Machado Meyer Advogados, Claro & Cía in Santiago, Colombia's Posse Herrera Ruiz and Bustamanate Fabara in Quito advised HDI.

The seller relied on Skadden, Arps, Slate, Meagher & Flom LLP in New York and Washington, DC as well as Brazil's Mattos Filho, Carey in Santiago, Colombia firm Brigard Urrutia and Pérez Bustamante & Ponce (PBP) in Quito.

The deal was signed on 27 May and is expected to close in the first half of 2024.

The divestment comes as Liberty Mutual seeks to refocus on its core operations in the US.

For HDI, the acquisition adds 4,600 employees across Latin America to its ranks.

HDI is owned by Talanx, one of the main players in Europe's insurance market. Prior to the acquisition, HDI was present in Brazil, Chile and Colombia through subsidiaries. Its Brazilian branch generated a revenue of €789 million (US$842 million) in 2022. Last year, the Brazilian subsidiary bought the retail business of local counterpart Sompo Seguros. Mattos Filho was involved on that occasion too.

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Boston-headquartered Liberty Mutual operates in 29 countries and is one of the world's largest insurance companies by revenue.

Counsel to HDI International

Hogan Lovells LLP

Partners Peter Cohen-Millstein and Meryl Bernstein, counsel Aafke Pronk and associate Zachary Suggs in New York; partner Isabel Carvalho and associates Felipe Borges Lacerda, Ana Laura Pongeluppi and Rafael Szmid in São Paulo; and partner Birgit Reese in Dusseldorf

Machado Meyer Advogados

Partners Thomaz Del Castillo Barroso Kastrup and Fernando Tonanni, and associates Andre Filipe Guimaraes Fortunato, Antonio Augusto Colucci Miranda and Pedro Henrique Ricco Verzemiassi in São Paulo

Claro & Cía

Partner Juan José Leon, counsel Philippa Cooper and associate Bastian Cabrera in Santiago

Posse Herrera Ruiz

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Counsel to Liberty Mutual Insurance

In-house counsel - Francisca Larraín, Marcos Arenas, Katy Mejía, Paulina Zambrano and Pablo Advis

Skadden, Arps, Slate, Meagher & Flom LLP

Partners Todd Freed and Elena Coyle, counsel James Talbot and

associate Caroline Frizzo in New York, and counsel Jared Binstock in Washington, DC

Mattos Filho

Partners Paula Vieira de Oliveira, Camilla Martes, Marcelo Mansur Haddad, Camila Leal Calais, Renata Fonseca Zuccolo Giannella and Gil Falleiros Mendes, and associates Cindy Scofano Takahashi, Pedro Henrique Pires, Lívia Geraldi Lima and Mateus Telles Valle in São Paulo

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Partner, Marcos Ríos, Matías Vergara and José Pardo, and associates Pedro Gutiérrez, Valentina Kuscevic, Daniela Pfeffer, Juan Pablo De la Maza, Fernanda Pardo, Jorge Soto, Javiera Herrera and Raimundo Gálvez in Santiago

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Partner Darío Laguado and associates Laura Ricardo and María Paz Canal Santacruz in Bogotá

Pérez Bustamante & Ponce (PBP)

Partners Diego Pérez-Ordóñez, Carmen Simone and Javier Salvador, directors Andrés Brown and Mario Navarrete and associates Juan Francisco Simone and Esteban Baquero in Quito