

Three Bidders Left For ING's Mexico Non-Life Insur Operating-Source

by dow-jones

LONDON -(Dow Jones)- Three bidders are through to the second round of the JP Morgan-run (JPM) auction for ING Groep NV's (ING) Mexican non-life insurance business, a person familiar with the matter said Tuesday.

Spain's Mapfre SA (MAP.MC) and MetLife Inc. of the U.S. (MET) are among the parties still pursuing the ING business, the person said.

Axa SA (AXA), Allianz SE (AZ) and Zurich Financial Services AG (ZFSVY) looked at the business in the first round, but won't proceed further in the auction, the person added.

First-round offers valued the Mexican non-life operations at \$1.5 billion to \$2 billion.

ING has been active in Mexico since 2000 following the acquisition of pension fund company Afore Bitel and multiline insurer Seguros Comercial America, now Seguros ING, in 2001. Additionally, the Amsterdam-based company reached an agreement in July with Banco Santander SA (STD) to acquire the Spanish group's Latin American pension businesses in Mexico, Chile, Colombia and Uruguay.

But the Mexican insurance business for years has been overshadowed by a court case that ended in the Dutch group having to pay \$94 million in hurricane damages to a local mining group.

Seguros ING reported a net loss of 408.7 million pesos (\$37.5 million) on total premiums of MXN10.01 billion in the first half, wider than the loss of MXN365 million and premiums of MXN8.69 billion for the year-ago period, according to Mexico's insurance regulator CNSF.

In December, ING reiterated its commitment to Mexico after local press reports suggested that it was planning to exit the country entirely. The group said it had "absolute confidence in Mexico and is dedicated to continue growing in the country, and that Mexico's economic stability and demographic profile offer attractive conditions to grow its client base."

ING declined to comment on the Mexican non-life insurance business.

JP Morgan, Mapfre, MetLife, Axa, Allianz and Zurich Financial all declined to comment as well.

By Victoria Howley, Dow Jones Newswires

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