

# POLITICAL RISK

The Political Risk Insurance team offers a wide range of insureds a broad spectrum of products to cover a diverse universe of credit and cross border investment risks. Our team of highly experienced underwriters thoroughly analyze every proposed case to formulate highly customized insurance programs that meet the specific coverage needs of individual insureds. Political Risk insureds typically include manufacturers, contractors and financial institutions with international customers, investments and projects.

Political Risk Insurance coverage is individually customized to protect investments, loans, scheduled remittances, hard assets, contractual guarantees against arbitrary actions by foreign governments, including confiscation, expropriation and nationalization, and other related conditions such as currency inconvertibility and damage to assets due to political violence. Credit risk mitigation products are as customized as Political Risk Insurance products and include short and medium term credit coverage for loans and accounts receivable against non-payment by creditworthy private obligors, banks, government owned companies and government ministries.

## COMMONLY COVERED EXPOSURES

- Confiscation, Expropriation, Nationalization and Political Violence
- Arbitration Award Default by Government Entities
- Currency Inconvertibility and Transfer Risk
- Wrongful Calling of Guarantees
- Contract Frustration for Projects
- Non-payment by Government Entities
- Non-payment by Private Counterparties

## TARGET MARKET

- **Multi-national corporations with cross border investments**  
A wide range of industries that rely on overseas processing and/or manufacturing capacity are exposed to circumstances that could result in the loss of their subsidiaries as a result of foreign government actions such as outright confiscation, cancellation of valid export licenses and a wide range of other discriminatory actions.
- **International commodity companies with large overseas inventory**  
Trading companies, manufacturers and other operations with large inventory needs are vulnerable to arbitrary government acts and/or civil unrest.

- **Financial institutions funding international projects or financial institutions**  
Banks, investment funds and other financial institutions are vulnerable to sudden changes in foreign credit markets, unexpected government instability and shifting macroeconomic trends that could result in the default of financial obligations by government ministries, government owned enterprises and/or government banks.
- **Contractors completing projects in foreign countries**  
Contractors often need to deploy specialized equipment into foreign jurisdictions in order to complete a project. This equipment is vulnerable to confiscation and/or damage during episodes of political instability or violence.
- **Capital equipment manufacturers with international customers**  
Exporters of capital equipment, including farming, transportation, mining and other high cost industrial hardware are often inclined to accept multi-year terms of payment to privately owned customers. However, repeat customers and unfamiliar financial standards frequently obstruct the ability of exporters to grow relationships without incurring credit exposures beyond their risk tolerance.

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## CONTACTS

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# POLITICAL RISK

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## FEATURES & HIGHLIGHTS

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- Maximum Line per political risk transaction of up to \$50 million and up to \$25 million for credit transactions
- Policy periods of up to 7 years on a non-cancellable basis
- Every program is customized to meet the needs of each insured

## CLAIMS SUPPORT CLIENTS CAN COUNT ON

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Claims cannot be predicted. Great service can be. We understand that our reputation is built upon a solid promise to our policyholders. Committed to the highest levels of professionalism, responsiveness and good faith in claims handling, we partner with claims professionals who have extensive knowledge of and experience in handling Political Risk–related claims. The claims professionals we engage work diligently to resolve claims to the satisfaction of all parties and are widely respected within the industry.



This information is provided as a general overview for agents and brokers. Coverage will be underwritten by an insurance subsidiary of Allied World Assurance Company Holdings, Ltd, a Fairfax company ("Allied World"). Such subsidiaries currently carry an A.M. Best rating of "A" (Excellent), a Moody's rating of "A3" (Good) and a Standard & Poor's rating of "A-" (Strong), as applicable. Coverage is offered only through licensed agents and surplus lines brokers. Actual coverage may vary and is subject to policy language as issued. Risk management services are provided or arranged through AWAC Services Company, a member company of Allied World. © 2019 Allied World Assurance Company Holdings, Ltd. All rights reserved.

### Allied World Europe

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