

STRUCTURED TRADE CREDIT & POLITICAL RISK

The Structured Trade Credit and Political Risk Insurance team offers a broad range 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. Structured Trade Credit and 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, and contractual guarantees against arbitrary actions undertaken 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 include short and medium term credit coverage against non-payment by creditworthy private obligors, banks, government owned companies, and government ministries.

COMMONLY COVERED EXPOSURES

- Contract Frustration for Projects
- Non-payment by Government Entities
- Non-payment by Private Counterparties
- Arbitration Award Default by Government Entities
- Currency Inconvertibility and Transfer Risk

TARGET MARKETS

- **Financial Institutions, including those funding international projects**
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.

- **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.
- **Infrastructure Contractors**
Infrastructure contractors make sizable investments in labor and raw materials in the completion of public work projects. However, these investments are vulnerable to the inability or unwillingness of local governments to make milestone payments or to perform their responsibilities under a contract. The failure of the local government counterparty to pay or to honor its responsibilities would deprive a contractor of its investment.

FEATURES & HIGHLIGHTS

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

CONTACTS

UNITED STATES
New York

Francisco Cuevas
Vice President
Global Crisis Management Division
Political Risk Insurance
E. francisco.cuevas@awac.com
T. +1 646 794 0732



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. © 2020 Allied World Assurance Company Holdings, Ltd, a Fairfax company. All rights reserved.

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