

POLITICAL RISKS

The best companies are always looking for new opportunities - markets, customers, partners, investments - wherever in the world those opportunities might be.

With new opportunities, however, come new risks, and in a world of political instability, those risks can suddenly and often unexpectedly present themselves in dramatic fashion.

Political Risk insurance protects companies as they expand operations into both developing markets and emerging economies. It protects their balance sheet against financial losses caused by a single event or series of events that are political in nature, such as:

- Confiscation, expropriation or nationalization of a company's fixed or mobile assets
- Deprivation or inability to export finished products from a foreign locale or to repatriate mobile assets
- Discriminatory governmental actions that deprive a company of its rights or render its operations uneconomical
- Inability to convert and/or freely transfer a company's profits, dividends or payments from a foreign country
- The host government reneging on a key contract with a company (including payment obligations)

- Significant property damage due to political violence, including war, civil unrest, terrorism, rebellion
- Breach of a production, concession or government agreement
- Import or export restrictions imposed on corporate suppliers or corporate customers

This type of insurance is closely tailored to the client's needs, type of operation and the risk profile of the country or countries in question.

Doing business in any foreign country (defined as those outside of the U.S., Canada and Western Europe) can expose a company and its shareholders to risks not typically covered by standard Property and Casualty policies. Not all of these countries are war zones or inherently risky...*but history tells us that today's secure country can too easily become tomorrow's hot spot.*

WHO WE SERVE

Any organization:

- Negotiating contracts for goods/services to foreign governments or state-owned companies
- Relying heavily on foreign suppliers or customers
- With plants, operations or other fixed or mobile assets in a country outside of the U.S., Canada and Western Europe
- Investing in emerging markets, particularly in the infrastructure and natural resource sectors

Willis

- Leasing equipment to these countries over long periods
- Involved in trade finance, export finance and project finance in emerging markets

WHAT WE DO

- We work closely with multinational corporations, traders, and financial institutions with assets and interests in territories around the globe. We have an in-depth understanding of the key risks involved in international trade and investment, tailoring solutions that draw on our knowledge of global and country-specific economic and political issues.
- We are market-leading specialists in addressing exposures related to emerging markets and developing countries.
- Drawing on our extensive network of global underwriting markets and alternative capital providers, we can spread risk and achieve optimal risk transfer for our clients. Our knowledge and position in these markets enables us to provide independent risk benchmarking and comparison services for clients, offering a greater degree of price-benefit transparency than is the case with off-the-shelf products.
- Our dedicated claim team is well versed in the often complex nature of our clients' risks. We help our clients to manage the claim process, ensuring that claims are expedited efficiently and effectively. We have a consistent track record of successfully concluding negotiations on large and complex claims.

KEY TYPES OF COVERAGE

- Confiscation, Expropriation, Nationalization (CEN)
- Political violence
- Currency inconvertibility, exchange transfer controls
- Non-payment
- Sovereign borrower default
- License cancellation

WHY WILLIS

- Willis is the largest Political Risk broker in the world, with our global team handling approximately 25% of the world market. The team has unrivalled experience in placing complex risks with the North American and European underwriting markets.

- We are the only Political Risk broker whose global teams (hubs in New York, Los Angeles, London and Singapore) work off a single profit-and-loss account. This model ensures that we have simultaneous access to all global markets, and reinforces client confidence that underwriters are selected solely on the merits of their proposition. Wherever risks are placed, we are totally focused upon those markets which provide the most suitable solutions to our clients' needs.
- We have over 20 years of experience working with clients in a variety of industry and service sectors, including banking, project finance, energy, utilities, manufacturing and retailing.
- We are the only Political Risk team to house dedicated claim personnel. These specialists have negotiated more claims than any other broker in the market, handling losses in more than 40 countries.
- We have a reputation for innovative solutions – including the first Political Risk captive and the first Basel II-compliant wording – built on a wide range of specialist knowledge across the entire risk spectrum. As we develop these solutions, the breadth and depth of what we can offer our clients grows. Our solutions are backed up by stringent servicing and quality assurance systems.

CONTACTS

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