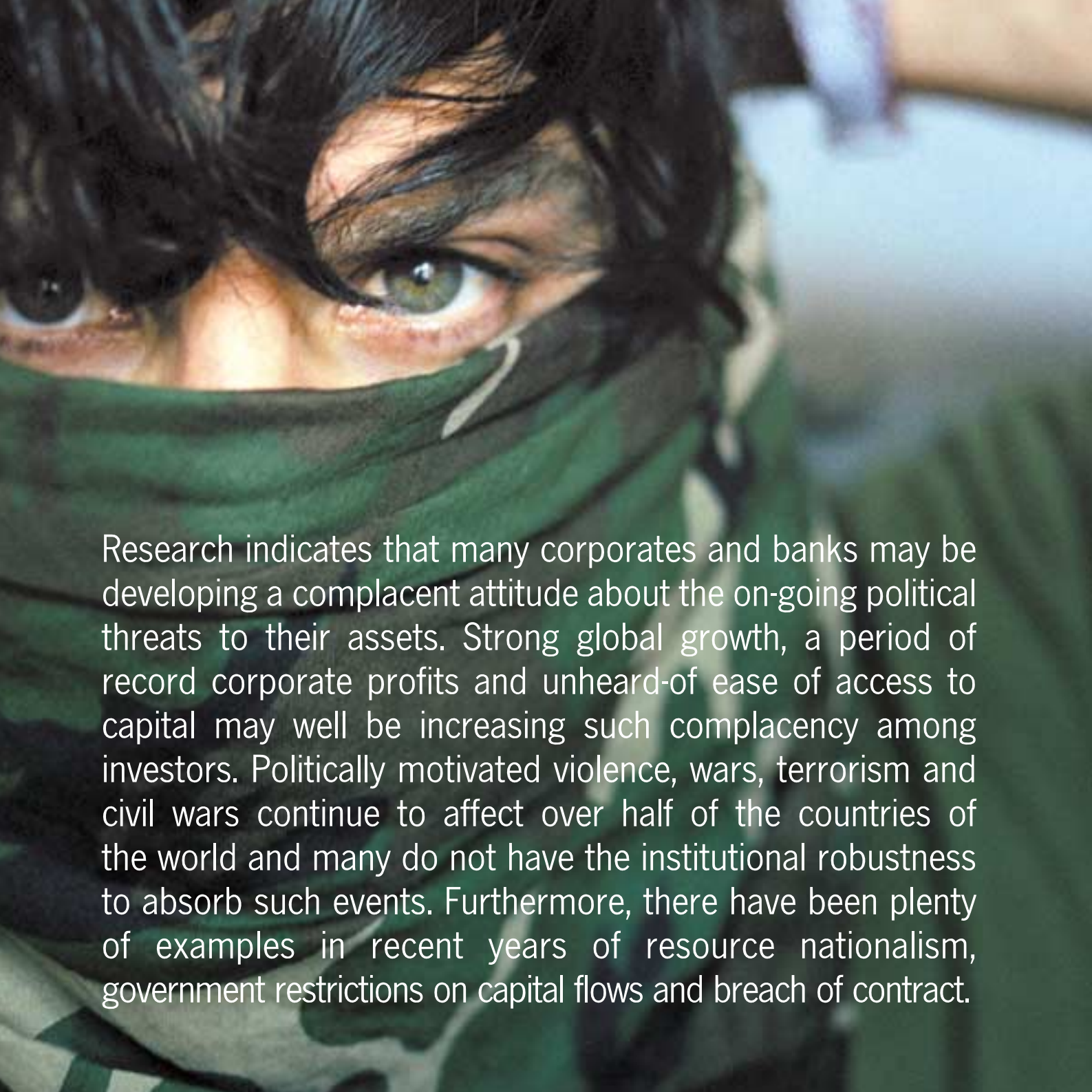




ace global markets

Political Risk



Research indicates that many corporates and banks may be developing a complacent attitude about the on-going political threats to their assets. Strong global growth, a period of record corporate profits and unheard-of ease of access to capital may well be increasing such complacency among investors. Politically motivated violence, wars, terrorism and civil wars continue to affect over half of the countries of the world and many do not have the institutional robustness to absorb such events. Furthermore, there have been plenty of examples in recent years of resource nationalism, government restrictions on capital flows and breach of contract.

Why choose political risk cover from ACE?



Political risk is a fact of commercial life for companies and institutions with overseas investments and contracts. As one of the most experienced political risk insurers in the world, the ACE Group offers innovative and comprehensive solutions that deliver confidence, security and peace of mind to clients across the globe. ACE possesses broad knowledge and understanding of the intricacies of country and credit risk and continues to lead ongoing development in this field, including the evolution of many political risk lines.

The ACE Group of Companies is one of the world's largest providers of insurance and reinsurance products and services. Established in 1985, the ACE Group has grown rapidly and today provides specialty insurance and reinsurance to a diverse group of international clients. ACE has subsidiaries in almost 50 countries and authority to operate in up to 140 countries worldwide.

ACE is listed on the New York Stock Exchange with the ticker ACE. ACE is one of the Standard & Poors 500 companies and is rated A+ (strong) by Standard & Poors and A+ (excellent) by AM Best.

The advantages of working with ACE include:

- Access to market leader with strong capital resources and a robust balance sheet which can support large scale programmes and provide financial security.
- The ability to access long-term capacity of up to 10 years that provides affordable protection against changing environments.
- A partnership where we understand your

business and the global risk environment in which you operate, becoming a trusted extension of your risk management team.

- A highly experienced, flexible team that can manage and advise on the most highly structured and complex programmes, who understand the intricacies of political risk.
- A dedicated country and credit risk management team with specialist skills and experience across political science, economics and trade and project finance.
- A leader in co-insuring with multilateral and government agencies as well as other private sector insurers.
- Experience in underwriting risks in over 135 countries.

ACE provides cost-effective strategies to mitigate cross border risk. Solutions are customer driven, but designed around 4 categories:

Financial institutions

Solutions are tailored for project, export, trade and commodity finance.

Exporters and importers

Solutions are designed to protect exporters and importers from having contracts frustrated as a result of defined risks which may affect the supply or purchase of goods and services.

Equity investors

Solutions protect equity investors (FDI) against the risk of loss of a foreign enterprise due to government action or political force majeure.

Contractor's plant and equipment

Solutions provide protection against the risk of loss of plant and equipment due to government action, war or political violence.

What do we cover?

Trade insurance

Clients:

- Commodity traders
- Financial Institutions
- Exporters
- Importers

Application:

- Pre-export finance
- Import finance
- Supplier credit business
- Bank CILC business
- Down payment financings
- Buyer credit

Risks which can be insured:

- Unilateral contract repudiation by government buyer or supplier
- Non-payment by buyers or borrowers
- Non-payment of letters of credit issued by public banks
- Non-honouring of guarantees
- Currency inconvertibility and exchange transfer restrictions
- Export or import embargo
- License cancellation
- War, civil war and political violence
- Arbitration award default
- Wrongful calling of guarantees

Investment insurance

Clients:

- Financial Institutions
- Equity investors
- Contractors

Application:

- Equity investment (permanent or mobile)
- Limited recourse project finance
- Gold or other commodity based loans
- Hedge facilities
- Leases
- Parent or branch loans
- Working capital or asset based loans
- Merger or acquisition loans

Risks which can be insured:

- Confiscation, expropriation, nationalisation and deprivation
- Currency inconvertibility and transfer risk
- Political violence
- War and civil war
- Wilful destruction by the host government
- Selective discrimination
- Forced abandonment
- Forced divestiture
- Non-honouring of an arbitration award
- Non-honouring of a guarantee
- Import/export license cancellation
- Import/export embargo
- Operating license cancellation
- Deprivation of collateral

Structured trade credit insurance

Clients:

- Commodity traders
- Financial Institutions
- Exporters
- Importers

Application:

- Short and medium term pre-export finance
- Short and medium term import/export finance
- Bank/LC business
- Reserve base lending
- Short term commodity finance

Risks which can be insured:

- Non-payment of an obligation by a private obligor/private bank
- Non-performance of an obligation under a pre-export finance contract by a private obligor/private bank





If you would like to discuss how ACE can help you with protection against the risks faced by businesses trading internationally in ever more complex political environments, then contact:

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