

Political Risk Insurance enables Banks, Traders and Corporates to engage in foreign trade and investment, without the threat of country risk or political violence. Not only does this encourage companies to rapidly expand their overseas operations – it also allows them to operate in high margin emerging markets, and so dramatically increase their ability to compete.

Political Risk Insurance can enable customers to obtain cheaper financing. It can allow them to remove liabilities from their balance sheets. And it can ensure the viability of trade and projects which would not otherwise be workable.

The Political Risks team at Benfield has great depth of experience in Structured Trade and Project Finance, together with Trade Credit and Terrorism. We stay alert to developments in all relevant markets, including banking, trading and insurance.



POLITICAL RISK INSURANCE

Contract Frustration – Exports

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Pre-Shipment

Political risk can potentially result in frustration or cancellation of a sales contract with an overseas buyer. This becomes especially relevant when exporting specifically tailored manufacturing goods, where the ability to find an alternative buyer is reduced.

Cover protects an exporter against potential loss of:

- Direct costs incurred up to the date of cancellation/frustration
- Additional costs needed to pay for subcontractors, storage and suppliers
- Loss of profit

Cover will respond to the following perils:

- Unilateral cancellation of the contract by the buyer, where the buyer is a government entity
- Cancellation of import or export licences
- Imposition of import or export embargo
- Frustration of the contract due to war
- Failure of a government buyer or employer to certify invoices

Post-Shipment

Protects an exporter against potential loss of unpaid invoices (including profit) in respect of its unsecured debt (for example a contract payable by unconfirmed ILC) due from a transaction with an overseas buyer.

- Non-payment by a government buyer
- Exchange Transfer/Currency Inconvertibility
- Failure of a government guarantor to honour its obligations under a specific guarantee

Atlanta, USA
Auckland, New Zealand
Boston, USA
Bratislava, Slovak Republic
Brussels, Belgium
Buenos Aires, Argentina
Dallas, USA
Hamilton, Bermuda
Istanbul, Turkey
Johannesburg, South Africa
Kansas, USA
London, UK
Los Angeles, USA
Madrid, Spain
Melbourne, Australia
Mexico City, Mexico
Minneapolis, USA
Mumbai, India
Munich, Germany
New York, USA
Paris, France
Philadelphia, USA
Pittsburg, USA
Prague, Czech Republic
Rio de Janeiro, Brazil
Rome, Italy
San Francisco, USA
Santiago, Chile
Shanghai, China
Singapore, Singapore
Sydney, Australia
Tokyo, Japan
Toronto, Canada
Vancouver, Canada
Westport, USA

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