

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 - Unfair Calling of Bonds

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In order to secure the contract, an exporter may be required to provide an on-demand bond in respect of the supply of goods or services to an overseas buyer. The unconditional nature of such bonds means the exporter is exposed to unfair calling risk, or "fair" calling in circumstances where the exporter is unable to fulfil the contract due to Political Risk.

Cover is available up to the value of the on-demand bond, including:

- Tender or bid bonds
- Advance payment or stage payments bonds
- Performance bonds
- Retention bonds

This cover will respond to:

- Calling of the bond by a government entity where the assured has given no contractual cause for such a call
- Calling of a bond where the assured is directly prevented from performance of a contract as a result of:
 - Cancellation of import or export licenses
 - Imposition of import or export embargo
 - Frustration of contract due to war

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
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Westport, USA

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