

Political Risks & Structured Credit

Overview

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When you have to operate in unstable areas of the world you need peace of mind that an expert is managing your risks consistently and creatively to protect your assets.

Neil Galletti, Managing Director, Political Risks & Structured Credit Division

R K Harrison's Political Risks & Credit Division comprises a handpicked team of insurance specialists who have the experience and broking skills to advise both multinational corporations and financial organisations on how best to protect their business against credit or country sovereign risk.

Globalisation forces a large number of multinational corporations and financial organisations to operate in parts of the world that are volatile. Political and economic instability, ineffective legal frameworks, civil unrest, war and terrorism all present a significant risk to the manufacturers, traders, investors and financial institutions that operate in those areas.

We can advise and place the most suitable and competitive cover available to protect a company's international assets, contracts and loans.

RKH

Financial
Risks



Taking the risk out of volatile situations

Services for International Companies

Protecting Assets

R K Harrison can help protect the viability and profitability of a company's assets and foreign investments against:

- Confiscation, Expropriation, Nationalisation, Deprivation
- Currency Inconvertibility/Exchange Transfer
- Political Violence (including Terrorism)
- Arbitration Award Default
- Forced Abandonment
- Forced Divesture
- Selective Discrimination
- Consequential Loss/Business Interruption
- License/Concession Cancellation

Protecting Trade Contracts

We can also help protect a company's interests when entering into contracts for the import or export of goods and services against the following perils:

- Exchange Transfer/Currency Inconvertibility
- Contract Repudiation (Pre/Post Shipment)
- Non-Payment
- Embargo
- Law, Order & Decree
- Licence Cancellation
- War
- Arbitration Award Default
- Mark to Market Exposures

Policies can also be designed to protect all advance, maintenance and performance guarantees (on-demand bonds) from the following perils:

- Unfair or Fair Calling of the Bond
- Non-Honouring of an Arbitration Award
- Private Buyer Default



Services for Financial Institutions

Policies are designed to cover non-payment or default under the following transactions:

- Bank/Corporate Loans
- Project Finance Loans
- Documentary Credits
- Payment Undertakings
- Structured Commodity Finance Loans
- Non-Honouring of Ministry of Finance Guarantees

TEPFIN (Trade, Export, Project Finance Insurance)

TEPFIN (www.tepfin.com) is a web-based system for quoting political risks and credit insurance. It went live in May 2004 with USD18b of notional capacity on 620 obligors (and is changing all the time). TEPFIN has the following advantages:

- It connects users (both clients and underwriters) in an electronic platform that provides instant on-line quotes and a real-time view of available capacity
- It allows users to reserve and accept capacity on-line
- It gives clients access to live capacity and rates from 18 of the leading political risk and credit underwriters
- It efficiently focuses the traditional approach and the ability to automatically identify interested underwriters in seconds rather than hours or days
- It connects you directly to the underwriters you select
- Nothing is hidden and no short-cuts are taken. The full depth of market information is shown on all quotes
- It is free to both clients and underwriters

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