

Political Risk

OVERVIEW

STARR
INSURANCE

Starr's Political Risk Coverage helps organizations conducting business around the world protect their assets and financial interests from monetary losses due to specified political risks.

Foreign government actions and socioeconomic events can generate significant losses for foreign investors, exporters and lenders, degrading investments or causing defaults. Whole country business plans can be disrupted and these types of political risk events can be difficult to predict, especially years into the future. As a result, corporate boards, risk managers and credit committees are increasingly taking action to mitigate these risks.

We provide insurance solutions for companies taking political risks, relying on our vast experience, sound underwriting principles and seasoned advisers within Starr's Global Risk Intelligence group. Clients who work with us to manage their exposures have unique access to those advisers, who are fluent in rapidly-changing geopolitical considerations.

Target Markets

- Corporations and Investors
 - Corporations and organizations with investments in foreign subsidiaries, participation in joint ventures, or ownership of assets which are vulnerable to political risk events such as government instability, discriminatory government policies, or blockage of profits, fees, dividends, or intercompany loan payments
 - Corporations and organizations with physical assets being held overseas which are vulnerable to seizure or damage resulting from political violence
- Financial Institutions
 - Lenders and Investors involved in financing cross-border transactions which can be impacted by the actions of foreign governments, local socioeconomic conditions and non-state political actors
- Importers and Exporters
 - Corporations involved in sale / purchase / delivery / delivery agreements with state-owned entities
 - Corporations involved in sale / purchase / delivery agreements with private counterparties that are exposed to contract frustration / non-payment / non-delivery as a result of unforeseen changes in the trading environment such as political violence or license cancellation
- Project Developers / Contractors
 - Project developers and contractors with exposure to non-payment risk arising from their service contracts with governments or state-owned enterprises
 - Project developers and contractors in sectors such as construction, engineering, mining / energy services that are involved in state-sponsored projects with performance guarantees
 - Project developers and contractors with large overseas exposures in the form of physical equipment or assets which may be damaged or become inaccessible as a result of government actions or local instability

Coverages Available

- Confiscation, Expropriation, Nationalization
- Currency Inconvertibility / Exchange Transfer Risk
- Forced Abandonment
- Forced Divestiture
- Selective Discrimination
- Political Violence: War / Civil War, SRCC (Strikes, Riots, Civil Commotion) and Rebellion
- Arbitration Award Default
- Non-honoring of sovereign and sub-sovereign obligations
- Contract frustration following political events
- Wrongful Calling of on-demand contract guarantees and bonds

Limits

- Up to \$50,000,000 for any one risk with higher limits available through syndication

Highlights

- Political Risk Coverage is designed to protect an insured's assets, income and property which may include:
 - Equity Investments
 - Cross-border Loans
 - Contracts with state-owned entities
 - Physical Assets
- Policies are tailored to each individual risk
- Policy tenures of up to 10 years with non-cancellable policy terms

Reach out to Starr or visit starrcompanies.com

GLOBAL PRACTICE LEADER – POLITICAL RISK

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