



Political Risk Insurance Investment/ Fixed or Mobile Assets



About Investment/Asset Insurance

Operating in foreign countries, especially in emerging markets, can expose your company to additional risks related to unpredictable foreign government acts or political events. FCIA offers an array of political risks coverage that can help protect your investment in foreign countries. Political Risk coverage protects you against loss in value of your foreign investments or assets resulting from specified political events during the policy period in the country where the investments or assets are held.

An investment is typically your equity investment in an overseas subsidiary/joint venture or a shareholder loan made to such entities. Assets covered include the assets owned by the foreign subsidiary/joint venture or assets you own that are on site in the foreign country. Coverage can be purchased for operations in a single country or for a portfolio of countries.

- Equity investments and permanent assets
- Shareholders loans
- Mobile assets

Equity Investments

FCIA's Equity Investments policy's core coverage is for Confiscation, Expropriation, or Nationalization of an investment or asset by a foreign government. If this core coverage is desired, coverage for other perils can be added including:

- Selective Discrimination by a foreign government against your operation
- Forced Abandonment of your operation or assets caused by war or political violence
- Foreign government act that prevents ability to import or export
- Physical asset damage resulting from political violence. Political violence normally includes such risks as war, civil war, revolution and terrorism.
- Currency Inconvertibility



Shareholder Loans

We consider medium to long-term shareholder loans to be an investment. The policy coverage is against specified political risks that lead to non-payment of a shareholder loan.

Mobile Assets

Coverage against specified political risks is available to contractors owning and operating mobile assets on a temporary basis in foreign countries and inventories owned and stored abroad.

Target Customers

Experienced multinational companies and financial institutions with significant overseas investments and operations.

FCIA Capabilities

- Policy limits of up to \$25,000,000 for any one risk
- Coverage periods up to 7 years
- Non-cancellable coverage
- Minimum premium of \$20,000

*Non-Cancelable Limits: Subject to policy terms and conditions, after issuing the policy, the insurer may not unilaterally reduce any country or buyer limits.

PRI Example

A major multinational company has subsidiaries with significant manufacturing operations in several emerging markets around the world. The company realizes that it is exposed to confiscation, expropriation, nationalization or other specified perils. To protect company assets and shareholders' interests, the company decides to buy a Political Risk Insurance policy that insures its equity investment in the subsidiaries and the subsidiaries' assets against specified political risk events. The policy provides non-cancellable coverage for five years in countries where the subsidiaries are located.