

# Political Risks and Trade Credit

---

Specialist insurance protection in respect of emerging markets, political violence, credit and wider political risks to a range of clients.

# What we offer

## ➤ Target Appetite

Beazley provides specialist insurance protection in respect of trade and investment to a wide range of clients including:

- Commodity traders
- Overseas investors
- Banks and financial institutions
- Project financiers and sponsors
- Exporters and importers of goods and services.

## ➤ Territories

Worldwide

## ➤ Limits

Political Risks US\$50 million per risk

Contract Frustration US\$50 million per buyer

Trade Credit US\$30 million per buyer

## ➤ Policy

Up to a maximum of 15 years

# Coverage

**Political risks – contract frustration**

**Political risks – investment insurance**

**Credit – comprehensive non-payment insurance**

- We have a track record stretching over twenty years of insuring our clients' businesses against political and commercial risks. The experience and expertise that has been generated over this time supports an appetite to cover risk in most jurisdictions worldwide and helped us to become specialist in trade and investment flows in frontier markets.
- We can provide cover for particularly complex transactions reflecting the rapidly evolving sources of finance available to our clients and their emerging market counterparts.
- We have also expanded our project finance, government non-payment and multilateral & ECA offerings to increase scope and flexibility for our clients.

# Coverage

## Political risks – investment insurance

We mitigate our clients' cross-border risks in respect of assets exposed to political force majeure events such as expropriation, wars, acts of terrorism, civil disturbances, and other forms of political violence.

Risks covered also include:

- Embargoes, border closures, and other types of government interference including confiscation and deprivation of assets (whether fixed or mobile)
- Selective discrimination
- Cancellation of operating licenses or concessions
- Inability to repatriate dividends or intercompany loans
- Political violence (including terrorism and war).

These and other acts beyond the client's control can lead to the cessation of their operations and the failure of their investments, as well as to business interruption losses.

# Coverage

## Political risks – contract frustration

For companies trading with public and private counterparties, we provide insurance to protect against government sponsored acts before and after shipment of goods, including:

- Unilateral termination of a contract by a foreign government
- Cancellation of import and/or export licenses
- Non-delivery for pre-paid goods; non-payment
- Inability to convert and/or transfer foreign currency
- Non-honouring of payment instruments such as central bank guarantees or letters of credits
- Refusal to pay arbitration awards
- Wrongful calling of contractual bonds
- Embargo.

# Coverage

## Credit – comprehensive non-payment insurance

We also provide insurance for commercial credit risk. Our trade credit account encompasses:

- Contracts with privately owned counterparties for sale and/or purchase of goods and services on deferred payment terms or for which advances have been made
- Buyer and supplier credits and insurance in respect of payment instruments (e.g. letters of credit, bills of exchange, promissory notes, etc).

Multi buyer and single buyer cover

Cover is also available for more complex transactions reflecting the rapidly evolving sources of finance available to our clients and their emerging market counterparts. Examples of those transactions include:

- Receivables finance
- Inventory finance
- Borrowing base finance
- Commodity pre-export finance
- Reserve base lending
- Project finance.

# Beazley USA Political Risk & Trade Credit Excess and Surplus Lines Product Suite

	Products	Max Limits	Max Tenor
<b>Political risks</b>	<ul style="list-style-type: none"> <li>• CEND, Lenders, CCP</li> <li>• PV, CI, &amp; BI Extensions</li> <li>• Stand Alone Terrorism &amp; Political Violence</li> </ul>	USD 50mm	10 years
<b>Contract frustration</b>	<ul style="list-style-type: none"> <li>• Non-Payment (Public Buyer)</li> <li>• Pre &amp; Post Shipment (Public Buyer)</li> <li>• Pre Shipment (Private Buyer)</li> <li>• Fair &amp; Unfair Calling of Bonds</li> <li>• Non-Honoring by Public Bank</li> </ul>	USD 50mm	15 years
<b>Single-buyer trade credit</b>	<ul style="list-style-type: none"> <li>• Non-Payment (Private Buyer)</li> <li>• Pre &amp; Post Shipment (Private Buyer)</li> <li>• Fair &amp; Unfair Calling of Bonds</li> </ul>	USD 30mm	7 years
<b>Multi buyer trade credit</b>	<ul style="list-style-type: none"> <li>• Named Buyer Programs</li> <li>• Top Up Programs</li> </ul>	USD 30mm Per Buyer	7 years
<b>Structured Trade Credit</b>	<ul style="list-style-type: none"> <li>• Project Finance</li> <li>• Trade Receivable Finance</li> <li>• Pre Export Finance</li> <li>• Borrowing Base Facilities</li> <li>• Capital Goods Finance</li> <li>• Other Trade Related and/or Secured Financing</li> </ul>	USD 50mm Public Buyer  USD 30mm Private Buyer	7 years  15 years for project finance

*Beazley can also offer up to a 15 year policy tenor for reinsurance of Multi-Lateral and Export Credit Agencies*

*All Products Available on a Non-Cancellable Basis*

# Beazley USA Political Risk & Trade Credit Admitted Paper Product Suite

	Products	Max Limits	Max Tenor
<b>Single Risks Comprehensive Cover</b>	<ul style="list-style-type: none"> <li>• Non-Payment (Public &amp; Private Buyer)</li> <li>• Pre &amp; Post Shipment (Public &amp; Private Buyer)</li> <li>• Pre Shipment (Private Buyer)</li> <li>• Fair &amp; Unfair Calling of Bonds</li> <li>• Non-Honoring by Public Bank</li> </ul>	USD 20mm	Up to 7 years
<b>Multi-Buyer Comprehensive Cover</b>	<ul style="list-style-type: none"> <li>• Named Buyer Programs</li> <li>• Top Up Programs</li> </ul>	USD 20mm Per Buyer	Up to 7 years
<b>Structured Trade Credit</b>	<ul style="list-style-type: none"> <li>• Trade Receivable Finance</li> <li>• Pre Export Finance</li> <li>• Borrowing Base Facilities</li> <li>• Capital Goods Finance</li> <li>• Other Trade Related and/or Secured Financing including Project Finance</li> </ul>	USD 20mm	Up to 7 years

*All Products Available on a Non-Cancellable Basis*



# Beazley USA Political Risk & Trade Credit Admitted Paper Product Suite

Beazley's admitted products are available in the following states:

- California
- Texas
- Illinois
- New York
- New Jersey
- Massachusetts
- Connecticut

# Contact us

Matthew Dunne

Head of US

Political Risk & Trade Credit

New York, NY, USA

+1 (212) 801 7171

[matthew.dunne@beazley.com](mailto:matthew.dunne@beazley.com)

Daniel Jonathan

Underwriter

Political Risk & Trade Credit

New York, NY, USA

+1 (212) 801 7338

[daniel.jonathan@beazley.com](mailto:daniel.jonathan@beazley.com)

Anthony Ho

Underwriter

Political Risks & Trade Credit

New York, NY, USA

+1 770 3511 795

[anthony.ho@beazley.com](mailto:anthony.ho@beazley.com)

Alex Hill

Claims Focus Group Leader

Political and Terrorism

London, UK

+44 (0)20 7674 7326

[alex.hill@beazley.com](mailto:alex.hill@beazley.com)

# Insurance. Just different.

Insurance is what we do,  
just different is the way  
we do it.

## disclaimer

The descriptions contained in this communication are for preliminary informational purposes only. The product is available on an admitted basis in some but not all US jurisdictions, through Beazley Insurance Company, Inc., and is available on a surplus lines basis, through either Beazley Excess and Surplus Insurance, Inc. or a licensed surplus lines broker underwritten by Beazley syndicates at Lloyd's. The exact coverage afforded by the product described herein is subject to and governed by the terms and conditions of each policy issued. The publication and delivery of the information contained herein is not intended as a solicitation for the purchase of insurance on any US risk. Beazley USA Services, Inc. is licensed and regulated by insurance regulatory authorities in the respective states of the US and transacts business in the State of California as Beazley Insurance Services (License#: 0G55497). BZPAC215.