

Political risk insurance

Solutions for emerging markets risks

Zurich offers highly flexible, long-term protection for investors, financial institutions, project developers and contractors confronting the political risks of emerging markets. Coverages are customized transaction-by-transaction to address the risks arising from political events where our clients do business. Terms can extend up to 15 years, with capacity of up to US \$150 million per transaction. Multi-country and global programs are available.

Coverages include:

- **Expropriation** offers insurance protection in the event of confiscation, expropriation, nationalization and other acts by a host government that deprive an investor of the fundamental rights to its investment or cause an overseas borrower to default on a loan. Coverage is also provided in case of "creeping expropriation," a series of acts that have an expropriatory effect over time.
- **Political violence** offers insurance protection in the event of losses resulting from damage or destruction of assets or business interruption caused by political violence such as war, revolution, insurrection, civil unrest, terrorism and sabotage. Replacement cost compensation is provided for equity investments. Compensation for loans is calculated based on the amount in default as a result of political violence or business interruption.
- **Currency inconvertibility** offers insurance protection in the event of the inability to convert local currency to hard currency and repatriate converted currency. Consequently, coverage can help our clients to remit dividends, capital, loan payments and other payments.

Coverages for non-honoring of sovereign guarantees, wrongful calling of bonds, capital markets bond issues, mobile assets and leasing are also available.

More Zurich advantages

- Zurich's stand-alone political risk coverage offers substantially greater long-term security than self-insurance and other political risk options.
- Zurich collaborates with public investment insurers, multilateral agencies, private insurers, international banks and other organizations worldwide to help optimize policy terms, capacity and flexibility for clients.
- Flexible premium payments can be arranged; rates can be locked in for the policy period.

Experience, strength and relationships

Zurich's political risk insurance is grounded in the experience, financial strength and relationships that have made Zurich a leading underwriter of political risk and trade credit insurance for investors, infrastructure developers, multinationals, exporters and international financial institutions doing business in emerging markets.

Companies are prudently forgoing self-insurance and other political risk alternatives, opting instead for the long-term security of more comprehensive political risk coverage from Zurich.

Zurich's in-depth understanding of the dynamics of business in emerging markets enables us to develop products that address the needs of companies pursuing opportunities in developing economies.

The relationships we have forged with private insurers, export credit agencies, multilateral organizations and international banks may enhance the products we offer our qualified customers. These collaborations may also elevate our ability to help mitigate losses for our clients.

Zurich is a member of the Berne Union, an international union of public and private insurers, as well as ICISA, an international association of trade credit insurers and surety bond providers.

Zurich holds ratings of AA– (negative) from Standard & Poor's and A (stable) from A.M. Best.* These strong financial ratings are central to our ability to help our customers feel more secure when conducting business in emerging markets.

*Ratings as of June 30, 2009. For more information about ratings and financial information about Zurich American Insurance Company, visit www.zurichna.com.

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Some coverages are available at additional cost.

This is intended as a general description of certain types of insurance and services available to qualified customers through the companies of Zurich in North America. Your policy is the contract that specifically and fully describes your coverage. The description of the policy provisions gives a broad overview of coverages and does not revise or amend the policy.

Insurance coverages underwritten by member companies of Zurich in North America, including Zurich American Insurance Company. Certain coverages not available in all states. Some coverages may be written on a nonadmitted basis through surplus lines brokers.

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