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African Trade Insurance Agency
Agence pour l'Assurance du Commerce en Afrique



Political Risk Insurance

We protect Africa's Trade & Investments

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Our Vision

To transform Africa into a prime trade and investment destination.

Our Mission

To turn African risk into opportunity by providing Insurance and financial products, in partnership with the private and public sector

Our Values

We always strive to carry out our business with a customer first approach combined with integrity, creativity, unity of purpose and an attitude of getting it right the first time

The African Trade Insurance Agency is an African owned International Financial Institution. It was formed in 2001 by African States with the financial and technical support of The World Bank Group.

ATI promotes trade and investment in Africa and reduces the cost of doing business by helping investors mitigate against risk. Specifically, ATI provides political risk insurance protecting against risks such as currency inconvertibility, expropriation, war and civil disturbance. Through public and private partnerships, ATI facilitates access and encourages the support and use of co-insurance and reinsurance, guarantees and other financial instruments within Africa.

Through its various products the Agency increases the availability of financing for trade, investment and other ventures and reduces the cost of doing business in Africa by mitigating associated political, non-commercial and commercial risks.

Membership in ATI is open to all States, Export Credit Agencies, International Development Financial Institutions, Regional Economic Organisations and Private Corporations with the ability, interest and commitment to support African related trade and investments.

You can enquire for any of ATI's products by filling out and submitting the attached enquiry form found on the back of this brochure. Alternatively, you may visit our website at www.ati-aca.org, email us at: ati-und@ati-aca.org, telephone +254 (0)20 272 6999 or visit us at any one of our offices listed in this brochure.

About ATI



What is Political Risk Insurance?

When trading with international partners or investing in operations abroad, your activities become subject to political risk. In a world where geopolitical environments can be as unpredictable as they are devastating, it makes sense now, more than ever, to obtain insurance to guard against political and financial risks.

Companies normally purchase Political Risk Insurance to protect themselves against specific losses that could negatively impact their performance.

Political Risk Insurance covers short and medium term trade as well as projects and investments. The insurance protects against government action, inaction, or interference that would result in financial loss. It offers protection to the investor, supplier or lender against various risks such as:

- Expropriation
- Transfer Restriction
- War, Civil Disturbance or Civil Commotion
- Embargo
- Arbitral Award Default



Covered Risks

Expropriation

This kind of political risk insurance is purchased by exporters, lenders, investors and contractors with inventories, equipment or other assets located in foreign countries. It protects against confiscation, expropriation, nationalisation and other foreign government actions which would deprive you of your rights of ownership or control of your assets without appropriate compensation in a freely convertible currency.

Related political risks include forced abandonment, selective discrimination, and "creeping expropriation" (a series of individual government actions which, taken together, effectively result in expropriation). Political Risk Insurance can also cover re-investment of future retained earnings or non-transfer of dividends, royalties or other funds following the sale of an asset or disposal of an investment.

Bona fide, non-discriminatory measures taken by the host government in the exercise of its legitimate regulatory authority are not considered expropriatory.

Transfer Restriction

There are two types of political risk insurance relating to currency risks. One deals with the conversion of local currency into hard currency and the other addresses the ability to transfer hard currency out of the country. Currency inconvertibility and transfer risk policies apply to losses resulting from financial crises, hard currency shortages or arbitrary political decisions by a foreign government.

Political risk coverage protects local currency dividends, debt service, fees, return of capital or non-payment of trade receivables by a foreign government or private-sector buyer.

Lenders can cover the conversion and remittance of principal and interest payments due under an insured loan agreement, while an equity investor can similarly cover their dividend or profit remittances derived from the insured investment and the return of capital. Companies providing management or technical assistance can cover fees and royalties.

Coverage protects against losses arising from an investor's inability to convert local currency (capital, interest, principal, profits, royalties or other monetary benefits) into foreign exchange for transfer outside the host country. The coverage also insures against excessive delays in acquiring foreign exchange caused by the host government's actions or failure to act. Currency devaluation is not covered.



This coverage offers protection against destruction, disappearance or physical damage to tangible assets caused by politically motivated acts of war or civil disturbance including revolution, insurrection and coups d'état.

Terrorism and sabotage can also be covered. War and Civil Disturbance coverage also extends to events that result in the total inability of the company to conduct operations essential to its overall financial viability (Forced Abandonment).

War, Civil Disturbance or Civil Commotion



Embargo

Where covered, this risk protects against financial loss due to trade embargoes or any other sanction imposed by the Security Council of the United Nations pursuant to Chapter VII of the Charter of the United Nations, or by any country or group of countries against the Host Country

Arbitral Award Default

This covered risk protects lenders or investors against the non-honoring of an arbitral award in their favour by the host government, provided that the award is for a specified monetary amount; has been rendered pursuant to a breach of a Contractual Obligation in a Project Agreement (or repudiation of the Project Agreement) by the government, which prevents the insured from receiving their guaranteed reimbursement amount due during the insurance period; and clearly states that such a breach by the government was the cause of the loss.

Embargo, Arbitral Award Default



Comprehensive Non-payment Cover for Sub-Sovereign and Sovereign Obligors

Sovereign and Sub-Sovereign Obligors

For loans to (or guarantees by) a sovereign or sub-sovereign obligor, Non-payment coverage protects against financial losses due to non-payment of loans, sales or service contracts by the sovereign or sub-sovereign obligor. This is also known as contract frustration.

Mobile Assets Cover

Once a project is complete, this cover protects against the loss or inability to repatriate mobile assets (or associated financial proceeds) due to political risk. This cover is usually for equipment such as aircraft, contractors' equipment or similar movable equipment where the owner of the asset or the lender would like to repossess and re-export those assets and the intention is for the asset to leave the country once the contract is completed.

This cover can also protect against de-registration.



Unfair Calling of Bonds/ Standby Letters of Credit Insurance

This covers the unfair calling of bid bonds, advance payment bonds, performance bonds, warranty bonds, maintenance bonds, retention bonds or customs bonds etc., issued in support of the supply of goods or services by a buyer or buyer's bank, arising from defined political events. This cover can safeguard advance payment bonds, performance bonds (offered only when the counter-party is a sovereign or sub-sovereign entity) and retention bonds and can be used to complement single contract cover.

Disclaimer

ATI's products are sold as insurance policies underwritten on the basis of ATI's assessment of risk and pricing and based upon information provided to ATI by applicants. Each policy is subject to terms and conditions on which ATI agrees to underwrite a risk. The policy documentation determines the scope of cover that ATI provides, including policy terms and conditions, which may differ from the content of this brochure.



ATI's Relationship with its African Member States

ATI is privileged to be able to live and work in Africa alongside its Member States. This close proximity provides a special vantage point from which to understand the challenges faced by countries in the region and to tailor solutions for each individual situation. These collaborative working relationships have led to strong partnerships built on trust and commitment to shared trade and investment objectives within each African Member State.

African Member States back up this commitment by entering into a Participation Agreement with ATI, which outlines the rules and regulations governing each Member State's responsibilities to the Agency.

This Agreement provides the assurance that if a dispute involving an investor or exporter in a Member State arises it can normally be satisfactorily resolved without delay or the need for a formal claims mechanism. This provision is enhanced by the strong working relationships between ATI and African Member States

ATI and its Members believe that it is in everyone's best interest to satisfactorily resolve disputes before they escalate into a claims situation. This shared responsibility coupled with ATI's financial strength gives comfort to investors. With an ATI guarantee, investors can operate safely in Africa secure in the knowledge that African Member States are committed to maximising their country's investment, and that if a claim does occur, ATI has both the willingness and ability to pay valid claims.

For more information about ATI's Participation Agreement visit, www.ati-aca.org.



Our Partners

ATI partners with leading global Public and Private Insurers. These partners enable ATI to increase available resources to support African Trade and Investment, maximise the benefits of cooperation amongst insurers within the same risk market and bring African risk mitigation operations in line with best market practices.

Credit Rating Assigned by Standard & Poor's

Long Term Counter Party Rating:

A/Stable

Insurer Financial Strength Rating:

A/Stable

A copy of the Standard & Poor's analysis may be found on our website at www.ati-aca.org

Our Partners & Credit Rating



Current African Member States

ATI can provide products to clients based outside of our Member States if the transactions being insured directly benefit one or more of our Member States.

- Burundi
- Democratic Republic of Congo
- Djibouti*
- Eritrea*
- Kenya
- Liberia**
- Madagascar
- Malawi
- Rwanda
- Sudan*
- Tanzania
- Uganda
- Zambia

Regional Economic Community Members

- The Common Market of Eastern and Southern Africa (COMESA)
- The Eastern and Southern African Trade and Development Bank (PTA Bank)
- The PTA Re Insurance Company (ZEP Re)

Corporate Member

- Atradius Participations Holding B.V.

* A signatory to the ATI Treaty, pending ratification and completion of full membership.

** Accepted into membership pending signature and ratification of the ATI Treaty.

Ownership Structure

**Head Office:**

Kenya Re Towers, 5th Floor, Off Ragati Road, Upperhill
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Zambia

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Uganda

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Fax: +256 414 259 109
Email: ati-und@ati-aca.org

As ATI continues to expand its presence across Africa, please visit www.ati-aca.org for a complete and updated list of our field offices.

ATI Office Locations

INSURANCE ENQUIRY FORM

CONFIDENTIALITY / AUTHORISATION FOR LIMITED DISCLOSURE

All information contained in this Enquiry Form will be treated by ATI as confidential material. However, ATI may be required to disclose the documentation or information contained therein, or attached thereto, to its professional advisors, law enforcement or regulatory authorities, its facility brokers and insurance partners as there may be from time to time, and their reinsurers, it being further understood that this information will only be disclosed by ATI on the basis of each recipient(s) acknowledging to observe similar obligations of confidentiality in respect of that information. The Enquirer understands and hereby agrees that, by submitting this Enquiry Form, its attachments and any additional information to be submitted by the Enquirer at a later stage, the Enquirer has expressly authorised ATI to disclose the documentation or information contained in the Enquiry form in the manner aforementioned.

1. ENQUIRER

1.1 Details of Enquirer

Date of Enquiry:

Name of Company *(Indicate party [Et legal form - private, public, other] on whose behalf enquiry is being made):*

Contact Details *(Name and address of contact person):*

Email:

Telephone and Fax Numbers:

Capacity in which Enquiry is being made *(indicate whether broker/ intermediary/ potential insured):*

Principal's Authority *(applicable for brokers/ intermediaries - a letter of appointment from the potential insured is required):*

Transaction for which insurance cover is requested *(state whether it is an equity investment; shareholder loan; commercial loan; loan guarantee; mobile asset; trade in goods/services on open account, leasing etc.):*

2. TYPE OF INSURANCE COVER REQUESTED

2.1 Details of Cover

Amount and Currency of Cover Requested:

Tenor *(indicate period for which cover is requested in months/years):*

Expected policy start date:

Type of Cover *(tick below the type(s) of risk for which insurance cover is requested):*

POLITICAL RISKS

COMMERCIAL RISKS

Expropriation

Non-payment by Private Obligor (Insolvency & Protracted default)

Transfer Restriction

War and Civil Disturbance

Physical Damage

Business interruption

Embargo

Arbitration Award Default

Non-payment by sovereign/sub-sovereign obligor
(e.g. parastatal; municipality)

Non-honouring of Sovereign Guarantee

Unilateral cancellation of operating licences

Goods-in-transit

3. TRANSACTION/ INVESTMENT PARAMETERS

3.1 Details of Party to be Insured

Name & Country:

Legal Form and Nature of Business (indicate whether natural person, private, public listed, sub-sovereign, parastatal, other; and state the nature of business):

3.2 Details of Risk Counterparty/ Project Enterprise

Name & Country:

Legal Form and Nature of Business (indicate whether natural person, private, public listed, sub-sovereign, parastatal, or other [specify]; and state the nature of business):

Relationship with the Insured party (indicate whether borrower, project enterprise, or other [specify]. Does the insured have any previous experience with the risk counterparty? If yes please provide a brief explanation):

3.3 Details of the Transaction/Project

Insured Transaction/Project (Brief description):

Value and Currency of Transaction/Project:

Transaction/Project Type (state whether it is a supplier credit, buyer credit, supply agreement, leases agreement etc.):

Contract Terms & Conditions: (if applicable, please provide copy of contract/draft loan term sheet):

Terms and Method of Payment:

Transit Countries (if applicable):

Specific Comments (if necessary, please provide additional comments not captured in this enquiry form):

Signed for and on behalf of
(Insert company name)

Authorized Signature
(Insert name and position)

Date: _____

(You may fax this completed form to, +254 (0) 20 271 9701 or email it to, ati-und@ati-aca.org)



ATI Head Office

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Covering Africa/Turning Risk into Opportunity