



Political Risk

Emerging markets are now becoming increasingly important as business look to alternative areas for growth. However, in these often less mature economies your assets, contracts and loan can be adversely affected by the actions of the incumbent or new governments in the country concerned or your own domestic government, or third party government.

The range of possible actions that can be taken by foreign governments is very broad and can lead to increased costs, penalties, forced shutdowns, loss of profit or liquidated damages.

Unforeseen political events can lead to:

- Confiscation, expropriation, nationalisation or seizure by the foreign government
- Imposition of import or export embargoes, or cancellation of export/Import licences
- Physical damage to assets from political violence
- Termination or default of contracts
- Non-payment or moratorium due to exchange transfer and currency inconvertibility
- Calling of on-demand bid or contract bonds and guarantees for unfair or political reasons
- Forced abandonment due to civil unrest or divestiture
- Non payment by government and/or government owned entities of trade related debt to financial institutions
- Non payment by private entities of trade related debt to financial institutions



Flexible, tailored cover*

Designed by Aon's political risk experts, Aon's risk transfer and management programmes are designed to respond in the event of adverse political actions to provide you with balance sheet protection and business facilitation. Insurance can be purchased on a stand alone basis, or within a tailor made portfolio to give you greater flexibility of cover. Cover is provided by multilateral agencies, government export credit scheme and the private sector.

Aon can also review international projects, advise on political risk management programmes and provide additional country risk analysis.

Rate Tracker

Aon's unique online live rating guide, RateTracker, provides accurate, 10 year historic and live costing for transactions, including rating and capacity data on over 110 countries and 500 obligors.

RateTracker can not only give you valuable benchmarking information, but can also assist you with projecting your risk transfer costs.

PortfolioManager

Aon's unique PortfolioManager enables you to easily monitor your pool of diverse exposures, insured with multiple insurers. The online facilitates the analysis of complicated data in simple graphical formats and downloadable reports.

PortfolioManager enables you to monitor on an aggregated and individual basis:

- Country of risk
- the ultimated insured
- specific categories of types of insurance
- policy count
- tenor
- premium spend
- aggregate exposures, both gross and net
- insurance counterparty amortisation figures



Risk Assessment

We can also conduct political risk and security risk assessments of all the countries and regions in your portfolio, allowing you to make informed decisions regarding your operations and investments.

Feasibility studies help underwriters understand your exposures – providing transparent submissions, which should result in comprehensive cover with greater contract certainty.

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*All coverage and benefits listed in the above brochure are subject to full policy terms and conditions.

Aon is a leading provider of risk management services, insurance and reinsurance broking, and human resources solutions and outsourcing. Aon professionals meet the diverse and varied needs of our clients through our industry knowledge, technical expertise and global resources.

For more information on Aon visit www.aon.com.au

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