



coface
FOR SAFER TRADE

**SINGLE RISK INSURANCE
BESPOKE INSURANCE FOR
INDIVIDUAL CONTRACTS**

COVER ON A CASE-BY-CASE BASIS FOR POLITICAL OR CREDIT RISKS

When handling international transactions in an ever-changing and often unpredictable environment, you may be exposed to risks that are associated with extremely challenging situations.

In this context, risk management becomes an essential part of your development strategy.

Single Risk Insurance solutions by Coface offer you:

- A bespoke solution geared to your needs: you choose which risks you need covered, amounts of cover, duration of cover, etc.;
- Facilitated access to financing: for example, your bank can become a loss payee under the contracts, you then will find it easier to obtain financing.
- Enhanced competitiveness: has a project run into financial difficulties? Coface will indemnify you, protecting your balance sheet, allowing you to embark on new business opportunities with confidence and ensuring your company is in a secure position for growth.

Single Risk Insurance : Project risk specialists.

The Single Risk Insurance specialists, with their experience and unique expertise, are able to find the best solution to your problems, even the most complex ones.

The Single Risk Insurance specialists will propose innovative solutions for your international operations, especially those in emerging countries. They even anticipate the changes in the world trade so as to continue in providing you with an optimum service.

Companies in international groups can benefit from the Single Risk Insurance services via our offices in London, Singapore and New York.

ONE OF THE **4 SINGLE RISK INSURANCE SOLUTIONS** IS IDEAL FOR YOU, **IF YOU ARE:**

■ A **company:**

- ▶ That sells capital goods, commodities or services;
- ▶ That buys or imports products;
- ▶ That invests abroad.

■ A **bank** or financial institution:

- ▶ That extends financing, arranges discounting, confirms letters of credit, etc.

The **Single Risk Insurance** cover can protect you against any of the **following risks:**

Political risk		Credit risk
An unforeseen POLITICAL EVENT that threatens the success of your operation: a conflict, civil war, revolution, etc.	An arbitrary POLITICAL DECISION that creates an obstacle: your assets cannot be transferred, an embargo is declared, your public client or supplier is in breach of its contractual obligations, etc.	Your private client, supplier or borrower fails to meet its commitments (payments, deliveries, repayments, etc.), or is declared insolvent.

Single Risk Insurance contracts can be:

- Individual, covering a specific operation

or

- Multi-country, for the countries of your choice.

Cover can be arranged for up to 7 years, or even longer in some cases if you need it.

THE **SELLING** INSURANCE



RISKS COVERED

- ✓ Contract interruption
- ✓ Non-payment / non-transfer
- ✓ Unfair calling of bonds:
 - Bid bonds
 - Advanced payment bonds
 - Performance bonds
 - Retention money bonds

OPERATIONS COVERED BY SINGLE RISK INSURANCE

All sales of capital goods and consumer goods in the following sectors: Energy • Transport infrastructure • Telecommunications and Space industries • Water treatment • Construction and Public works • Services • Commodities • and more !

Whether your customers are private companies or public entities, abroad or in local market, your contracts are protected.

CASE STUDIES

A trading company signed an export contract for basic foodstuffs with an African central purchasing office, which produced a letter of credit issued by its country's central bank. The customer defaulted and the bank did not honour the letter of credit.

> Single Risk Insurance covered the public bank's failure to meet its obligations - the amounts due under the letter of credit were indemnified.

An electrical equipment manufacturer signed an installation contract with an industrial group in Lyon. A first demand down payment bond was provided. The contract was fulfilled without any problem. The debtor paid all the invoices, but after completion of the work the industrial group, which was experiencing financial difficulties, requested an extension of the bond and then requested its payment .

> The insolvent group's call under the bond was covered and the amount was indemnified.

An European company signed a contract with a public telecom operator in South America. The client terminated the contract mid-performance for an unknown reason, although the supplier had fulfilled all its contractual obligations to date.

> Termination of the commercial contract was covered and the exporter obtained compensation for loss at resale.

THE **PURCHASING** INSURANCE

RISKS COVERED

Non-delivery of products or termination of supply contracts without any financial compensation.

OPERATIONS COVERED BY SINGLE RISK INSURANCE

All purchasing operations:

- Compensation
- Pre-export financing
- Tolling contracts

The Single Risk Insurance contract protects your business with local or foreign, private or public suppliers.



CASE STUDIES

An international industrial group supplied fertilizer to the Philippine's government in exchange for deliveries of sugar backed by a public guarantor. The sugar deliveries were not made within the stipulated lead-times and the guarantor defaulted on its guarantee.

> **Single Risk Insurance covered the default of the public guarantor, the policyholder was indemnified on the basis of the value of the expected deliveries.**

A company in the energy sector purchased solar panels from a supplier in the greater Paris region for a rural local authority. At the time of the purchase order, the client had paid a down payment to its supplier which became insolvent and was no longer able to deliver the goods or refund the advance.

> **Single Risk Insurance covered the supplier's default, the policyholder was indemnified for non-repayment of the down payment.**

THE INVESTING INSURANCE

RISKS COVERED

If you invest abroad your assets are exposed to particular risks, including confiscation, expropriation, nationalisation, deprivation, operating losses, forced abandonment, etc.



The risk of material damage caused by a strike, riot, civil uprising, act of terrorism or even a war in the country is also covered by your contract.

There is also a risk of non-transfer of dividends following political or administrative measures.

SINGLE RISK INSURANCE OFFERS YOU:

Cover for assets located abroad, whatever:

- the form of the investments;
- their age;
- the type of assets.

CASE STUDIES

A company in the oil sector had a subsidiary in Venezuela. The company was deprived of its assets following the Venezuelan government's decision to nationalise this strategic sector.

> The company was indemnified on the basis of the net book value of the investment.

An European group in the energy sector owned physical assets in Libya. During the war some of its facilities were destroyed.

> The policyholder was indemnified on the basis of the replacement value of the assets destroyed.

Having invested in the capital of an Algerian company, the insured wished to transfer part of his dividends outside of the country. As a result of an unforeseen administrative measure, the insured was unable to recover his funds.

> The insured was indemnified for the amount of the dividends.

OTHER RISKS - ADDITIONAL COVER : CONFISCATION

If you are the sole owner of stock or equipment in a foreign country and it is confiscated, Single Risk Insurance can provide you with a cover against confiscation of your goods.

THE **FINANCING** INSURANCE

RISKS COVERED

Non-payment, non-transfer

Asset impairment

Lender's form: Inconvertibility and non-transfer, failure to repay a loan following:

- a political decision, confiscation, expropriation, nationalisation, deprivation;
- a political event, war, riot, act of terrorism, etc.

OPERATIONS COVERED BY SINGLE RISK INSURANCE

Loans, confirmation of letters of credit, discounting without recourse, pre-financing, project financing, etc.

Single Risk Insurance solutions cover the financing you grant to both public and private entities.



CASE STUDIES

Banks operating as a syndicate granted a loan to a foreign company to finance the purchase of a Latin American power plant which had been privatised. Following a change in government, the borrower was deprived of part of its assets and was no longer able to repay the full amount of the loan instalments.

> **Single Risk Insurance indemnified the lenders for their financial loss.**

A French bank confirmed a letter of credit issued by a Kazakh bank. The bank became quasi-insolvent and the letter of credit was not paid.

> **Single Risk Insurance covered the outstanding amount.**



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