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POLITICAL RISK INSURANCE APPLICATION

This application is to be completed for sales to both public and private foreign buyers when seeking coverage under any of the following policies:

Please check appropriate box(es):

- CONTRACT REPUDIATION, LICENSE CANCELLATION AND CURRENCY INCONVERTIBILITY
- SALES
- SERVICES
- POLITICAL RISK INSURANCE FOR EXPORT TRANSACTIONS (PRIVATE BUYERS ONLY)
- WRONGFUL CALLING OF GUARANTEE

ALL QUESTIONS IN RELEVANT SECTIONS MUST BE ANSWERED. WHERE A QUESTION IS DEEMED NOT APPLICABLE, PLEASE ANSWER N/A.

SHOULD ANSWERS REQUIRE MORE SPACE THAN IS PROVIDED, ATTACHMENTS PROVIDING PARTICULARS ARE WELCOME.

SECTION A (THIS SECTION MUST BE COMPLETED BY ALL APPLICANTS)

1. NAME OF APPLICANT AND PARENT _____

NATIONALITY OF APPLICANT AND PARENT _____

ADDRESS _____

2. NAME OF BUYER _____

ADDRESS _____

BUYER'S COUNTRY _____

3. IN THE EVENT THAT INSURANCE IS SOUGHT ON A SUB-CONTRACT:

MAIN CONTRACTOR _____

ADDRESS _____

NATIONALITY _____

PREVIOUS EXPERIENCE WORKING TOGETHER _____

4. BUYER'S LEGAL STATUS (I.E. PRIVATE COMPANY, MAJORITY GOVERNMENT-OWNED OR NATIONALIZED COMPANY, GOVERNMENT MINISTRY, OFFICIAL IMPORT ORGANIZATION, ETC.)

5. IF BUYER IS MAJORITY GOVERNMENT-OWNED, DOES IT CARRY FULL FAITH AND CREDIT OF THE GOVERNMENT?

6. DESCRIBE THE PRODUCTS AND/OR SERVICES WHICH ARE THE SUBJECT OF THE CONTRACT, NOTING ANY UNIQUE OR UNUSUAL FEATURES:

7. A) IS THE SUBJECT MATTER OF THE CONTRACT STANDARD OR CUSTOM MADE?

B) HOW IMPORTANT IS THE CONTRACT TO THE BUYER'S COUNTRY? (DETAILS BY ATTACHMENT IF NECESSARY) GIVE REASONS.

C) HOW EASILY COULD AN ALTERNATIVE BUYER BE FOUND?

D) WOULD SUBJECT MATTER NEED MODIFICATION IF IT WERE SOLD TO ANOTHER BUYER?
HOW EXTENSIVE WOULD SUCH MODIFICATION NEED TO BE?: _____

8. IF THE CONTRACT IS A SALES CONTRACT:

A) WHERE DOES DELIVERY AND ACCEPTANCE OF THE PRODUCTS BY THE BUYER TAKE PLACE?

B) WHERE AND WHEN DOES TITLE PASS TO THE BUYER? _____

C) WAS THE CONTRACT OPEN TO COMPETITIVE BIDS OR WAS THE APPLICANT INVITED TO
TENDER? _____

9. IDENTIFY THE SALES AGENT IN BUYER'S COUNTRY, IF APPLICABLE: _____

10. A) WHO IS RESPONSIBLE FOR OBTAINING ALL LICENSE(S) OR CONSENT(S) NECESSARY FOR
FULFILLMENT OF THE CONTRACT IN:

THE BUYER'S COUNTRY _____

THE APPLICANT'S COUNTRY _____

B) ARE THESE NOW IN FORCE? YES NO

C) IF NOT, WHEN ARE THEY EXPECTED? _____

D) FOR WHAT PERIOD ARE LICENSES VALID? FROM _____ TO _____

E) IF NOT FOR THE FULL CONTRACT PERIOD, WHY NOT? _____

11. A) DOES THE APPLICANT HAVE PREVIOUS EXPERIENCE WITH:

THIS BUYER? YES NO THIS COUNTRY? YES NO

B) DETAILS OF RECENT PREVIOUS EXPERIENCE:

MONTH/ YEAR	BUYER	AMOUNT	CREDIT INSTRUMENT	CREDIT PERIOD	DAYS DELAY
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

C) DOES THE APPLICANT HAVE OTHER EXPOSURES WITH THE BUYER OR WITH OTHER BUYERS IN THE HOST COUNTRY? YES NO

IF YES, FOR WHAT AMOUNTS? _____

D) ARE THESE OTHER EXPOSURES INSURED OR OTHERWISE SECURED? YES NO

IF YES, BY WHOM OR HOW? _____

E) DOES THE APPLICANT HAVE ANY OVERDUES ON ANY EXPOSURES IN THE HOST COUNTRY AS OF THE DATE OF THIS APPLICATION? YES NO

IF YES, PLEASE GIVE DETAILS OF STATUS AND AMOUNT: _____

12. ARE ANY FURTHER CONTRACTS BEING CONSIDERED WITH:

A) THIS BUYER? YES NO

B) THIS COUNTRY: YES NO

PLEASE PROVIDE DETAILS: _____

13. DOES THE CONTRACT OR SALES AGREEMENT CONTAIN THE FOLLOWING CLAUSES?

A) TERMINATION CLAUSE: YES NO

B) ARBITRATION CLAUSE: YES NO

IF YES, WHERE IS IT TO PLACE AND UNDER WHICH LAWS? _____

C) FORCE MAJEURE CLAUSE: YES NO

D) CONDITIONS PRECEDENT TO EFFECTIVENESS OF CONTRACT: YES NO

IF YES, WHAT ARE THESE? _____

14. A) TENDER/CONTRACT VALUE: _____

ESTIMATED OR ACTUAL DATE BREAKDOWN OF TENDER/CONTRACT VALUE

COMPLETE AS APPLICABLE

AMOUNT

%

SIGNATURE: _____ LABOR: _____

EFFECTIVE DATE: _____ MATERIALS: _____

DESIGN: _____ OVERHEAD: _____

MANUFACTURE: _____ ON SITE COSTS: _____

DELIVERY: _____ CONTINGENCIES: _____

INSTALLATION: _____ PROFIT: _____

CIVIL WORKS: _____ TOTAL C.V.: _____

COMMISSIONING: _____

MAINTENANCE: _____

15. CURRENCY OF THE CONTRACT: _____

16. HAS ANY EXTERNAL FINANCING BEEN OBTAINED BY THE BUYER IN CONNECTION WITH THIS CONTRACT? YES NO

IF YES, FROM WHOM? (E.G. WORLD BANK, AID, ECGD, GENERAL GOVERNMENT REVENUES ETC): _____

17. INSTRUMENT OF PAYMENT (LETTER OF CREDIT, PROMISSORY NOTE, CAD, ETC.):

IF BY CILC, IS IT IN ANY WAY QUALIFIED? YES NO

IF SO, HOW? _____

18. A) WERE GOVERNMENT, CENTRAL BANK OR MINISTRY OF FINANCE GUARANTEES AVAILABLE?

YES NO PLEASE SPECIFY: _____

B) WERE THEY SOUGHT? YES NO

C) WERE THEY OBTAINED? YES NO

19. TERMS OF PAYMENT (COMPLETE AS RELEVANT TO SALES OR SERVICE CONTRACT):

	<i>AMOUNT</i>	<i>%</i>
PAYMENT ON SIGNATURE:	_____	_____
ESTIMATED VALUE OF MONTHLY CERTIFICATES:	_____	_____
ON SHIPMENT:	_____	_____
ON ARRIVAL AT PORT OR SITE:	_____	_____
ON COMMISSIONING/ERECTION:	_____	_____
ON ISSUE OF PRACTICAL COMPLETION CERTIFICATE:	_____	_____
ON ISSUE OF FINAL ACCEPTANCE CERTIFICATE:	_____	_____
OTHER: _____	_____	_____
OTHER: _____	_____	_____
OTHER: _____	_____	_____

20. TERM OF POLICY REQUESTED: FROM: _____ TO: _____

(IF INCEPTION DATE OF THE POLICY IS REQUIRED TO BE LATER THAN THE DATE ON WHICH THE CONTRACT BECAME EFFECTIVE, THE LIMIT OF LIABILITY REQUESTED IN QUESTION 21 BELOW WILL APPLY ONLY TO COSTS AND EXPENSES INCURRED FROM POLICY INCEPTION, UNLESS THE POLICY IS BACK-DATED TO THE BEGINNING OF THE CONTRACT PERIOD.)

21. MAXIMUM LIMIT OF LIABILITY: PRESHIPMENT* POST SHIPMENT**

A) CONTRACT REPUDIATION (SALES FORM) _____

* MAXIMUM ESTIMATED NET LOSS BASED ON COSTS AND EXPENSES INCURRED

** MAXIMUM ESTIMATED NET LOSS BASED ON GROSS INVOICE VALUE

B) CONTRACT REPUDIATION (SERVICES FORM) _____

* MAXIMUM ESTIMATED NET LOSS BASED ON COSTS AND EXPENSES INCURRED BUT NOT YET CERTIFIED AT DATE OF TERMINATION (WORK IN PROGRESS)

** MAXIMUM ESTIMATED NET LOSS BASED ON NUMBER OF MONTHLY CERTIFICATES OUTSTANDING AND UNPAID.

SECTION B

QUESTIONS 22 TO 27 (INCLUSIVE) NEED ONLY BE COMPLETED WHEN **WRONGFUL CALLING OF GUARANTEE INSURANCE** IS REQUESTED. SUCH INSURANCE WILL COVER ANY PAYMENT MADE UNDER A COUNTER-INDEMNITY GIVEN BY THE INSURED OR ITS PARENT TO THE BANK.

22.	BID	ADVANCE PAYMENT	PREFORMANCE	RETENTION/ MAINTENANCE
% OF CONTRACT VALUE	_____	_____	_____	_____
VALUE	_____	_____	_____	_____
DATE VALID FROM	_____	_____	_____	_____
DATE VALID THROUGH	_____	_____	_____	_____
LIMIT REQUESTED	_____	_____	_____	_____
PERIOD REQUESTED	_____	_____	_____	_____

23. NAME AND ADDRESS OF LOCAL BANK PROVIDING GUARANTEED (IF ANY):

STATUS OF LOCAL BANK (CENTRAL, NATIONALIZED, PRIVATE, ETC.): _____

24. NAME AND ADDRESS OF BANK GIVING COUNTER-GUARANTEE TO LOCAL BANK:

25. DO(ES) THE GUARANTEE(S) REDUCE AS WORK IS COMPLETED OR DELIVERIES ARE MADE?

YES NO IF YES, PROVIDE DETAILS: _

26. A) IS THE BUYER SPECIFICALLY REQUIRED IN THE CONTRACT TO RETURN THE GUARANTEE FOR CANCELLATION ON EXPIRY? YES NO

B) DO(ES) THE GUARANTEE(S) HAVE AN EXPIRY DATE? YES NO

IF YES, WHEN? _____

27. ARE YOU AWARE OF ANY INSTANCES WHERE THE BUYER HAS:

A) CALLED A BANK GUARANTEE? YES NO

B) DEMANDED AN EXTENSION TO THE PERIOD OF VALIDITY ON THREAT OF CALLING THE GUARANTEE? YES NO IF YES, PROVIDE DETAILS BY ATTACHMENT.

28. ***THIS QUESTION NEED ONLY BE ANSWERED IF INSURANCE IS REQUESTED FOR BID GUARANTEES***

A) WILL YOU ACCEPT THE GENERAL CONDITIONS OF THE CONTRACT PROPOSED IN THE CALL FOR TENDER? YES NO

B) WILL YOUR BID COMPLY WITH THE TECHNICAL/PERFORMANCE SPECIFICATIONS AND CRITERIA SPECIFIED IN THE CALL FOR TENDERS? YES NO

IF NO, WHAT ALTERATIONS WILL YOU MAKE OR REQUIRE? _____

C) DOES THE CALL FOR TENDERS EXPRESSLY FORBID ANY ALTERATIONS OR QUALIFICATIONS TO EITHER THE CONTRACT CONDITIONS OR TO THE TECHNICAL SPECIFICATIONS? YES NO

D) DO YOU HAVE ANY REASON TO BELIEVE THAT ANY ALTERATION TO THE CALL FOR TENDERS IS UNACCEPTABLE TO THE BUYER? YES NO

E) IS YOUR TENDER COMPLETE OR DOES IT LEAVE PART OPEN FOR FURTHER NEGOTIATIONS? PLEASE GIVE DETAILS: _____

IF YES, WHAT ARE THE QUALIFICATIONS? _____

SECTION C (THIS SECTION TO BE COMPLETED BY ALL APPLICANTS)

29. HAS THE APPLICANT BEEN DECLINED COVERAGE ON ANY PART OF THIS TRANSACTION BY ANY OTHER INSURER? YES NO

IF YES, BY WHOM AND FOR WHAT REASON? _____

30. DOES THE APPLICANT HAVE ANY KNOWLEDGE OF ANY FACTS NOT READILY AVAILABLE FROM THE FINANCIAL PRESS WHICH MIGHT GIVE RISE TO A CLAIM UNDER THE POLICY?
YES NO

IT IS AGREED THAT IF SUCH KNOWLEDGE OR INFORMATION EXISTS AND HAS NOT BEEN NOTIFIED TO THE COMPANY, ANY CLAIM ARISING THEREFROM MAY BE EXCLUDED FROM THE PROPOSED POLICY.

31. PLEASE GIVE BRIEF DETAILS OF THE FOLLOWING ITEMS APPEARING IN THE INSURED'S LATEST AUDITED FINANCIAL STATEMENT:

TURNOVER: _____

NET PROFIT/LOSS: _____

WORKING CAPITAL: _____

NET WORTH (EQUITY): _____

CURRENT OUTSTANDING WORKLOAD (FOR CONTRACTORS ONLY): _____

COPIES OF THE FOLLOWING DOCUMENTS ARE REQUIRED BY THE UNDERWRITERS, WHERE APPLICABLE, PRIOR TO THE ISSUANCE OF ANY INSURANCE OR THE EFFECTIVENESS OF ANY POLICY:

A. THE CALL FOR TENDERS AND TENDER DOCUMENTS

- B. THE CONTRACT OR SALES AGREEMENT (REQUIRED EVEN WHEN ONLY WRONGFUL CALLING OF GUARANTEE INSURANCE IS SOUGHT)
- C. THE GUARANTEE(S), COUNTER-GUARANTEE(S) AND COUNTER-INDEMNITY TO BE GIVEN TO THE BUYER, THE LOCAL BANK AND THE BANK
- D. ESTIMATED CASH FLOW FORECAST OR SIMILAR CHART
- E. A COPY OF THE DEBT INSTRUMENTS (E.G. COPY OF LETTERS OF CREDIT, PROMISSORY NOTES AND BILLS OF EXCHANGE)

WE REQUIRE THE MOST RECENT ANNUAL REPORT OF THE APPLICANT. OTHER MATERIAL YOU MAY WISH TO PROVIDE ON APPLICANT, BUYER OR PRODUCTS IS WELCOME.

THE COMPANY AGREES TO TREAT AS CONFIDENTIAL ALL MATTERS PERTAINING TO THIS APPLICATION.

THE APPLICANT AGREES NOT TO DISCLOSE THE EXISTENCE OF ANY POLICY WHICH MAY BE ISSUED TO ANY OUTSIDE PARTY OTHER THAN THE INSURED'S PROFESSIONAL ADVISORS WITHOUT THE WRITTEN CONSENT OF THE COMPANY.

BROKER:	_____	SIGNED:	_____
ADDRESS:	_____	TITLE:	_____
	_____	CORPORATION:	_____
	_____	DATE:	_____

THE ABOVE AUTHORIZED OFFICER OF THE APPLICANT DECLARED THAT TO THE BEST OF HIS/HER KNOWLEDGE THE STATEMENTS SET FORTH IN THIS APPLICATION ARE TRUE AND NO MATERIAL INFORMATION HAS BEEN WITHHELD.

SIGNING OF THIS APPLICATION DOES NOT BIND THE ABOVE TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE INSURANCE SHOULD A POLICY BE ISSUED AND WILL BE ATTACHED TO AND FORM PART OF THE POLICY.

PLEASE NOTE THAT ALL INDICATIONS GIVEN BY UNDERWRITERS ARE ON A "TODAY'S RATE" BASIS. UNDERWRITERS RESERVE THE RIGHT TO WITHDRAW THEIR INDICATION OR TO REVISE THE TERMS AT ANY TIME WHATSOEVER. COVER CAN ONLY BE BOUND WHEN AN ORDER TO BIND COVER IS ACCEPTED BY UNDERWRITERS AFTER THE SUBMISSION OF ALL REQUIRED INFORMATION AND DOCUMENTATION.