



# OPIC Products

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OPIC AND U.S. CONTRACTORS AND EXPORTERS

## OPIC's Insurance Program for Contractors and Exporters

**Innovative Solutions.** By helping U.S. investors mitigate political risks, OPIC insurance means more time to concentrate on business. In addition to standard coverage for equity and parent company debt investments, OPIC offers coverages tailored for U.S. contractors and exporters.

### Supporting U.S. Contractors and Exporters

OPIC's political risk insurance can protect U.S. companies acting as contractors in international construction, sales or service contracts and U.S. exporters of heavy machinery, turbines, computers, medical equipment and other goods.

#### Who Benefits?

Contractors and exporters insurance is typically issued when the U.S. company has a contract with a foreign government buyer. The insurance provides security to U.S. exporters of goods or services or U.S. contractors against a variety of political risks in emerging markets.

#### Disputes Coverage

OPIC can insure a U.S. contractor or exporter against contractual disputes that might arise during the performance of a contract. If the contract is with a private sector party, OPIC will pay compensation under disputes coverage only if the problem is caused directly by the host government. Disputes coverage is not offered unless a project has secure and adequate funding.

#### Customs Bonds Coverage

Customs bonds are required when a foreign government wants assurances that a company will re-export machinery or equipment temporarily moved into the country rather than selling it locally. OPIC provides compensation for loss resulting from the wrongful calling by a foreign government of a standby letter of credit issued as a customs bond.

#### Assets Coverage

U.S. contractors and exporters with physical assets overseas can insure their project assets against currency inconvertibility, confiscation and damage resulting from political violence.

#### Bid, Performance, Advance Payment or Other Guaranties Coverage

Bid, performance, advance payment or other guaranties issued on behalf of a U.S. exporter of goods and services or a contractor in favor of a foreign buyer, governmental or private, can be covered against the risk of wrongful calling. If the buyer is a private entity, OPIC compensation would be payable only if the wrongful calling were directly caused by the host government.

#### For More Information

For more information about OPIC's Insurance Program for Contractors and Exporters, please call OPIC's Insurance Department at 202-336-8400. For general information, contact OPIC InfoLine at 202-336-8799. For information via the Internet go to <http://www.opic.gov>.

### Insuring U.S. Investments

OPIC provides innovative political risk insurance coverage for U.S. investments in new projects, expansions of existing operations, acquisitions with positive developmental effects, and privatizations located in any of the 140 developing countries where OPIC operates.

OPIC's political risk insurance covers against the following risks: inconvertibility, expropriation and political violence. Eligible investors may purchase one or a combination of these coverages. OPIC can provide up to \$250 million in coverage per project and can cover equity investments, parent company debt, third party loans, loan guaranties, technical assistance agreements and cross-border leases.

Coverage is also available for U.S. contractors and exporters, including certain breaches by the foreign buyer of the contractual dispute resolution procedure, wrongful calling of bid, performance, advance payment and other guaranties posted in favor of foreign buyers.

The insurance provided by OPIC does not cover the commercial risks of a project.



OPIC is a U.S. government agency that helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy. Because OPIC charges market-based fees for its products, it operates on a self-sustaining basis at no net cost to taxpayers. Since 1971, OPIC has supported over \$164 billion worth of investments that will generate \$69 billion in U.S. exports and support more than 264,000 American jobs. For general information, contact OPIC InfoLine at (202) 336-8799. For information via the Internet and to subscribe to OPIC News, please go to <http://www.opic.gov>.