



## Political Risk Insurance

- [Types of Coverage](#)
- [Eligibility](#)
- [Terms and Conditions](#)

Based on its experience and reputation for advising and helping arrange project finance for private sector clients investing in emerging markets, in August 2009 Muszkat Consultants was appointed by the Multilateral Investment Guarantee Agency (MIGA), part of the World Bank Group, to be one of MIGA's five exclusive agents worldwide and actively advise investors on political risk insurance.

More than other providers of political risk insurance, the Multilateral Investment Guarantee Agency, MIGA – using its status as a member of the World Bank Group – can act as a deterrent to disruptive action by governments in emerging countries. MIGA can insure new investments and expansions, as well as turn key projects with a life greater than 3 years.

MIGA can specifically help investors and lenders insure eligible projects against losses relating to:

- Currency transfer restrictions
- Expropriation
- War and civil disturbance
- Breach of contract
- Non-honoring of sovereign financial obligations

In addition to protecting investments from political risk, MIGA's political risk insurance can also help:

- Resolving disputes: MIGA is in a strong position to resolve disputes that might arise. MIGA has supported close to 600 different projects in its history, and has been able to resolve disputes that would have led to claim
- Improving Terms and Conditions for Investors/Lenders
- Accessing funding: MIGA guarantees help investors obtain [project finance](#) from banks
- Lowering borrowing costs: MIGA - guaranteed loans may help reduce risk-capital ratings of projects, leading to lower borrowing costs
- Increasing tenors: MIGA can provide insurance coverage for up to 15 years (in some cases 20), thereby increasing the tenor of loans available to investors

As agents, we provide a variety of services and benefits including:

- Pre-application guidance and completion of preliminary and definitive applications based on the information received
- Facilitate discussions with MIGA: Given our knowledge of MIGA's requirements, we lead discussions with MIGA and provide our guidance. We work closely with the underwriter to facilitate the process
- Coordination of multiple applications: when multiple investors and lenders are involved, we will coordinate information and applications from all parties
- No additional cost for our services since guarantee premiums are the same as for direct applications to MIGA

MIGA operational strategy plays in the marketplace. MIGA's strategy focuses on specific areas where it can make the greatest difference, like: complex deals in infrastructure and extractive industries, especially those involving project finance and environmental and social considerations.

MIGA can provide 95 percent insurance coverage for commercial banks and shareholder debt financing, enhancing its ability to play an important role in international project finance.

**The political risk insurance services provided by Muszkat Consultants as MIGA Agent are free of charge to clients.**