



70 Pine Street • New York, NY 10270 • (212) 770-7344 • Facsimile: (212) 269-3387

**APPLICATION FOR PROJECT INSURANCE
FOR INVESTORS AND LENDERS**

NOTE: All financials should be noted in the currency of the investment or loan.

1. APPLICANT

A. Investor/Lender Name: _____

Authorized Representative: _____

Address _____

City _____ State _____ Country _____ Zip Code _____

Telephone _____ Telefax _____

B. Project Name: _____

Country: _____

2. PROJECT DESCRIPTION

A. Name and address of foreign enterprise: _____

B. Legal form of organization: _____

C. Place of organization: _____

D. Purpose/Business: _____

E. Project location: _____

F. New Expansion Privatization Other _____

G. Management Structure: _____

PRIVILEGED BUSINESS INFORMATION

3. OVERALL FINANCIAL STRUCTURE (In the investment/loan currency)

Indicate source of funds for the project. If the project is an expansion of an existing enterprise, please indicate on a separate sheet its capital structure prior to the expansion.

	<u>Equity</u>	<u>Debt</u>	<u>Other (specify)</u>
A. From applicant/investor/lender	_____	_____	_____
B. From host country	_____	_____	_____
C. From other countries or international financial institutions*:			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
D. TOTAL PROJECT AMOUNT	_____	_____	_____
(Total)	(Equity)	(Debt)	(Other)

**Please identify if Export Credit Agency, private bank, capital markets, etc.*

E. Please explain the ownership structure of the project: _____

4. EQUITY COMPONENT (In the investment/loan currency)

A. What is the total amount of the equity investment for which insurance is sought? What percent does it represent of the total investment? _____

B. If your equity contribution is cash, what is its total value? _____

C. If your equity contribution is (machinery, equipment or inventory) what amount does it represent? (Please attach a schedule and explain valuation of assets) _____

D. Shares investor will acquire as a result of the equity contributions:

	<u>Number</u>	<u>Purchase Cost Per Share</u>	<u>% of Total Outstanding Shares</u>
Common Shares	_____	_____	_____
Preferred Shares	_____	_____	_____

E. Are there any restrictions on the transfer of shares (including right of first refusal)? If yes, please explain.

5. DEBT COMPONENT (In the investment/loan currency)

If you intend to insure a loan, loan guaranty, or lease, give details of each.

A.

	Gross Principal Amount	Total Interest Amount
Loan	_____	_____
Loan Guaranty	_____	_____
Lease	_____	_____

Please provide loan repayment or lease schedule.

B. Is the debt subordinated to any other financing? Please explain. _____

C. Do you have a lien on the assets and/or cash flow of the project? Please explain _____

D. If a lease,

1) is it an operating or financial lease? _____

2) what is the guaranteed residual value? _____

3) what is the amount of the balloon payment, if any? _____

6. If you intend to insure a technical assistance and/or management agreement, indicate:

A. Amount of fees or royalties you expect to receive over the term of the agreement: _____

B. Dates and amount of subsequent fees or royalties: _____

C. Date project construction will be complete, commissioning date, and operating capacity to be achieved:

7. INSURANCE COVERAGE

A. Select a coverage amount for each component of your investment. The amount should be based on your initial investment plus additional amounts for re-invested profits or interest over the requested policy period.

<u>Coverage</u>	<u>Equity</u>	<u>Debt</u>	<u>Technical Assistance</u>	<u>Other</u> <u>(Please specify)</u>
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Expropriation	_____	_____	NA	_____
Inconvertibility	_____	_____	_____	_____
Contract Repudiation	NA	NA	NA	_____
Political Violence for Assets	NA	NA	NA	_____

(Physical Asset Value*)

*Please explain valuation (book, actual cash value, replacement cost)

B. Will you have any other political risk insurance (SRCC or PTS coverage as part of your standard property policy) on your investment in the foreign enterprise? If yes, please explain. _____

8. SALES

Estimate the project's average annual direct sales.	<u>Years 1-3</u>	<u>Years 4+</u>
A. Sold in the Host Country	_____	_____
B. Exported	_____	_____

9. Will project output sold in the host country replace products the country must now import?

Yes No

If yes, indicate average annual value of imports replaced: _____

10. PROJECT FINANCIALS

- A. Estimated date of investment: _____
- B. Projected start up date: _____
- C. Internal Rate of Return: _____
- D. Average annual remittances: _____
- E. Projected remittance schedule: (In the project/loan currency)

	<u>Years 1-2</u>	<u>Years 3-5</u>	<u>Years 6-7</u>
(1) Loan principal and interest	_____	_____	_____
(2) Lease payments	_____	_____	_____
(3) Dividends or profits	_____	_____	_____
(4) Return of capital (partial/total disinvestment)	_____	_____	_____
(5) Fees (licenses, royalty, etc.)	_____	_____	_____
(6) Other	_____	_____	_____

F. (1) By what method will the foreign enterprise be remitting profits/dividends out of the Host Country?

- (2) What license/approvals are required by the Host Country to transfer local currency out of the country? _____
- (3) Has the applicant obtained all necessary registrations, approvals and licenses? Are they still valid? _____
- (4) Is local currency freely convertible into U.S. dollars? If no, please explain. _____

11. OPERATING ENVIRONMENT

Describe host government protection (import tariffs, duties, quotas, prohibitions, subsidies, tax concessions, etc.) for the project: _____

12. (1) Describe all contracts or other agreements between the host country government and the investor or foreign enterprise and attach copies of these agreements (e.g., pricing, raw material supplies): _____

(2) Please specify the pre-agreed arbitration body: _____

13. Describe any specific host government decrees, laws, directives, or agreements with the investor or foreign enterprise which might affect project imports or exports. For example, is the project required to purchase raw materials locally, to export a minimum percentage of production or to export sufficient production to offset the foreign exchange costs of imported components? _____

14. List any circumstance which the applicant is aware of that may give rise to a loss under the policy (including known or potential disputes or litigation involving this project, the foreign enterprise, or between the Applicant and the Host Country). _____

15. EMPLOYMENT

Approximate the number of persons employed by the project during project construction/ongoing:

	Management Technical	Labor
Local:	/	/
Expatriate:	/	/

16. ENVIRONMENTAL IMPACT

- A. List key industrial, chemical and/or mechanical processes associated with this project: _____

- B. During construction, operation and after closure, what potentially adverse effects could this project have on the environment, worker health and safety? _____

- C. During construction, operation and after closure, will the investor/lender have sufficient control over the design and operation of the project to mitigate any such adverse effects? Please explain. _____

- D. Is there a preexisting condition on the site that will require site remediation? If so, what measures will be necessary or have been negotiated to satisfy existing environmental regulations? _____

- E. Will the project comply with environmental, health and safety laws, regulations and guidelines of:
- | | | | | |
|----------------------------|-----|--------------------------|----|---|
| 1. The host country: | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| 2. The investor's country: | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| 3. The World Bank: | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| 4. Other: _____ | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> (Example: state or province of investor's country) |

17. LOCAL IMPACT

What effect will project production have on the quality and availability of comparable products within the local markets? Indicate your projected percentage share of local production and local consumption.

18. Describe any ancillary employee and community benefits of the project (e.g., medical facilities, education, technological contributions, roads, power plants): _____

REQUIRED ATTACHMENTS

For initial submission, please attach the following legal and financial documents with this application:

- Latest Investor Annual Report or Equivalent 10K et al
- Joint Venture Agreement
- Bilateral Agreements between the Host Country and Investor
- Prime Banking Relationships

As they become available, we will also require the following documents:

- Business Plan & Feasibility Study
- Joint Venture Partners Financial Statements
- Loan and/or Loan Guaranty Agreement
- Power Purchase Agreements and fuel contracts if any
- Environmental impact statements and permits
- Operating permits, licenses
- Land & property titles
- Bonding obligation agreement pertaining to project cessation and closure
- Agreed extra country arbitration body in case of disputes
- Relevant legal opinions

The undersigned authorized officer of the Applicant declares that to the best of his knowledge the statements set forth in this application are true and no material information has been withheld.

The undersigned agrees that the existence of any policy that may be issued will not be disclosed to the Host Government. All information in this application will be treated confidentially by the Company.

Singing of this application does not bind the undersigned to complete the insurance, but it is agreed that this application shall be the basis of insurance should a policy be issued and will be attached to form part of the policy.

APPLICANT (Investor or Lender): _____

BY: _____ DATE: _____
 (Signature)

PRINT NAME AND TITLE: _____

BROKER: _____

BY: _____ DATE: _____
 (Signature)

PRINT NAME AND TITLE: _____



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APPLICATION FOR POLITICAL VIOLENCE ADDENDUM TO CONFISCATION, EXPROPRIATION, AND NATIONALIZATION INSURANCE

Should answers to any of the following questions require more space than provided, attachments providing particulars are welcome, especially in the case where more than one Host Country is involved. This application is to be attached to an application for Confiscation, Expropriation, and Nationalization Insurance.

1. APPLICANT

a. Name: _____

b. Mailing Address: _____

2. a. Description of area surrounding location(s) to be insured (e.g. rural, commercial, government or military compound, etc.)

b. Describe occupants of surrounding buildings: _____

c. Is any equipment to be housed in a building? If so, please describe: _____

3. Has the Insured or the Foreign Enterprise had any incidents of strikes in the last 5 years? If yes, please describe briefly, including statement of whether or not there was any violence.

4. Have there been any incidents of rioting or civil disturbance near the location of the Foreign Enterprise in the last 5 years? If yes, please describe briefly. _____

5. Description of security at location(s) to be insured:

a. Is there a guard force at the location full time? _____

If yes, number of guards on duty at all times: _____

b. Are there intrusion detection and CCTV systems? _____

c. Is there a perimeter fence? _____ Is it lighted? _____

d. Is there an access control system (i.e., card access, sign-in etc.)? _____

If yes, what type? _____

e. Please attach brief general description of security arrangements.

The undersigned authorized officer of the Applicant declares that to the best of his/her knowledge the statements set forth in this application are true and no material information has been withheld.

The undersigned agrees that the existence of any policy that may be issued will not be disclosed to the Host Government. All information in this application will be treated confidential by the Company.

Signing of this application does not bind the undersigned to complete the insurance, but it is agreed that this application shall be the basis of insurance should a policy be issued and will be attached to form part of the policy.

BROKER

APPLICANT

Broker _____

Signed _____

Address _____

Title _____

Corporation _____

Date _____