



## ***Confiscation, Expropriation, Nationalization (CEN) Insurance***

### **Exposure need**

Companies investing outside of the United States, Canada and Western Europe in plant, property and equipment are at risk of losing their investment due to acts of government. These foreign assets are at the mercy of government officials in Third World countries whose understanding of fair business practices often reflects their own self-interest. Assets such as a manufacturing plant or even a subsidiary company may be seized by a government. Companies may lose control of their assets due to a law or decree imposed by the host government. They are then forced to write off the seized asset.

### **Loss scenario**

A U.S. chip manufacturer establishes a plant in Asia with a local joint venture partner. Following a dispute with the local partner, the chip manufacturer's plant is raided by local police and agents of the government. During the raid, critical customer information is destroyed and the office is severely damaged.

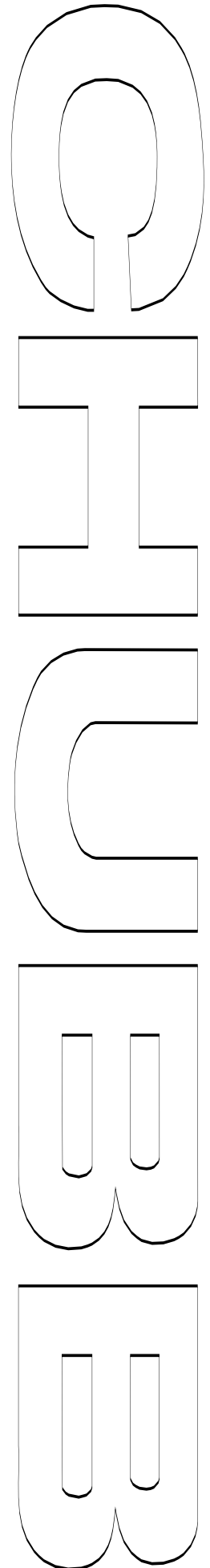
### **Product overview**

Protects companies against the financial loss (e.g., an extraordinary write-off) of an investment/asset due to:

- ▲ Confiscation, expropriation and nationalization of assets
- ▲ Willful destruction of assets
- ▲ Passage of new laws that make the business environment unfriendly for foreign investors

The policy fills an insurance need created by exclusions in property programs concerning government acts. The policy can be expanded to include political violence (war, civil war, strikes, riots and civil commotion) and the inability to remit profits and dividends produced at the foreign facility.

*(over)*



## Product highlights

- ▲ Up to \$50 million in capacity available per country.
- ▲ Policy period of up to 10 years. Longer terms are available through cancellation and rewrites.
- ▲ No minimum premium.
- ▲ May be written on a single- or multi-country basis. The multi-country approach is more cost-effective and easier to administer. Additional countries and limits may be added.
- ▲ 100% indemnity (no coinsurance) for most clients.
- ▲ No deductible for most clients.
- ▲ Policy terms and conditions can be tailored to meet specific needs.

## Additional features

- ▲ Political violence (physical damage) insurance for insured assets.
- ▲ Currency Inconvertibility coverage for profits, dividends and loan repayments.
- ▲ Sublimits available for forced divestiture, forced abandonment, selective discrimination, third-party blockade, deprivation and non-repossession of assets.

**For additional information on Confiscation, Expropriation, Nationalization (CEN) Insurance, please call your local Chubb underwriter.**



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This literature is descriptive only. Actual coverage is subject to the language of the policies as issued.

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