



Case Study

PORTFOLIO LEVEL POLITICAL RISK INSURANCE

PARTNER PROFILE

ORGANIZATION

A global investment fund focused on micro finance

ORGANIZATION SIZE

More than \$300 million in assets under management

GEOGRAPHIC SCOPE

Operating worldwide, with a focus in emerging and developing markets



INSURANCE



ADVISORY



EDUCATION

BACKGROUND

Due to the fund's core objective of working with low income financial institutions, they often sought investments and capital deployments in riskier countries with often unpredictable political and market stability. As a result, the fund sought to mitigate these risks with political insurance cover, however due to the nature of these potential investment threats, it was sometimes cost prohibitive to secure this type of coverage, if it was available at all. The lack of affordable or available insurance coverage meant that the fund would go uninsured or forgo investment opportunities all together.

SOLUTION

Risk Cooperative was able to develop a customized insurance solution that leveraged the fund's entire investment portfolio rather than ad hoc insurance placements. By working on a more strategic portfolio wide approach, Risk Cooperative was able to create a lower fixed price point for political risk insurance, as well as reserve ongoing insurance capacity for future investments. This meant the fund could price the cost of insurance as it was contemplating investments or capital raises, rather than having to back in once the deal was already structured. Having reserved capacity on call with insurers also allowed the fund to manage its future investments, knowing they could secure insurance at pre-determined rates, regardless of what political conditions or issues were present. This approach allowed the fund to bring more passive investors off the sidelines and deploy more capital to meet its core objective, while benefiting from a fixed price on risk and uncertainty.



Risk Cooperative is a specialized strategy, risk, and insurance advisory firm, providing institutions with customized risk transfer and insurance solutions in partnership with leading insurance companies and value adding partners. We approach risk with integrated insurance, advisory and educational capabilities, helping organizations address risk, readiness and resilience through our consultative engagement model, **Resiliency 360°**. Risk Cooperative is licensed in all 50 states, D.C., and Puerto Rico.

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