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Overseas Private Investment Corporation
1100 New York Avenue, NW
Washington, DC 20527
Email: foia@opic.gov

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September 29, 2017

SENT VIA E-MAIL

RE: Response Letter for FOIA Request 2017-00054

This letter is a final response to your Freedom of Information Act (“FOIA”) request dated August 17, 2017 and received September 7, 2017. Your request has been assigned **FOIA Number 2017-00054**. Please reference this number in all correspondence concerning your request. You requested:

A copy of the OPIC Advisory Council meeting minutes during calendar years 2015, 2016, and 2017.

OPIC located two records responsive to your request. These records are being released in part. Partial withholdings have been made pursuant to Exemption b(6).

Exemption b(6) of the FOIA protects information about individuals in “personnel and medical files and similar files” when the disclosure of such information “would constitute a clearly unwarranted invasion of personal privacy.” 5 U.S.C. § 552(b)(6). The exemption was meant to be interpreted broadly and is not tied to the label of the file containing the information. United States Department of State v. Washington Post Co., 456 U.S. 595 (1982). Exemption b(6) is therefore applied when the private interest in keeping personal information is greater than the public interest in disclosure. Dep’t of the Air Force v. Rose, 425 U.S. 352, 372 (1976). The only public interest relevant in a b(6) inquiry is the public interest in knowing what the government is up to. Dep’t of Defense v. Fed. Labor Rel’n Auth., 510 U.S. 487, 497 (1994). OPIC has withheld the identity of private sector individuals who submitted their frank comments to OPIC. The purpose of these meetings is to provide OPIC with frank private sector views on its insurance products. Attending private sector individuals will not be free to provide their frank critiques if their identity is associated with the comments. OPIC is releasing the comments themselves, as well as OPIC’s response, in full, therefore the public interest in knowing OPIC’s response to the comments is not obstructed by the redaction of the identity of the private sector speaker.

As an “all other requests,” the first two hours of search time and all review time is provided at the agency’s expense. No fees are due for this request.

This is a final agency response. You may contact me or the FOIA Public Liaison for any further assistance and to discuss any aspect of your request. Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about FOIA dispute resolution services they offer. The contact information for OGIS is as follows:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road-OGIS
College Park, MD 20740-6001
Email: ogis@nara.gov
Phone: 202-741-5770 | Toll Free: 877-684-6448 | Fax: 202-741-5769

If you are not satisfied with OPIC's response to this request, you may administratively appeal by addressing a written appeal to the following:

Deputy General Counsel
Overseas Private Investment Corporation
1100 New York Ave., N.W.—12th Floor
Washington, D.C. 20527

Your appeal must be postmarked or electronically transmitted **within 90 days** of the date of this response to your request. Both the envelope and the letter should be marked "FREEDOM OF INFORMATION ACT APPEAL." The appeal should clearly identify the agency determination that is being appealed and include the request number. If you are not satisfied with the results of any such appeal, judicial review is available to you in the United States District Court for the judicial districts in which you reside or have your principal place of business, or in the District of Columbia.

Sincerely,

Nichole Skoyles

Digitally signed by Nichole Skoyles
DN: cn=Nichole Skoyles, o=Overseas Private
Investment Corporation, ou=Legal Affairs,
email=nichole.skoyles@opic.gov, c=US
Date: 2017.09.29 15:05:33 -04'00'

Nichole Skoyles
Administrative Counsel
Overseas Private Investment Corporation
1100 New York Avenue, N.W.
Washington, D.C. 20527

PRIVATE MARKET ADVISORY GROUP

CONFERENCE CALL

DECEMBER 6, 2016

MINUTES

The PMAG conference call was held in the OPIC Europe Room at 10:00 AM, Tuesday, December 6, 2016. In attendance from OPIC were:

Elizabeth Littlefield
Tracey Webb
John Moran
Mildred Callear
Ruth Ann Nicastri
Cindy Shepard
Adam Dembling
Emily Clark
Steven Johnston
Kate Schweigart
Christina Halpern
Warner Selle
Deborah Allison
JoAnn Young
Mac Johnston of Robert Wray

Outside participants are listed on the attached sheet. (Attachment 1)

The phone line was opened at 9:45 by JoAnn Young. The outside participants dialed in. The meeting was opened by Elizabeth Littlefield at 10:02. A partial draft of her opening remarks is attached. (Attachment 2) In addition to her prepared remarks, she mentioned the FY2016 business results and reported the dollars that OPIC had returned to the US Treasury. She mentioned that this was her last PMAG event and she thanked everyone for their participation over the years. She talked about the SF/I merge and reported that OPIC has two (2) outside sources working on evaluating the market to determine what the PRI needs are, etc. She opened the floor for questions.

(b) (6) noted that process time at OPIC was long. She misunderstood one of ELL's comments and thought the OPIC was getting out of the PRI business. ELL quickly explained that OPIC is never exiting the PRI market and that OPIC does not compete with the private market and we only step back when the private market is available and ready to handle a particular project/country. ELL also told (b) (6) that we are aware of the process time and that we are working on that internally.

(b) (6) thanked ELL for her leadership and said that it was good working with Tracey. He would like to see more co-insurance and reinsurance. He wants to see PMAG continue. He asked if the work of the outside sources that ELL mentioned would be shared with the PMAG.

ELL said that she was in favor of sharing the ideas of the outside sources with PMAG and suggested coming back to the PMAG in 6 months or so with a report.

(b) (6) had a transition question – what has happened? How will the new administration affect OPIC and PRI?

ELL said that OPIC has not yet been contacted by the transition team nor has any of our sister agencies. She stressed that OPIC's role in foreign policy is much appreciated and she does not see any problems for us.

ELL turned the meeting over to Tracey.

Tracey made opening remarks; thanked everyone for calling in; stressed that she is open to ideas; and also stressed that OPIC does not compete with the private market. She mirrored ELL's comments that the merger of SF and Insurance was to provide better service for the clients.

Tracey opened the floor for discussion on how OPIC and the private PRI market can cooperate effectively to meet investor needs.

(b) (6) suggested it would be nice if OPIC had a delegated authority program to commercial banks like EXIM has. She thought this would improve processing time. There was discussion and the thought was that maybe this could work for certain type of projects.

Tracey stressed that turnaround time and small business was a priority for her and that we are working internally on improving turnaround time. She said she would look at the EXIM program and see if there might be anything OPIC could do similarly. She stressed that she gets it the OPIC needs to improve processing time.

There was discussion about value OPIC brings to the table on advocacy. (b) (6) said that many clients want OPIC alongside the private insurers.

There was discussion of co-insurance and re-insurance. Ruth Ann explained how reinsurance works. (b) (6) mentioned that clients like to have a choice in these matters.

Again, it was mentioned that OPIC has a long process time and we should streamline the process. It is a high bar to get OPIC on board with a project.

Tracey said that refreshing Insurance at OPIC was an agency wide effort. She asked for any realistic suggestions.

(b) (6) said that the IRC standards that OPIC uses are meant as guidelines and not regulations the way OPIC interprets. Tracey said that we would take a look and see if we can change anything.

(b) (6) said that the OPIC board is a bottleneck. He suggested that OPIC increase IT to \$100 million – he thinks the current \$50 million is too low.

Tracey moved the meeting to how OPIC could enhance utilization of brokers. She asked for suggestions.

(b) (6) said that OPIC pays brokers below market fees and we should come up to market standards. (b) (6) said that the \$250,000 yearly cap is below market. He said that they sometimes just negotiate with the client for a fee to cover their expenses. Mildred Callear asked how OPIC compares to others on commissions and Kate Schweigart gave info on MIGA's program. (b) (6) said that he thinks that OPIC just does not appreciate what an experienced broker can bring to the table. He suggested having an in house workshop with brokers and OPIC.

Tracey said that a workshop was something she had slated for this year.

(b) (6) suggested that OPIC make it transparent that we work with brokers – maybe appoint a point person for brokers at OPIC (one person that knows how the private market works) – maybe put on our website. There was discussion. (b) (6) thought this would streamline the process. He thought OPIC could use the broker to get out in the market place to get the best reinsurance. (b) (6) suggested we use the broker to help the process – she thought having experienced hands helping could streamline. (b) (6) said that brokers are not encouraged to work with OPIC. He thinks the brokers need more info from OPIC so they can help with the process. (b) (6) said OPIC should get the brokers engaged and educate them about the process.

Tracey asked what OPIC could do to enhance OPIC's value to the brokers.

(b) (6) suggested bringing private insurance to projects that the privates might not consider if OPIC were not involved – ceded insurance – the privates would take a look if OPIC were involved. (b) (6) agreed. There was discussion

Tracey said that the goal is to get the private market to reinsure.

(b) (6) suggested offering the non-honoring coverage on small projects with high risks. There was discussion and Steven Johnston explained what non-honoring was and explained about our issues with OMB and Treasury. (b) (6) suggested bringing this idea to the Board and try to get it approved.

At 11:30, Tracey closed the meeting by thanking the PMAG participants for their time and feedback. She said this was the first of, hopefully, a series of calls.

Attachment 1



PRIVATE MARKET ADVISORY GROUP Conference Call December 6, 2016

PARTICIPANTS

PURCHASERS OF PRI

Nora Dobin – Apache
Adrienne Jones – Apache
Beth Touomou – Bethel
Gimi Giustina – Citi
Lynee M. Bradley – Citi
Steve Howlett – GE
Bob Chadwick – GE
Marie Torres – Ellicott

BROKERS

Greg Lowe – AON
John Minor – AON
Conal Duffy – Alliant
Stephen Kay – Marsh
Julie Martin – Marsh
Michael Nelson – Willis

PRIVATE INSURERS

Sean Dunphy – AIG
Garret Glassman – Beazley
Matthew Dunne – Beazley
Price Lowenstein – Chubb
Jim Thomas – Everest
Edie Quintrell - Liberty
Jared Kotler – Talbot
Daniel Riordan – XL Catlin
Richard Abizaid – XL Catlin
David Anderson – Zurich
James Brache – Zurich

OBSERVERS

Ken Blohm – Blohm Law
Ken Hansen – Chadbourne
Bob O’Sullivan - Erols
Franklin Nutter – RAA
Tracey Laws – RAA
Kara Morell – RAA

Attachment 2

ELL Introductory Remarks to 2016 PMAG Call:

- Welcome to the 2016 Private Market Advisory Group meeting.
- This call underscores OPIC's commitment to engage and cooperate constructively with the U.S. private insurance market.
- As you are aware, OPIC is mandated by statute to cooperate with the private sector PRI industry.
-
- The global PRI industry has grown significantly in the past decade, and there is now a large, well-functioning, highly-competitive market with insurance syndicates, co-insurance, reinsurance networks, and knowledgeable brokers.
 - <http://www.insurancejournal.com/news/international/2015/06/17/372060.htm>
- Key purpose of this meeting is to get your views on how OPIC can be most effective in fulfilling its role to enhance the private industry's presence in emerging markets and transitioning economies.
- Pleased to welcome [to the call] a broad range of participants from the private sector, including:
 - representatives from the U.S. private political risk insurance and reinsurance sector,
 - U.S. companies that use political risk insurance to meet their needs, and
 - insurance brokers who play such an important role in bringing deals to OPIC where our involvement is critical to facilitating the private capital flows.
- Also very pleased to formally introduce to all of you - Tracey Webb, who is the true host of this event as OPIC's Vice President for Structured Finance and Insurance.
 - In March of this year, Tracey was announced as the head of that department after we decided to combine both financing and insurance into a single department.
 - Under Tracey's excellent leadership, OPIC continues its strong commitment to being in the political risk insurance space.
- Consolidation was intended to accelerate and expand the closer cooperation among OPIC various product lines:
 - not just within Structured Finance and Insurance,
 - but also with our SME Finance transactions, our Investment Funds product, and as a stand-alone PRI instrument.
- The early results are good, as evidenced by two recent board approvals for PRI in Ghana and Ukraine. In addition, there are two Insurance deals coming to our Board later this week relating to the Leviathan natural gas fields in the Mediterranean Sea off of Jordan and Israel.

- In addition, OPIC has made an effort to work more actively in sharing liabilities through reinsurance and co-insurance, in cooperation with other private and public insurers and recently adopted internal policies in support of that work.

- As noted earlier, OPIC is committed to remaining in the PRI market, but we want to ensure that we play a catalytic, relevant role in doing so.
 - Recently received input from experts with significant experience with OPIC and the private market's political risk insurance products”
 - We will be looking at that to determine what changes we want to prioritize.

- I want to provide an overview on OPIC's position as the U.S. Government's Development Finance Institution and Political Risk Insurer.
 - [e.g., “OPIC's model has very strong and broad appeal as a business-based, private sector profitable solution to global challenges. We are "development that pays for itself."]

- I can also share where I see OPIC emerging in this uniquely American tradition of a Presidential Transition.

- Questions, before I turn this over to Tracey and to you all?

Overseas Private Investment Corporation Conference Call Meeting

Wednesday, July 26th, 2017

Minutes

The meeting was called to order by Tracey Webb, Vice President, Structured Finance and Insurance at 12:45 pm on Wednesday, July 26th 2017 in the OPIC Europe Room. In attendance were:

Structured Finance/Insurance Department:

Deborah Allison, Associate

Adam Dembling, Insurance Project Specialist

Emily Clark, Project Finance and Insurance Project Specialist

Ruth Ann Nicastrì, Managing Director, Political Risk Insurance

Marlena Hurley, Insurance Project Specialist

Steven Johnston, Managing Director of Political and Sovereign Risk

Kate Schweigart, Director, Political and Sovereign Risk (by phone)

Janice van Stolk, Administrative Programs Manager

Corporate Officers:

Edward Burrier VP, Office of External Affairs

Mildred Callear VP, Financial and Portfolio Management

William Doffermyre, VP, General Counsel

Cindy Shepard, Associate GC for Insurance

Dev Jagadesan, Associate GC for Administration

Ms. Webb welcomed the participants and expressed that OPIC welcomes this opportunity to respond to the feedback received from participants at the December 2016 PMAG Conference Call.

Ms. Webb proceeded to introduce Edward Burrier, OPIC's new Vice President of the Office of External Affairs. Mr. Burrier described his professional background leading to his position at OPIC including 18 years working in various capacities on Capitol Hill. For 4 ½ years he served as Deputy Staff Director of the House Foreign Affairs Committee which has oversight for OPIC and is chaired by Edward Royce(R-CA).

Mr. Burrier announced OPIC's nominees for President and Chief Executive Officer, Ray Washburne and Executive Vice President, David Bohigian who are expected to be cleared by the Senate Foreign Relations Committee on July 27th, with the hope that they would be confirmed by Senate vote before the August 4th recess. Mr. Burrier described briefly the backgrounds of OPIC's new management team and stated they are "eager to hit the ground running."

Concerning the status of OPIC, Mr. Burrier informed that the report accompanying the FY18 House Appropriations bill contained specific language that the Committee does not envision a wind-down of OPIC.

(b) (6) noted that OPIC is very small but has a huge task. She asked about the prospect for additional OPIC staffing. Mr. Burrier stated that in light of the increased funding, there have been plans to increase OPIC staff in monitoring and evaluation functions.

Ms. Webb then introduced the topic of brokers' fees and commissions which had been raised at the last PMAG Conference call in December 2016.

Kate Schweigart, a member of OPIC's Insurance team addressed new developments on this topic.

Ms. Schweigart informed of OPIC's research into fees paid by other multilaterals in the industry, for example MIGA. However, she pointed out that OPIC is structurally different from any other provider. Ms. Schweigart reviewed that OPIC has been paying brokers fees as follows: a commission equal to 15% of the gross premium paid by an insured for each executed contract. Commissions are capped at US \$200,000 per year. Ms. Schweigart noted that OPIC acknowledged room for growth in response to Participant's comments given that OPIC's commissions have been stagnant for many years. Therefore, Ms. Schweigart announced that OPIC had determined to adjust the cap on its commissions paid to \$250,000 effective immediately.

(b) (6) "applauded OPIC for its responsiveness" in offering this increase. He noted that it's important to (b) (6) that OPIC is now closer to the private market standard because they need brokers and they want brokers who are interested in working with OPIC.

An unidentified participant asked whether this change would be retroactive. Ms. Schweigart replied that OPIC has no contract outstanding where the amounts involved would require an adjustment based on this increase.

Ms. Webb noted that OPIC has been very interested in improving its relationship with brokers and private sector investors and has been taking steps to accomplish this objective. In addition, OPIC has sought to address another issue raised previously by participants. Namely, OPIC will have a one day Broker Training in August 2017. OPIC's goal is to increase understanding between private brokers and OPIC. Ms. Schweigart noted that OPIC had attempted to discern issues needed to be addressed by inquiring of brokers the reasons why they may have gone to OPIC or not for underwriting political risk contracts recently. It came to light that brokers had a problem with the timing of OPIC's processing. Ms. Schweigart noted that because of OPIC's policies concerning social change and environmental concerns, etc. there is little flexibility in the

timing of the process. However, OPIC would like to improve the functionality of the process and assist brokers in working through OPIC's process. Ms. Schweigart also talked about training brokers in the OPIC process and Ms. Webb said that would take place but had yet to be scheduled. When it does take place, it will focus on how to complete Form 248 and other OPIC forms, as well as OPIC's standard equity contract. The goal would be to make the process more familiar and therefore easier for brokers to enable them to convey OPIC's processes with greater ease to their clients.

Ms. Webb invited questions and comments. (b) (6) asked whether OPIC had any plans to combine its efforts marketing political risk insurance with brokers who could offer knowledge of the market. Ms. Webb responded that she saw no reason why this couldn't be the next step and remarked that it would be very positive.

Ms. Webb stated that OPIC is expanding its reinsurance capacity. To address this topic she introduced Marlena Hurley and Cindy Shepard as the next presenters. Ms. Hurley and Ms. Shepard stated that OPIC had received fair and reasonable comments from participants who participated in the review of OPIC's reinsurance contract template. Ms. Shepard stated that changes have been adopted in the reinsurance template to narrow the responsibility of the Primary Insurer while achieving OPIC's objectives of ensuring proper controls and flows. Ms. Shepard described that three main changes were made to the contract to limit the responsibility of the Primary Insurer. She described these three new requirements: (1) the Primary Insurer will be required to include OPIC's requirements in the underlying contract; (2) the Primary Insurer will be required to use reasonable efforts to cause the Insured to comply with OPIC's requirements; and (3) acting on OPIC's instructions the Primary Insurer would be required to terminate the underlying contract for noncompliance with OPIC requirements.

Ms. Shepard stated the rationale for these changes was to close the gap between the primary insurance contract and the reinsurance contract with respect to compliance and termination. Ms. Shepard noted that OPIC will also provide notice of failure to pay premiums prior to OPIC's receipt of this notice.

Ms. Webb commented that at the last PMAG call in December 2016 concerns were raised about OPIC's reinsurance template. OPIC seeks to use the private sector more often for feedback. Ms. Webb stated that OPIC hopes that since the private sector gained familiarity with the new template, execution time will be improved.

(b) (6) stated that OPIC's efforts to engage the private market and to streamline the process are a great improvement. He asked for clarification of the termination provision of the new reinsurance template. Specifically, he asked whether the termination refers solely to the reinsurance contract of the primary insurer by OPIC or does it seek to reach through to the primary insurance contract as well.

Ms. Shepard clarified that the template refers to termination of the reinsurance contract by OPIC. At the same time one of the covenants provides the Primary Insurer would act on OPIC's instructions to terminate the primary insurance contract.

(b) (6) noted appreciation for OPIC's willingness to solicit comments from the private market and to understand what the private market does. She stated that she is looking forward to seeing the new reinsurance template.

(b) (6) asked whether the contract revisions would apply to reinsurance contract only or whether they would apply also to the financing or reinsurance of long term and specialty services, for example, OPIC insurance of bid bonds and performance bonds offered to exporters.

Ruth Ann Nicastrì responded that because the projects to which these coverages relate are small, OPIC would likely insure them directly and reinsurance wouldn't be relevant.

(b) (6) suggested that OPIC consider credit insurance coverage on the finance side to offlay some of the risk of financing transactions.

Ms. Webb responded that OPIC would look into this in the future and suggested that there may be a place to grow OPIC's business in this manner, particularly in light of the merger of the insurance and finance departments.

Ms. Webb introduced Steven Johnston to update on the application of the breach of contract product to capital markets. It was noted that this product has been offered for 35 years in other contexts.

An outline of Steven Johnston's remarks is attached. Ms. Webb noted that a project using this product will be taken to the OPIC Board of Directors in September.

(b) (6) asked if this would be submitted to the Board for approval of the product or approval of the specific transaction.

Ms. Webb responded that this would be approval of a project which will involve approval of the concept, as the presentation to the Board will require setting forth the whole process.

An unidentified participant asked about the expected tenure of the product. Mr. Johnston replied that the tenure would be for a maximum of twenty years, typically 15 to 20 years.

He informed that Fitch had previously analyzed the product and indicated that a project supported by the OPIC insurance would likely be rated no higher than single A. It was noted that MIGA offers a similar product. The private market has a more difficult time offering this product because they are unable to add the same value as OPIC, or another public insurer.

(b) (6) questioned whether since not a full guarantee, would there be an uplift in the rating of the bonds.

Ms. Webb reiterated that this product does not offer a full guarantee, rather it's an insurance product. The 2012 Fitch report addresses the issue that the product must be investment grade to access capital markets. It was noted that there are institutional investors who can participate in only investment grade products. It would be important to achieve a long term uplift in ratings.

Ms. Webb invited any comments of participants and requested any other items to discuss before conclusion of the call. She informed that the next event would be scheduled within the calendar year.

(b) (6) asked whether it would be possible to have an in person meeting.

Ms. Webb responded that an in person meeting is the aspiration for the next meeting. Ms. Webb thanked everyone in attendance.

The meeting was adjourned by Ms. Webb at 1:45 pm and the call was concluded.

BREACH OF CONTRACT FOR CAPITAL MARKETS - PMAG; JULY 2017

- i. OPIC has been working on applying an existing insurance product to the capital markets. Some of the highlights are:

The Breach of Contract for Capital Markets product (**BOC Coverage**) is designed to support the financing of qualified projects where the sovereign or an SOE is implementing a project and acting as the borrower under the financing for the project. In recent years, access to long-term capital markets financing has become crucial to the completion of critical infrastructure projects in emerging markets. **BOC Coverage protects capital markets investors against a breach of a contract, in this case, a loan contract with an American investor, by the host government.**

BOC coverage is typically available for important public benefit projects such as the modernization or construction of hospitals, water treatment facilities, agriculture commodity storage, non-toll roads, schools and other infrastructure.

- This insurance product is not new. Rather, the application to the capital markets is new.
- OPIC management will make the decision about how OPIC will take this product forward; types of projects, US connections, etc.
- Actually implementing a deal requires a high level of coordination among OPIC, the host government, and the investment bank.

- ii. The Borrower must be either a:

- Ministry: Ministry of Finance or other ministry satisfactory to OPIC; part of the sovereign.

OR an

- SOE: May or may not be part of the sovereign. If the SOE is not part of the sovereign, then a satisfactory sovereign guaranty for repayment of the Loan is required.
- Host country is New York Convention or equivalent signatory.

- iii. Loan (insured investment):

- Finances, in full or in part, an approved project.
- Issuance of the loan must be consistent with any active IMF-World Bank debt sustainability framework for the host country.
- Terms will include, among other OPIC-specific items:
 - Administered arbitration (i.e. "fast-track arbitration"), estimated to require no more than six months.
 - Debt service reserve funded to cover largest interest payment due.
 - Legal reserve fund established at estimated amount required to cover arbitration costs and attorneys' fees should a dispute arise.
 - Minimum of two OPIC provisional payments.

iv. **Insurance Coverage - Expropriation (Limited to Nonpayment of an Arbitral Award and Denial of Justice):**

FOR NONPAYMENT OF AN ARBITRAL AWARD:

- (A) To eliminate legitimate defenses of non-payment, the Lender obtains a final arbitral award against the Borrower (if it is a sovereign entity) or the sovereign guarantor (if the Borrower is a state-owned enterprise) for non-payment of principal and/or interest, pursued and issued in accordance with the dispute resolution mechanism in the underlying loan agreement, and
- (B) the Borrower refuses to pay the arbitral award.
- (C) Compensation is the lesser of the amount of any unpaid principal and interest or the unpaid arbitral award; subject to the maximum contingent liability of the insurance contract.

For Denial of Justice:

- (A) the Lender initiates the arbitration procedure against the Borrower pursuant to the loan agreement and uses commercially reasonable efforts to bring the dispute resolution procedure to a formal conclusion, and
- (B) the foreign government, for six months, frustrates, obstructs, thwarts, or denies the Lender's commercially reasonable efforts to bring the dispute resolution procedure to a formal conclusion.
- (C) Compensation is the amount of any unpaid principal and interest; subject to the maximum contingent liability of the insurance contract.

Fitch has analyzed the BOC Product and concluded that "although the enhancement provided by the insurance including the provisional payments, provides some comfort on receiving timely payments, the enhancement is an insurance product, and not a full guarantee".¹ Furthermore, Fitch begins on the premise that the BOC Product is formed out of traditional political risk insurance that with the addition of nonpayment of an arbitral award and other features (e.g. denial of justice, transaction reserves, and fast track arbitration) distinguishes the product as a specialty political risk insurance; but still an insurance product.

OPIC hopes that a transaction using this product will be approved this September and that our new Front Office will make a decision on how to further implement application of this product.

¹ Fitch Special Report: Political Risk Evolves; PRI Returns to Capital Markets with New Applications (February 2014).