

Micah Skidmore in Law360: ‘Political Risk Insurance May Help Cos. Hurt by Russian War’

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PRACTICES Insurance Recovery, Litigation, International Arbitration

By one recent estimate, Russian military forces have inflicted more than \$100 billion in damage on Ukrainian property, including buildings, infrastructure and other physical assets, in addition to the immeasurable human toll in death, pain and suffering.

Compensation for loss and damage to real and personal property is among the coverages afforded by political risk insurance.

While terms and conditions vary by policy, political risk insurance can cover the value of the insured's investment in a country like Ukraine — subject to policy limits — that has been lost due to political violence aimed at achieving political, religious or ideological objectives, among other things.

Political risk coverage for investments in Ukraine has fluctuated over time, with a low ebb in 2014 following Russia's incursion in the Crimean Peninsula. The Insurance Information Institute estimates that underwriters have placed more than \$3.5 billion in political risk coverage for investments in Europe and Russia in 2021.

Companies placing this coverage will undoubtedly review the terms of their policies, give notice and pursue claims for compensation relating to property damage as appropriate.

But beyond physical loss and damage to property in Ukraine, U.S. companies have lost and will continue to lose additional billions of dollars by discontinuing operations in Russia as a result of its aggression in Ukraine.

Excerpted from *Law360*. To read the full article, click [here](#).