

**WILMER, CUTLER & PICKERING ADVISES
CAF/AIG: Political Risk Insurance for Latin America**

Washington, D.C. -- April 3, 2000 -- Corporación Andina de Fomento ("CAF"), represented by Wilmer, Cutler & Pickering ("WCP"), signed a joint venture agreement this week with American International Group ("AIG") to form the Latin American Investment Guarantee Company Ltd. ("LAIGC"). LAIGC, to be based in Bermuda, will issue political risk and investment guarantee insurance to financial institutions and private companies in Latin America and the Caribbean. The newly formed insurer will offer coverages for confiscation, expropriation, and nationalization; contract repudiation; political risk for exporters and importers; wrongful calling of guarantee; and political risk insurance for projects. CAF and AIG each will contribute \$25 million to the capital structure of LAIGC. AIG Global Management Company Ltd. will provide underwriting, claims, and administrative support to LAIGC.

WCP advised CAF in its negotiations with AIG on shareholder arrangements, the underwriting guidelines for LAIGC, and the agreements governing the relationship between LAIGC and AIG Global Management Company Ltd., as managing general agent for LAIGC.

Christian Petersen, one of the WCP lawyers involved in the transaction and a member of the firm's Latin American Practice Group, said, "LAIGC is an important public/private partnership at the regional level, and one which will promote and assure that critical investment continues to be made in the region. LAIGC combines AIG's insurance expertise and network with CAF's unparalleled understanding of risks in the region."

Other WCP lawyers involved in the deal were Paul Dwyer and Natán Leyva.

Wilmer, Cutler & Pickering is an international law firm with offices in Washington, D.C., Baltimore, New York, London, Brussels, and Berlin. It has a broad practice spanning the full range of regulatory work, cross-border transactions, high-stakes litigation, corporate matters, and international arbitration matters. The firm's Latin American Practice Group provides legal advice with respect to international corporate transactions, especially in the areas of direct investment, mergers and acquisitions, project finance and lending, and capital markets financings.

For further information about this matter, please contact Roberto Dañino, Chairman of the Latin American Practice Group, at 202-663-6994.