



Oxford
Analytica

VAPOR – Value at Political Risk

Imagine if you could quantify the cost of political risk events

The threat posed to businesses by political upheavals or social change, such as expropriation or mass strikes, are difficult risks to manage as the past is often a poor guide to the future.

Political risks can emerge rapidly in societies that have enjoyed stable business conditions for years, so that simple trend assessments or data analysis are inadequate in gauging the financial impact of political risk.

“*Political risk has increased significantly, now becoming a reoccurring and material cost of doing business. If these levels remain elevated, companies will fall under increasing pressure from shareholders for greater levels of transparency around the losses actually incurred and the companies' ability to monitor, quantify and manage these risks as well as their strategy to mitigate them.*”

Paul Davidson

CEO, Financial Solutions, Willis Towers Watson

The VAPOR Advantage

VAPOR is a unique analytics tool, which allows global companies to assess in real dollar terms, the financial impact of political risk exposure by industry and country.

VAPOR gives businesses a competitive edge by:

- Estimating dollar-value losses for political risk events over time
- Monitoring political risk exposures on an ongoing basis in light of changing world conditions
- Assessing the severity of particular political risk contingencies under alternate investment scenarios

Companies that can estimate the cost of political risk contingencies over time can expect a lasting financial performance gain.

Features

By harnessing the combined strength of Oxford Analytica's geopolitical analysis and the extensive political risk experience of the Willis Towers Watson team, we have created an online modelling tool with the following features:

- Investment scenario builder
- Industry specific datasets
- Interactive map allowing for comparative risk assessment
- Exposure graphs
- Easy data upload via Excel
- Export results of the mathematically generated portfolio value at risk results at any desired percentile



Willis Towers Watson

VAPOR covers six different political risk perils, across 14 industries in over 160 countries, with risk ratings updated regularly.

Industry types	Perils
<ul style="list-style-type: none">▪ Agriculture▪ Wholesale & retail▪ Financial services▪ Food services, leisure & real estate▪ Construction▪ Education, health care & social assistance▪ Metals & mining▪ Gas & water utilities▪ Information, technology and telecoms▪ Transportation & warehousing▪ Manufacturing▪ Oil & gas▪ Power utilities▪ Professional, scientific & technical services	<ul style="list-style-type: none">▪ Confiscation▪ Political violence▪ War▪ Exchange transfer▪ Import/export embargo▪ Sovereign non-payment

The outputs

The VAPOR system produces two main types of financial value outputs:

1. An estimate of the expected cost of doing business as a result of political risk for a business in a particular industry, in a particular jurisdiction, over a given time horizon.
2. A mathematically generated estimate of the cost of a 'worst case' political risk contingency over the portfolio of exposures globally.

Contact us

Paul Davidson

T: +44 (0) 20 3124 6051

E: paul.davidson@willistowerswatson.com

Andrew van den Born

T: +44 (0) 20 3124 7549

E: andrew.van_den_born@willistowerswatson.com

Claire Simpson

T: +44 (0) 20 7558 9314

E: claire.simpson@willistowerswatson.com

The content made available by Oxford Analytica on the Platform (the "Oxford Analytica Content") is provided for general information purposes for Users only. It is not intended to amount to advice on which Users should rely or base any business decisions and we recommend that Users obtain professional or specialist advice before taking, or refraining from, any action on the basis of the Oxford Analytica Content.

Oxford Analytica endeavours to ensure that all Oxford Analytica Content is up-to-date, accurate and comprehensive. Users acknowledge, however, that the accuracy and completeness of the Oxford Analytica Content depends on factors outside of Oxford Analytica's control and the sources on which the Oxford Analytica Content is based may change or become out of date very quickly. Oxford Analytica therefore makes no representation, warranty or guarantee, whether express or implied, that the Oxford Analytica Content is error-free, complete or up-to-date.

© Copyright 2017 Willis Towers Watson. All rights reserved: No part of this document may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, whether electronic, mechanical, photocopying, recording, or otherwise, without the written permission of Willis Towers Watson.



Oxford
Analytica

Some information contained in this document may be compiled from third party sources we consider to be reliable. However, we do not guarantee and are not responsible for the accuracy of such. The views expressed in this document are not necessarily those of the Willis Towers Watson. Willis Towers Watson accepts no responsibility for the content or quality of any third party websites or publications to which we refer.

This publication and all of the information material, data and contents contained herein are for general informational purposes only, are not presented for purposes of reliance, and do not constitute risk management advice, legal advice, tax advice, investment advice or any other form of professional advice. This document is for general discussion and/or guidance only, is not intended to be relied upon, and action based on or in connection with anything contained herein should not be taken without first obtaining specific advice from a suitably qualified professional.



[willistowerswatson.com/social-media](https://www.willistowerswatson.com/social-media)

Willis Limited, Registered number: 181116 England and Wales.
Registered address: 51 Lime Street, London, EC3M 7DQ.
A Lloyd's Broker. Authorised and regulated by the Financial Conduct Authority for its general insurance mediation activities only.

Copyright © 2018 Willis Towers Watson. All rights reserved.
WTW112723/09/2018

[willistowerswatson.com](https://www.willistowerswatson.com)

Willis Towers Watson