

# Kidnap & Ransom Insurance

## Telecommunications Industry

The threat of kidnap, extortion and hijack is becoming increasingly prevalent. While the focal point for these threats has historically been Latin America, the risk is now global. Today any company should be aware of the risks they currently face or could face in the future. The list of high-risk countries constantly changes in conjunction with economic and political conditions. Tomorrow the risk may change.

### Who is at risk?

Kidnapping groups can be motivated by political or ideological aims, yet most commonly kidnaps are carried out by criminal gangs motivated by pure financial gain and will choose their victims based on the profile and perceived wealth of the organisation for which they work.

Any company can become a target simply due to where they are operating or travelling but some sectors are more vulnerable than others. Employees of telecommunications companies are commonly targeted due to the nature of the business and the high risk territories in which they often operate.

### Why buy Kidnap & Ransom (K&R) Insurance?

A K&R Insurance policy is much more than just a simple risk transfer mechanism. Companies owe all their employees a duty of care and while many of their risk management and security practices will do much to

protect their safety, it is impossible to eliminate all elements of risk. Incidents do occur and it is essential that employers have the correct crisis management procedures in place to effectively manage an incident.

In reality the majority of companies have no experience of handling a kidnap or extortion incident. A K&R policy offers the services of top experts in the field of response consultancy who will be immediately available in the event of an incident to provide invaluable crisis management advice, and whose expertise and experience to help minimise the impact on human lives and business operations.

K&R insurers will retain an exclusive relationship with a response consultant and it is the quality of these consultants which truly differentiates the quality of a K&R insurance product. A company needs to be aligned with a consultant that has the right levels of experience and expertise of operating in the client's areas of operations. JLT can advise clients on the most appropriate product.

In addition to covering all consultant's fees and expenses, a K&R policy also provides important financial protection to ensure there is no detrimental impact to the balance sheet.

### What is Covered?

JLT's tailor-made cover can provide cover for individuals on short term trips or blanket coverage for the whole company plus contractors on either an annual or multi-year basis. Our comprehensive insurance policies will cover against:

- Kidnap
- Extortion (including product extortion)
- Political or Wrongful Detention
- Hijack

## Insured Losses can include:

- Ransom
- Loss of ransom monies in transit
- Legal liability
- Additional Expenses (including but not limited to the cost of PR consultants, psychiatric and medical care, legal advice, temporary security measures, salaries of victims and occupational retraining)
- Personal Accident
- Business Interruption
- Emergency Political Evacuation

## Recent Incidents

Details of kidnap and extortion incidents are often kept highly confidential, however these are some recent publicly reported incidents:

### Afghanistan

Five contractors working for a South African telecommunications company were kidnapped by the Taleban in Kunar Province whilst installing a communications tower.

### Nepal

An employee of Nepal Telecom was kidnapped from an irrigation dam site and released a month later following an undisclosed ransom payment.

### Pakistan

The General Manager of the Pakistan Telecommunications Corporation was kidnapped in the Khyber Pakhtunkhwa province before being released for an undisclosed ransom payment.

### Russia

The 18 year-old grand-daughter of local telecoms businessman, Igor Neklyudov, was kidnapped and a 500m roubles (US\$16.1m) ransom demanded. The victim was released 6 days later though it is not known whether a ransom was paid.

### Somalia

Family members of a pirate group kidnapped five local employees of telecommunications company, Nationlink, demanding the release of eight imprisoned pirates.

## Top 10 kidnapping countries in 2010

1. Nigeria
2. Venezuela
3. Pakistan
4. Mexico
5. India
6. Afghanistan
7. Philippines
8. Iraq
9. Colombia
10. Honduras

*Figures reflect reported kidnappings according to Control Risks' records*

## Why JLT?

JLT's dedicated K&R team consists of full-time specialists focusing purely on K&R risks. Over the course of more than 25 years, we have built up a large portfolio of clients, many within telecommunications industry. With our own proprietary wordings and facilities with a number of insurers, JLT are in a position to offer the broadest cover and negotiate the most favourable terms for our clients.

### Contact:

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