

# Kidnap & Ransom Insurance

## Media and Aid Organisations

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.

By the very nature of their activities, journalists and aid workers are at extreme risk of kidnapping. They are prepared to place themselves in high risk territories to deliver a story or to help those in need. These territories are often those with high levels of political turmoil and accompanying high levels of kidnapping. Local nationals are at risk whilst working for a foreign organisation, though it is the expatriate and visiting foreign workers who are most at risk.

### 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 employee 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.

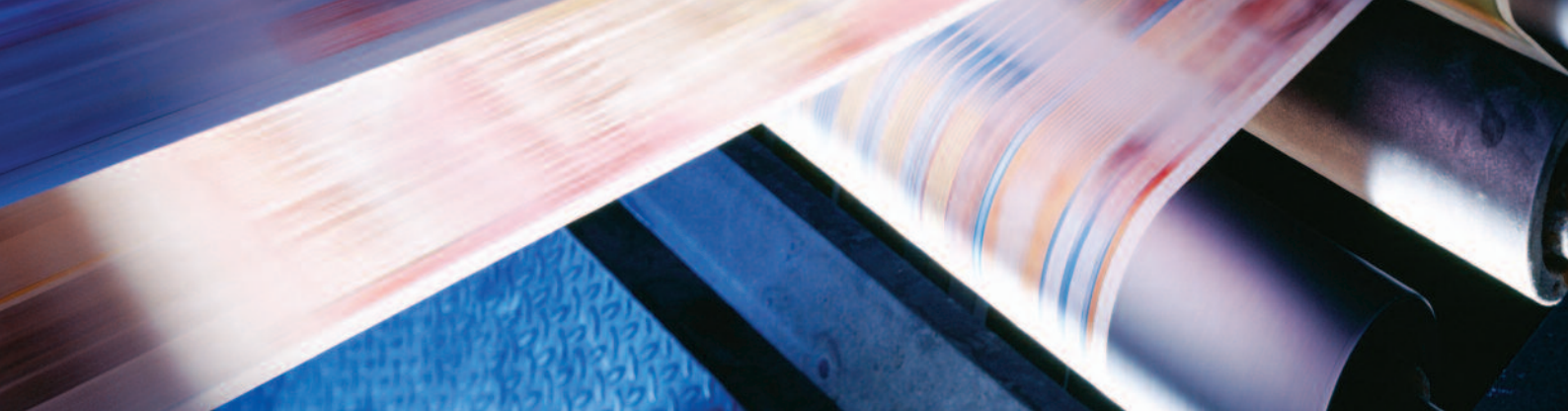
In reality the majority of companies have no experience of handling a kidnap or extortion incident. A K&R policy offers the services of top experts in the field of response consultancy who will be immediately available in the event of an incident to provide invaluable crisis management advice, and whose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

In addition to covering all the 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 volunteers or stringers on either an annual or multi-year basis. Our comprehensive insurance policies will cover against:

- Kidnap
- 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:

### Pakistan

A British journalist filming a documentary about militancy in North Waziristan commissioned by Channel 4, was kidnapped in March 2010. US\$10m plus political demands were reportedly demanded and the victim was released in September 2010.

### Somalia

The UN announced in December 2010 that 35 aid workers had been kidnapped in Somalia in the previous two years. 47 had been killed during the same period.

### Nigeria

Gunmen kidnapped three journalists working for South African TV network, Supersport in March 2010 while another was shot and wounded. While one of the crew managed to escape, the others were released a week later though it is not known whether a ransom was paid.

### Philippines

A Yemeni NGO worker was kidnapped in Marwari City while he walked back to his hotel and a US\$1m ransom was demanded. He was released following negotiations though it is not known whether a ransom was paid.

## 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 the media and aid organisations. 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.

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