



Sales Playbook – Kidnap & Ransom, Piracy, Extortion and Threat



Bring on tomorrow



Crisis Solution insurance provides cover for more than just traditional kidnap and ransom (K&R), it provides cover for a range of threats against company employees and their families, as well as private individual clients.

AIG constantly seeks to offer the broadest coverage available for this specialist insurance area: Traditional perils of Kidnap (including Piracy), Extortion, Hijack and Detention are supplemented with a broad range of endorsements including, but not limited to:

- Business Interruption
- Cyber Threat & Extortion
- Hostage taking
- Assault
- Disappearance
- Express Kidnap
- Tiger Kidnap
- Stalking
- Emergency Evacuation

We are also very happy to tailor coverage to specific client requirements.

This cover is enhanced with a full risk management service provided by our specialist Crisis Consultants. At AIG we would rather help any client avoid a loss in the first place, and will contribute premium to subsidize all or part of the pre-incident consultancy services.

AN EVOLVING MARKET

There are many forms of extortion which can be as varied as they are complex. Extortion attempts typically target individuals or an organization's products, processes, IT systems, intellectual property and other critical assets.

Kidnap for ransom, the most recognized form of extortion, is prevalent in areas with:

- a high disparity of wealth
- active criminal and terrorist groups,
- under- resourced or inefficient law enforcement, and
- high levels of corruption.

Accurate global statistics do not exist because many incidents go unreported, but sources cite tens of thousands of cases each year. In some parts of the world, short-term or 'express' kidnappings have become an every-day occurrence. Other risks include maritime piracy, the illegal detention or imprisonment of individuals, malicious or criminal threats made against people and organizations, and the risk to personal security due to political instability. These can all occur with little or no warning, making it necessary to evacuate staff and dependents at short notice and under difficult conditions.

MOST COMPANIES AT RISK

Any company may be exposed to risks of this nature. Security-related incidents can occur anywhere – kidnap for ransom is more prevalent in regions such as Latin America, Africa, the Middle East and Asia, whereas extortion is typically more common in first world countries.

Employees of multinationals and high net worth individuals are attractive targets for financially motivated criminal and terrorist groups around the world.

STRONG COMPETITIVE POSITIONING

By being able to have meaningful conversations with your clients on the wide range of risks (and available solutions) that occur under the "crisis" umbrella, you will be able to differentiate yourself from other competing consultants who may not have the same degree of risk and product knowledge. This differentiating element can lead to potential new business with your client and enhance your retention strategies by reaffirms your position as a valued and informed risk advisor.

DUTY OF CARE

A company has a duty of care to safeguard the wellbeing of its employees and even their families – not just expatriates, but also local nationals, sub-contractors, and company employees who travel.

Companies need to demonstrate they have taken all practicable steps to meet their employees' health, safety, security needs. Assessments need to be credible and documented.

Employers are required to make suitable and sufficient risk assessments for employees who travel on business, particularly when asking them to travel overseas to high-risk regions.

IN SUMMARY: Identifying your client's exposures can lead to opportunities for you to raise their risk awareness and strengthen your position as their preferred insurance partner.

Crisis Solution insurance provides cover for more than just traditional kidnap and ransom (K&R), it provides cover for a range of threats against company employees and their families, as well as private individual clients.

AIG can underwrite all industry types, large or small. Our clients are drawn from all industries:

- Aviation
- Oil and gas
- Energy and mining
- Construction and engineering
- Multinationals
- Pharmaceuticals
- Maritime
- Financial

We will also consider charities, NGOs and other similar organizations. Private clients for our products range from the mid net worth to ultra high net worth.



OIL & GAS SUPPORT SERVICES

Alpha is an oil & gas support services company, with over 30,000 employees and global operations in more than 50 countries. The company buys global coverage to help protect its expatriate and local employees, who are particularly exposed to the threat of marine piracy and kidnap for ransom in high-risk locations like Nigeria, Afghanistan, Iraq, Algeria, and Libya.



AID AGENCY

Delta is a non-governmental aid agency, working in some of the most deprived areas of the world. Cover is often difficult to obtain for NGOs and charities due to the general absence of security measures and attractive profile (media visibility) to financially motivated criminal and terrorist groups. AIG has a long history of supporting this industry sector.



Clients who have not yet made the decision to purchase Crisis Solution insurance with AIG need to understand, at least in general terms, the extent of their potential exposures and the protection offered by the insurance.

Travel Exposure

DOES THE BUSINESS HAVE EMPLOYEES WHO TRAVEL OR ARE SENT ON OVERSEAS PLACEMENTS?

Any business whose employees travel overseas on behalf of the company can benefit from AIG's Crisis Solution insurance.

Business travel is inherently risky because it can place employees in new and unfamiliar environments. They may not be aware of the nature or level of security threats in each country, speak the language, or know which areas to avoid.

They will stand out from the local population and in many parts of the world they would be attractive targets for criminal activity due to factors such as their 'western' status, perceived wealth, or deep pockets of their employer.

Local Operations

DOES THE COMPANY HAVE OPERATIONS/LOCAL EMPLOYEES LOCATED IN HIGH-RISK COUNTRIES?

In many parts of the world the greatest threat is to local nationals. Organizations have a duty of care to all employees, not just those who travel and expatriates.

AIG Crisis Solution insurance provides cover for any person where a duty of care is perceived to exist. Traditional coverage focuses on expatriates, local and foreign nationals or travelling employees, however coverage can also extend to contractors, sub-contractors, temporary consultants, non-executive directors, volunteers and interns so long as they are working for the client at the time of an insured event.

Industry Risk

DOES THE NATURE OF THE CLIENT'S ACTIVITIES MAKE THEM MORE VULNERABLE TO EXTORTION THREATS?

Visibility of brand or perception of brand can make companies more vulnerable to extortion as they may be targeted on economic or moral grounds.

It is worth bearing in mind that companies working with, or for, brands at risk can also be vulnerable. Contractors, suppliers or parts of the supply chain can often be targeted or even mistaken for employees of the brand itself.

Obvious Targets

IS IT ONLY EXTREMELY WEALTHY INDIVIDUALS WHO ARE AT RISK?

No. Depending on where in the world people live and travel, the threat of kidnap can still be present irrespective of whether someone is rich or not. Moreover, wealth is often a relative concept.

People living in high-risk areas, people who stand out from the local population, or even local nationals can all be targeted.

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SALES THEMES CONTINUED

Private Clients

IS THE PRIVATE CLIENT AWARE OF THE RISK TO THEMSELVES, THEIR IMMEDIATE FAMILY, DEPENDENTS OR EXTENDED FAMILY?

Whilst security can be provided for high net worth individuals, and potentially their immediate dependents and family, there may also be a risk to extended families, employees and other people associated with a policyholder.

AIG's Crisis Solution insurance can cover the high net worth client, other named individuals, as well as extend to guests in the home of the policyholder.

Hotspots

IS THE COMPANY OR INDIVIDUAL AWARE THAT SECURITY INCIDENTS CAN OCCUR ALL OVER THE WORLD AND IN COUNTRIES NOT TRADITIONALLY CONSIDERED 'HIGH RISK'?

Amongst the top 20 countries globally where kidnap for ransom takes place (as per research figures as at September 2013), many are in close proximity to our region – countries such as India, Pakistan, Yemen, Syria, Lebanon, Afghanistan, Iraq, and Egypt. Furthermore, due to the prominence of energy-focused industries in our region, many companies actively travel to energy-rich but troubled countries such as Libya, Algeria and Nigeria.

AIG's retained crisis prevention and response consultants, NYA International, has provided security incident response services in the last 12 months in all these countries in addition to the UK, France, Germany, New Zealand and the USA, to name but a few.



RISKS CAN OCCUR NO MATTER WHERE YOU ARE IN THE WORLD
CLICK ABOVE TO VIEW

Frequency

IS THE COMPANY OR INDIVIDUAL AWARE OF THE FREQUENCY OF INCIDENTS GLOBALLY?

For example there were 213 reported incidents of kidnappings in the Middle East alone in 2013, primarily led by the civil unrest in Syria. Furthermore it is estimated that around 70% of cases do not get reported due to fear of reprisal and security concerns. In other countries, police corruption also contributes to this under-reporting.

Expanding Operations

IS THE COMPANY LIKELY TO EXPAND OVER THE COMING YEARS?

AIG's policy is an umbrella policy. As a company expands so does the cover. We are flexible in our approach to underwriting and we will work to accommodate the locations and destinations of your client's expanding operations.



We have the capability to underwrite all types of Crisis Solution insurance, from traditional corporate kidnap and ransom through to individual policies and marine piracy.

AIG currently services 98% of the Fortune 500 companies and our client base covers over 130 different countries.

AIG provides access to prevention and response services from NYA International, a leading specialist crisis response consultancy, making ours one of the leading insurance solutions in the market.

BROAD RISK APPETITE

With high capacity limits of up to USD 50 million per event and a broad risk appetite, we can accommodate any risk that could benefit from our Crisis Solution insurance.

EXPERT UNDERWRITING

AIG has been underwriting in this particular insurance for over 30 years. We have more than 200 authorized underwriters writing the business globally.

We have the knowledge and experience to provide flexible solutions depending on the needs of the individual client.

Our pan-regional presence means that we can make fast and effective decisions, which is critical in this particular line of business.

WORLDWIDE COVER

We understand that businesses are located, operate, and transact globally. We also understand that individuals now travel more frequently for both business and pleasure. AIG provides a global form offering cover which is consistent and compliant with wherever the client operates from.

Our policy is an umbrella policy. We don't add unnecessary restrictions into our wording so the destinations your employees travel to are covered.

Put simply, we offer a worldwide policy with no geographical restrictions.

NYA International (NYA) is a specialist crisis prevention and response consultancy. Having been in operation since 1990, they have been helping clients reduce their exposure to, and manage incidents of, kidnap for ransom, extortion, illegal detention, marine piracy, emergency evacuation, malicious product tampering and related global security problems.

In the event of an incident, AIG's crisis consultants guarantee an immediate response, providing advice to your client's crisis management team or family, throughout the duration of the incident to help them manage it to a successful conclusion.

THE TEAM

NYA's response consultants are carefully selected from a variety of backgrounds, including all arms of the military, national law enforcement, international intelligence agencies and the commercial and corporate security and risk management sector.

A number have been decorated by the military or nationally recognized, and collectively they have worked for virtually every industry sector and in all regions of the world where security problems such as kidnap and extortion are prevalent. Fluent languages spoken by the team include English, Arabic, Spanish, Portuguese, French, German, Mandarin, and Japanese.

NYA's consultants are based in strategic locations throughout the Americas, EMEA (Europe/Middle East/Africa) and Asia Pacific.

It is NYA's policy never to subcontract response services to third parties, thereby assuring that quality of service is maintained at all times.

CRISIS PREVENTION SERVICES

NYA also provides consulting solutions that support each of our clients' unique business needs. Crisis prevention consulting services include (but are not limited to):

- Threat and vulnerability assessment
- Crisis and security management planning
- Crisis management training
- Personal security awareness training
- Embedded advisors
- Risk analysis
- Project management
- Travel risk management

These services can often be fully or partially subsidized by AIG, depending on the policy premium.

UNIQUE RESPONSE PROTOCOLS

AIG retains the only response team of its kind that will deploy up to four consultants upon notification of an incident: two to the company head office and two to the incident location. This provides AIG policyholders with maximum levels of support during the critical early stages of a crisis.

GUARANTEED RESPONSE

Our crisis consultancy has the largest team of full-time or exclusively retained consultants in the industry for kidnap, extortion and piracy response. This enables NYA International to guarantee their response to AIG policyholders anywhere in the world.

Our experience suggests that most purchase obstacles raised by prospective clients relate to a lack of understanding about their global exposures and the kinds of risks that their employees and their operations are exposed to.



RISKS CAN OCCUR NO MATTER WHERE YOU ARE IN THE WORLD
[CLICK ABOVE TO VIEW](#)

POTENTIAL OBJECTION

RESPONSE

MY EMPLOYEES DON'T TRAVEL TO HIGH-RISK DESTINATIONS

Discuss all parts of the world where the client is operating and that employees are travelling to.

Do they know where all their business travellers go? Many organizations do not, and are unaware that their employees are in fact travelling to high-risk destinations, with some being higher risk than expected.

MY EMPLOYEES DON'T FACE KIDNAP RISKS

Extortion can happen anywhere and not only in the areas traditionally considered as high risk. Threats such as stalking, tiger, express or disappearance are not specific to a single country. AIG's cover has expanded to address these risks in order to provide cover for new and emerging crises.

OUR BUSINESS DOESN'T HAVE ANY OPERATIONS IN HIGH-RISK COUNTRIES.

The policy provides coverage for losses that can occur anywhere in the world. Cover is also provided for employees 24/7 whether they are travelling for business or for pleasure.

WE JUST DON'T NEED K&R INSURANCE, WE'LL TAKE CARE OF ANY LOSSES OURSELVES

Financial loss from ransom payment and other expenses is not the only consideration.

An AIG insurance policy provides guaranteed, immediate and unlimited access to the specialist response services of NYA International.

Without this guarantee provided by the policy, you may not be able to access these specialist services when you need them most.

Moreover, financial loss is only one aspect to consider. If an incident gets out to the press then the company also has to deal with the media, or if an expat gets kidnapped then the company has to deal with the expat's government as well as their family members. NYA International can assist and advise the company on how best to handle these situations.

POTENTIAL OBJECTION

RESPONSE

WE'VE NEVER HAD AN INCIDENT, IT WILL NEVER HAPPEN TO OUR ORGANISATION

There are many covered incidents under our policy: extortion, kidnap, threats, hijacking – typically these are low frequency but high impact events. However, the frequency of such events increases greatly in certain geographies that are significantly high risk due to regional instability, economic inequality, or geopolitical factors. Even a single incident has the potential to disrupt a company's operations if they are unprepared. Many organizations think that an incident will never happen to them and unfortunately only take coverage after they have suffered an event.

I WANT A FLEXIBLE POLICY NOT AN ANNUAL POLICY

AIG can underwrite short term policies covering a few days all the way to a policy that can run for up to three years.

WE DO NOT HAVE THE BUDGET FOR THIS TYPE OF COVERAGE

AIG's Crisis Solution insurance represents extremely good value for the level of coverage and the support provided in the event of an incident.

The premium depends on key risk factors such as the company industry, number of people covered, geographical exposure, and what security measures are in place.

WE HAVE BEEN WITH OUR CURRENT PROVIDER FOR A LONG TIME

It is worth reviewing your client's current arrangements against the AIG solution to ensure they have the broadest coverage.

You should also do a detailed comparison of the response consultancies that are provided under your client's current policy.

AIG provides worldwide cover with no restriction on location and includes a range of endorsements key to a comprehensive threat policy.

Our crisis consultants operate according to unique response protocols, which have been developed over many years, and proven to deliver the very best outcome for victims, their families and the policyholder.

Claims represent the moment of truth for any insurance policy and never more so than in the incidents covered by AIG's Crisis Solution.

Our strategic partnership with NYA International, together with our own in-house claims expertise, means that we both effectively handle a response and efficiently manage the claim.

What follows are some real claims examples that AIG has dealt with over the past few years. They illustrate the breadth of the threat risks clients can face and how we work as a team with our crisis consultants and claims handlers to provide an appropriate response.

EXTORTION

Our insured is a large multinational corporation based in the Middle East with operations across the GCC. They received a letter at their corporate headquarters stating that if an extortion payment equivalent to USD 1.75 million was not paid within 5 days, the extortionist would detonate bombs at across a number of the insured's retail outlets.

The company activated their AIG policy by contacting the AIG crisis centre hotline. We confirmed cover and NYA deployed the same day to the

insured's headquarters. NYA provided a full risk assessment and coordinated its efforts with local law enforcement. After several follow-up calls and communication with the extortionist, local police was able to arrest a disgruntled former employee without any further incident. AIG's policy reimbursed the insured for approximately USD 275,000 for PR, media and additional security costs including third party security providers.

EXTORTION

Our insured is a wealthy family living in UAE. The head of the family received several calls at his office demanding he disclose documents and information about his business and make a payment equivalent to USD \$1.36 million or the extortionists would release confidential information on the insured's company. The insured contacted the AIG crisis centre hotline.

NYA immediately deployed to the insured's residence; they provided a complete risk assessment of the insured's residence and business, together with a protocol for handling future calls. NYA continued to monitor the matter, but no further calls were received.

EVACUATION

Our insured is an established educational institution operating in Bahrain. Following the recent unrest in 2012, the US State Department issued a Travel Advisory warning recommending the evacuation of all non-essential foreign nationals. The insured contacted the AIG crisis centre hotline. AIG assisted the insured in securing travel arrangements for 6 employees and their families. AIG reimbursed the insured for these evacuation costs for a total reimbursement equivalent to \$26,000.





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