Kidnap, ransom and extortion
Specialist protection for corporates and families
The occurrence of kidnapping has more than doubled over the past 10 years. Traditionally exposures were focused in Latin America, however the risks are now faced worldwide with high risk territories also including Africa, Asia and the Middle East.

The victims of kidnapping can be chosen through specific targeting due to their wealth, public profile or for whom they work, or just being in the wrong place at the wrong time.

The outcome will always be a highly stressful, unfamiliar and traumatic situation - a loved-one or colleague held against their will by an unknown third party, who uses their captivity to extort significant financial or other returns. The kidnapper has the ultimate control over the situation and will use the mental anguish faced to maximise their gains. Common business practices, procedures and protocols are no longer relevant and the actions and responses to their demands can have life changing consequences.

Extortion (the making of illegal threats to kill, hurt or abduct a person or cause damage to property or information) is also increasing globally, mainly affecting corporations. With advances in technology, these can be relatively easy crimes to commit and the consequences can have a significant long term financial impact that consume huge amounts of management time.

Kidnap and extortion are global issues and no country is immune to these real and present threats.
Kidnap, ransom and extortion insurance

A kidnap, ransom and extortion policy is designed to provide both financial reimbursement and support following a kidnap, extortion, detention or hijack.

Policies are designed for both family and corporate purchase. The benefits of such a policy usually include:

- Reimbursement of ransom payments and any interest payments on loans required to raise liquid funds to pay the ransom.
- The costs of replacing a ransom lost whilst in transit.
- Other costs and expenses occurring during and after an incident including: medical and psychiatric costs, legal costs, temporary security measures, personal financial losses, rest and rehabilitation expenses, salary payments and travel expenses.
- Legal liability (under corporate policies only).
- Personal accident benefits.
- Unlimited costs and expenses of specialist response consultants to assist with the handling of the Incident.
- A number of policy extensions for corporates, covering threat assessment, loss of earnings and political evacuation (we are able to advise on the suitability of these on a case by case basis).

The limit purchased will depend upon the client in question and should be based upon the maximum likely pay out following a kidnap or extortion incident. As these are policies of indemnity the limit purchased cannot exceed the client’s assets.

We only place coverage with specialist insurers who have expert teams handling this insurance product.

Coverage is placed in both London and off-shore so that the needs of the international client base can be met.
A key component of the policy, and one that is often overlooked, is the services of the response consultants - a team of specialists with extensive experience in the handling of kidnap, extortion and related incidents. They are able to evaluate the possible options open to the client and advise on the consequences of each action. The team’s advice and assistance will be based upon their personal and shared experiences, so that the handling of the incident is grounded on tried and tested procedures.

It is important to note that the team are not there to plan and undertake a rescue. Negotiation has been proven to be much more successful in bringing a safe conclusion to an incident. Those killed or injured during a rescue attempt, often include the victim.

Whilst the costs of the response team are covered by the policy on an unlimited basis, it is important to recognise that they are working on the client’s behalf and not the insurers’. The aim of their advice is to bring the incident to a successful resolution, where the victim is returned safely or the threats cease, whilst taking the long term safety of the family and employees into consideration by minimising the likelihood of repeat incidents.

The ways in which an incident should be handled in one region or for one type of incident may be different from others and a response team is only as good as the consultants that it currently employs. We therefore only deal with insurers whose team has both relevant and current experience, to ensure that if an incident occurs, our clients receive the best service and advice when it is needed most.
Whilst the policy is focused on the provision of financial indemnity and assistance, the ideal scenario is to stop the incident occurring in the first place. Regrettably it is not possible to remove the risk altogether but the risk of being targeted can be significantly reduced.

The response team can be employed to assist with identifying risks and implementing measures, systems and training to reduce the risk profile and manage exposures. Services include:

- Risk and threat information at both a country and city level.
- Travel security and hostile environment training and briefings.
- Crisis management training covering specific kidnap and extortion exercises.
- E-learning packages.
- Travel tracking, locating and monitoring services.

Family risk profiling and risk reduction advice (it is important to focus on all members of the family and not just the principal. Children are often targeted as they are generally considered a "softer" target and the kidnappers know they can exert significant pressure on a concerned and loving parent).

Globalisation is a common strategy for corporates in the search for cost reduction and the development of new markets. As a result, staff are being sent to all areas of the world. At all times corporates owe their employees both a moral and a legal duty of care – it is essential that when sending staff into high risk areas, whether on long term placement or on a business trip, the appropriate procedures and protocols are in place to ensure their safety.

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