

KIDNAP & RANSOM INSURANCE

Version: January 2006

CB/GEN/008

Kidnap for Ransom - An International Industry

Kidnapping for ransom is big business with an estimated 15,000 kidnaps for ransom each year and annual ransom payments estimated at over half a billion dollars.

Kidnap for ransom is also a global business with Columbia the biggest single area. However, the industry's customer base extends across Latin America and the Caribbean over Africa, Eastern Europe and the Middle East, via parts of India and Pakistan to Central and South East Asia. There are even reported incidents in Western Europe and North America.

Protection

COVER	COMMENT
Crisis consultants fees and expenses	Ideally no time limit, financial limit or deductible for consultants' fees. The priority is the safe return of the victim and the specialist tactical advice and guidance of the consultants is essential to achieve this.
Ransom money	Ransom may be cash, securities or property. Cover is also usually provided in case the ransom is lost, destroyed or confiscated while it is being delivered.
Forensic analysis, extra security, reward money for information	Expert services and financial resources to minimise or remove the threat of extortion.
PR and communication	Public Relations fees and expenses to ensure professional and consistent communication with the press during the crisis.
Up to 5 years salary costs	Victim's salary while in captivity and of relatives who leave their jobs to assist with negotiations. Includes pension contributions, average bonuses etc.
Medical and rehabilitation costs	Medical costs, not only for the victim but anyone involved in the handling or negotiation of the crisis. Includes psychological and neurological treatment, counselling or cosmetic surgery.
Financial loss caused by inability to attend to finances	Such as failing to renew insurance contracts, exercise share options or meet mortgage and loan payments while in captivity.
Business interruption	Consequential loss of profit suffered by the business as a direct result of the kidnapping or extortion event (e.g. trading activities affected in a particular jurisdiction.)
Job retraining	The traumatic experience of being a victim may necessitate an adaptation to, or complete change of job after release. Cover may include retraining costs for victims (e.g. external training courses) to facilitate this.
Subsequent legal action	Protection for the company in case any action is brought against the company or an insured person because of the kidnapping, extortion or wrongful detention.

How Rowlands & Hames can assist you

If any Director or Employee (and perhaps their families) is considering travelling to any country considered 'at risk' please ask Rowlands & Hames to obtain an indication of premium. A full proposal form will be required to finalise the premium and terms but indications can be provided relatively quickly.

We take this opportunity to thank AIG Europe (UK) Ltd., Rowlands & Hames' preferred supplier of Kidnap & Ransom insurance, for providing the information provided in this Bulletin. It should not be assumed that all such policies incorporate all aspects of cover.

Please contact your usual Rowlands & Hames Account Director for further information.

You should be aware that due to the nature of the product it is essential that knowledge of the existence of such insurance is kept to the minimum number of persons.

Please contact Rowlands & Hames for further information.

**Rowlands & Hames Insurance Brokers Ltd.
277 Dickson Road, Blackpool, Lancashire, FY1 2LG
Tel: 01253 594211 Fax: 01253 358481 Email: mail@rowlands-hames.co.uk**

www.rowlands-hames.co.uk

Authorised and regulated by the Financial Services Authority