

SUMMER
2024



GREAT AMERICAN
INSURANCE COMPANY

FIRST LOOK!

OUR TEAM HIGHLIGHTS THE IMPORTANCE OF KIDNAP & RANSOM COVERAGE, WHAT IT COVERS, AND WHAT YOU CAN DO TO HELP NAVIGATE THE PROCESS OF CLAIMS AND EVACUATIONS.

Take a look inside to learn more!

INSIDE THE ISSUE

- What to look for in a Kidnap, Ransom & Extortion Insurance Policy
- Understanding the Kidnap & Ransom Claims Process
- Security Evacuation FAQs
- Control Risks Statistics

Kidnap & Ransom INSIGHTS



What to Look for in a Kidnap, Ransom & Extortion Policy

When considering a Kidnap, Ransom & Extortion (K&R) insurance policy, there are several key factors to keep in mind. Here's a breakdown of what to look for:

Is the insurance policy on admitted or non-admitted paper?

The K&R market in the United States is mature and most K&R insurance policies are written on admitted paper with no excess/surplus lines taxes.

Is the policy territory coverage worldwide, including coverage for the United States?

Some K&R policies exclude 15+ countries, including the United States. As a rule, a good K&R policy should be worldwide* (including the U.S.), with few or no excluded countries.

Does the policy include broad covered person language, including coverage for family members, guests, independent contractors, students, and volunteers?

The policy should automatically provide a wide umbrella of coverage for the people who work within the organization.

Does the K&R policy provide 24/7 coverage, no matter company or personal travel?

Some K&R policies only cover employees while traveling in the scope of their duties, but a good K&R policy should provide coverage at all times, no matter the reason for travel.

Does the K&R policy include important endorsements for Disappearance, Threat Response, Child Abduction, Business Interruption, and Security Evacuation?

A good K&R policy should automatically include all the necessary endorsements.

Does the K&R policy provide full limit coverage for Kidnap, Extortion, Detention, Hijack, Hostage Crisis and Express Kidnap?

Some K&R policies add sublimits for some insured events.

Does the insurance carrier have a dedicated claims team for K&R related incidents?

K&R claims are complex and require experienced and dedicated claims personnel.

Does the K&R policy include coverage for a Security Consultant that has response capabilities in the countries where your client has travel or operations?

The response firm included in the policy should have the ability to respond worldwide, have open visas for countries where they are required, have in-house language capabilities, and use full-time, dedicated response consultants.

Geographic disposition of Response assets

Last updated: 8 November 2023



OUR GLOBAL REACH
 From our network of 37 offices, we work wherever you need us.
37
MAP CORRECT AS OF JANUARY 2024

- ▶ All 62 personnel are full-time, salaried employees. Response never subcontracts.
 - ▶ **Response Consultants** are assigned to Response, are centrally managed from London and only work on response cases, averaging 10 cases/year/consultant.
 - ▶ **Response Referents** are selected and trained by Response to serve as back-ups and serve as subject matter experts for pre-incident training and consultation.
 - ▶ **Response Handholders** are trained specifically to assist clients at the site-level when response consultants are in transit.
- Response management and 16 consultants
 - 18 Response referents
 - 23 Response hand-holders

Global offices

Americas

- Bogotá
- Chicago
- Georgetown
- Houston
- Los Angeles
- Mexico City
- New York City
- Panama City
- São Paulo
- Toronto
- Washington DC

Asia Pacific

- Beijing
- Delhi
- Hong Kong
- Mumbai
- Seoul
- Shanghai
- Singapore
- Sydney
- Tokyo

Europe, Middle East and Africa

- Abu Dhabi
- Amsterdam
- Baghdad
- Basra
- Berlin
- Copenhagen
- Dakar
- Dubai
- Erbil
- Frankfurt
- Johannesburg
- Lagos
- London
- Madrid
- Maputo
- Nairobi
- Paris

Representations

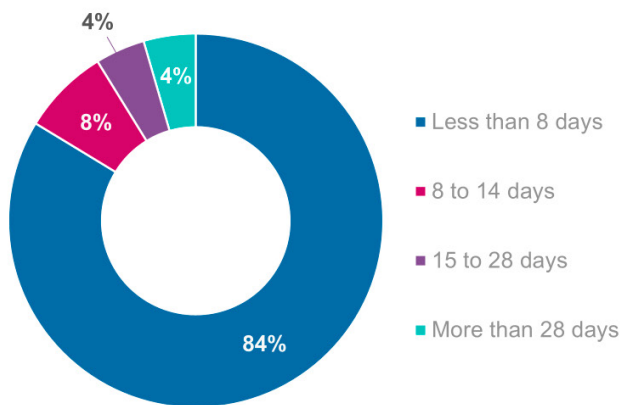
Americas

- San Francisco

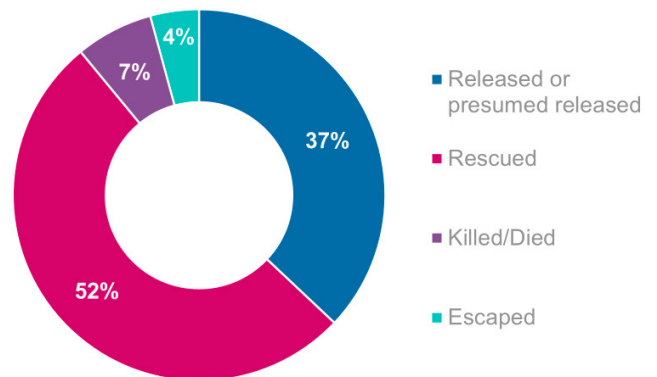
Europe, Middle East and Africa

- Dublin
- Geneva
- Kyiv
- Milan
- N'Djamena
- Nouakchott
- Port Harcourt
- Tripoli
- Zurich

▶ Kidnaps worldwide, kidnap durations and outcomes, 2023



Durations



Outcomes

Media reporting on victim outcomes is biased towards the more 'newsworthy' stories where victims are killed or rescued. **In reality 95%+ of incidents are resolved successfully, often through negotiation.**

A hand in a dark suit sleeve holds a white rectangular sign with a thin black border. The word "CLAIMS" is written on the sign in large, bold, dark blue capital letters. The background is a blurred image of a person in a suit against a bright, light blue sky.

CLAIMS

CUSTOMER

Crisis Response:

**Understanding the
Kidnap, Ransom & Extortion
Insurance Claims Process**



In times of crisis, working with a reliable and experienced team can make all the difference. Kidnap, Ransom & Extortion (K&R) insurance is designed to provide critical support and financial protection during some of the most challenging and high-stakes situations an individual or organization can face.

In this article, we address the intricacies of the K&R insurance claims process, highlighting the importance of a dedicated claims department, the capabilities of Great American's K&R insurance team, and the streamlined communication and claims submission process that ensures swift and effective response when it matters most.

Why is it important to have a dedicated claims' department for Kidnap, Ransom & Extortion insurance?

A Kidnap and Ransom claim can be one of the most sensitive and emotional types of insurance claims an Insured can make.

A dedicated Claims Department, such as our own, with knowledge and experience in handling Kidnap & Ransom claims allows the adjuster to help guide the Insured through the claims process so the Insured's focus can be on the safety and security of those impacted by the event.

A Kidnap, Ransom & Extortion claim can be one of the most sensitive and emotional types of insurance claims an Insured can make.

What is Great American's Kidnap, Ransom & Extortion insurance claims capabilities?

Great American's Fidelity / Crime Division works with Control Risks, a global specialist risk consultant, to provide Insureds with 24-hour / 365-day access to Control Risks' threat assessment and response capabilities.

Control Risks has offices in every world region and in every time zone. We will work with Control Risks to help Insureds navigate threats to harm Insureds

and their businesses including kidnapping, extortion, child abduction, and detention matters.

How can a Fidelity / Crime client communicate with your team or file a claim?

Fidelity / Crime's business relationship with Control Risks allows the Insured's initial call to Control Risks to act as the claim notification to us. This way, the Insured can focus on resolving the incident at hand without having to worry about complying with any policy notification requirement. Any report issued to the Insured by Control Risks can also assist the Insured in documenting the existence of a claim to our team. This is important because incidents can occur where law enforcement or other authorities do not exist or are not readily available. Our Fidelity / Crime claim's team is available through any method that is most convenient to the Insured.

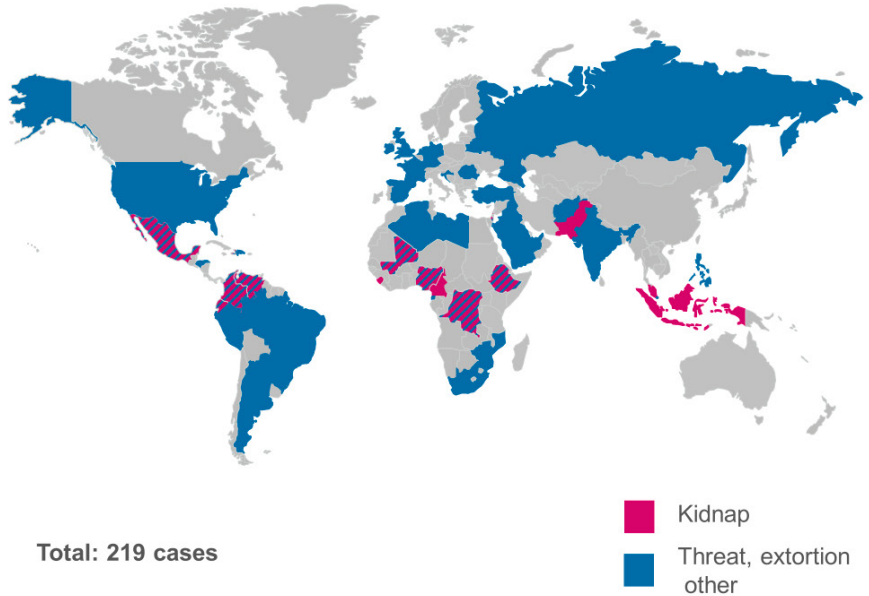
What is the typical process for submitting a Kidnap, Ransom & Extortion claim with Fidelity / Crime?

Our claim process, together with the expert guidance provided by Control Risks, is designed to provide immediate assistance to Insureds for covered Insured Events that are both foreign and domestic. Here's how:

- Immediately after receiving a call, Control Risks acts to provide the Insured with initial guidance in navigating the incident.
- Simultaneously, a code name is generated and used in all Great American communication to protect the confidentiality of those involved. Often, Control Risks generates a report which documents the factual circumstances surrounding the incident and provides recommendations to the Insured.
- As a reimbursement policy, Fidelity / Crime's Claims Department works with the broker and Insured to provide guidance on what documentation may be needed to support any claim for expenses under the policy. Upon receipt of the necessary documentation, the Insured is reimbursed by Great American for any covered expenses.

Location of Response cases, 2023

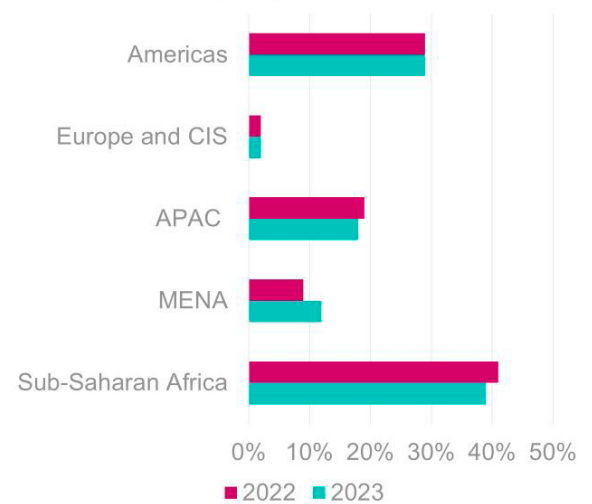
| | |
|--|--------|
| Mexico | 55 |
| United States | 47 |
| Ecuador | 20 |
| Haiti | 12 |
| Nigeria | 11 |
| Colombia, Ethiopia, United Kingdom | 5 each |
| Congo (DR), Israel | 4 each |
| France, Venezuela | 3 each |
| Argentina, Brazil, Germany, India, Libya, Mali, Philippines, Russia, Saudi Arabia, South Africa | 2 each |
| Afghanistan, Algeria, Belarus, Cameroon, Croatia, Dominican Republic, Equatorial Guinea, Honduras, Indonesia, Iraq, Ireland, Malaysia, Mozambique, Netherlands, Pakistan, Paraguay, Peru, Romania, Sierra Leone, Singapore, Spain, Turkey, United Arab Emirates, Yemen, Zimbabwe | 1 each |



Kidnaps by region in 2023



Kidnaps by region, 2022 vs 2023



Security Evacuation FAQs

A security evacuation is the urgent and coordinated effort to move individuals from a hazardous area to a place of safety due to imminent threats of severe injury or fatality. This process ensures the orderly and managed relocation of people from danger zones to secure locations.

In this article, our Fidelity / Crime team provides essential guidance on how to prepare for such emergencies, identifies scenarios that necessitate a security evacuation and addresses other common questions on the topic.

What measures can you take to prepare for a possible political/security evacuation?

Ensure that you have a functional evacuation plan specific to employees and assets. This should include the following.

- Designated evacuation leadership team
- Identified points of departure for air, sea and land evacuations
- Means of departure (Airplane, boat, vehicles)
- Triggers to decide at which point they should evacuate
- A means of monitoring the ongoing incident/situation, country analysis/reporting
- Options for “sheltering in place”



Why shouldn't clients rely solely on the U.S. State Department for evacuation advice and response services?

The U.S. State Department's role is to keep the U.S. citizen community informed of safety and security developments and travel options. The State Department is limited in its capacity of providing individual evacuation advice or assisting with the security of citizens if they choose to "Shelter in place" or move to a departure point (airport, port, border crossing).

Who is Control Risks?

Great American's Fidelity / Crime Division works with Control Risks, a global specialist risk consultant, to provide Insureds with 24-hour / 365-day access to Control Risks' threat assessment and response capabilities.

Control Risks has offices in every world region and in every time zone. We will work with Control Risks to help Insureds navigate threats to harm Insureds and their businesses including kidnapping, extortion, child abduction and detention matters.

What are Control Risks' levels of evacuation?

| Level | Description | Definition |
|---------|--------------------------|--|
| Level 1 | No plan required | The likelihood of insecurity or natural disasters requiring evacuation is very low: full evacuation plans are not required. |
| Level 2 | Preparation | Insecurity may pose occasional threats to staff, but these are manageable and sudden deterioration is unlikely. However, organizations are advised to prepare evacuation plans because there is a risk of deterioration in security conditions, vulnerability to natural hazards and/or potential difficulties in extracting people from the country. |
| Level 3 | Caution | Security and operational threats are manageable but the potential for rapid deterioration means organizations should have full evacuation plans in readiness for immediate implementation. |
| Level 4 | Standby/Shelter-in-Place | Staff face risks from insecurity and on-the-ground conditions with a significant likelihood of escalation of spreading countrywide at short notice. Secure exit options are limited and subject to short-notice restrictions. Evacuation plans should be ready for immediate activation. |
| Level 5 | Non-essential evacuation | Security and operational conditions pose a serious threat to staff and their families that cannot be fully managed, and the situation is likely to persist or deteriorate. Movement is restricted, there are few secure options for leaving the country and these could be blocked at short notice. Non-essential staff and families could be evacuated. |
| Level 6 | Emergency evacuation | Risks to personnel are – or will very imminently become – extreme and largely unmanageable, and secure transport options are very limited; all staff should be evacuated. |

What factors does Control Risks use to determine if a political/security evacuation is necessary?

The below factors and triggers would necessitate a non-essential evacuation.

- **Security:** The government is under clear threat from a rapidly spreading insurgency; insecurity from riots, crime, kidnap and/or terrorism poses a significant threat, in particular to foreigners; there is an imminent risk of cross border invasion.
- **Politics:** the government is losing control and being challenged by popular unrest, armed groups or separatist forces; there are strong indicators that a coup is imminent; alternatively, the administration may be hostile to some or all foreigners.
- **Natural disasters:** a disaster has triggered shortages and interruptions to utilities, supplies, communications and transport (see table below). There is widespread damage to shelter in residential areas.
- **Communication and supplies:** shortages of essential supplies occur regularly; power and water are regularly disrupted; mobile, internet and landline communications are unreliable due to infrastructure damage or government shutdowns.
- **Travel:** curfews restrict movement at certain times. Travel to airports, ports or borders is hindered by insecurity or poor infrastructure; few options are available. Commercial airlines continue to operate but services are disrupted and or difficult to access. Land routes out are accessible but subject to security risks, weak infrastructure and/or strict entry requirements or insecurity in neighboring states.





We will work with Control Risks to help Insureds navigate threats to harm Insureds and their businesses including kidnapping, extortion, child abduction and detention matters

The below factors and triggers would necessitate an emergency evacuation.

- **Security:** War or civil war affects large parts of the country; law and order have collapsed, with high levels of crime and instability making it unsafe to go out; mob violence, criminals, kidnap groups and/or terrorists target foreigners.
- **Politics:** The government has lost control and power is violently contested by armed groups or widescale popular mobilization. Alternatively, the administration – or an incoming regime – is actively hostile to some or all foreigners, who are at risk of unlawful detention or being prevented from leaving.
- **Natural disasters:** There is severe damage to infrastructure from a natural disaster. The availability of safe shelter is very limited; temporary shelters are in use.
- **Communication and supplies:** Essential supplies cannot be easily or safely acquired; utilities (power and water) are severely disrupted; satellite communications are essential.
- **Travel:** Lengthy curfews significantly curtail movement. Travel to airports, ports or borders is unsafe due to serious security risks or the poor state of infrastructure. Commercial airlines are no longer operating or are planning to imminently end services. Land exits are severely hindered by security risks; infrastructure weaknesses; and/or insecurity or strict entry requirements in neighboring states.

What does “shelter in place” mean and why, in some cases, would Control Risks recommend clients “shelter in place” versus evacuation?

“Shelter in place” means that individuals seek protection in their homes, places of employment, or other locations when a hazard or threat is imminent or occurring.

- Secure exit/evacuation options are limited and subject to short-notice restrictions.
- May be preferable over an evacuation when it is considered safer to remain than to evacuate due to risks from insecurity and on-the-ground conditions.

WHY GREAT AMERICAN FIDELITY / CRIME?

Your Partner in Crime[®]

Since 1995 we've been insuring clients from crime related losses. We have a depth of experience in both underwriting and claims that is unmatched in the marketplace. Discover how our specialization and expertise provide the advantage to address your unique needs.

What are Control Risks' capabilities during an ordered evacuation and how can Control Risks support clients that need to evacuate?

Capabilities

Client Support Options

Strategic advisory:

- Situational updates and country analysis/reporting
- Crisis Management team support
- Seerist (AI intelligence platform) alerts and notifications
- Control Risks ONE (24hr global risk operations center) advisory support

Operational planning:

- Scenario based emergency and crisis management planning (including evacuation)
- Setting up security operational processes to manage the event incident
- Country/event/security awareness training and briefings
- Control Risks ONE advisory support

On-the-ground assistance:

- Journey management services
- Static site protection
- Evacuation/hibernation support
- Wellbeing check-ins

Example on the ground assistance scenarios

- Following the outbreak of violence in several areas of the country a client enquiry is received to assist with the securing of project sites and the provision of journey management services for at risk personnel/travel in higher risk areas.
- The Crisis and Security Consulting (CSC) team will work with the Global Risk Analysis (GRA) team to assess the feasibility of providing on-the-ground support and the associated timelines to do that.
- CSC will identify any in-country resources to conduct an on-the-ground assessment of the unrest. Where resources are not available, this may require travel by a consultant from the nearest office or the engagement of a subcontractor to deploy the location.
- Preparation and planning will include the identification of vetted and compliant vehicle and driver providers to facilitate any on-the-ground support including shelter-in-place and evacuation options.
- Where a maritime or air evacuation is required, we will engage with a vetted and compliant provider to support the in-country team.
- A formal review of the response plan and approval to proceed will be conducted as per the Standard Operating Procedure workflow.
- Operational management and oversight will remain with CSC Operations team.

Contact our Loss Control Consultants Today

Great American's team of Loss Control experts builds on years of experience to help businesses prepare for and stay protected from different types of loss. Interested in learning more? Talk to our team of experts.

For additional Loss Control Guidance, visit the Plan & Protect safety hub at GAIG.com/Content-Hub/Loss-Control.



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