

Kidnap, Ransom & Extortion

Appetite Guide

Canada | Financial Lines

Every day, AIG helps protect organizations — including 98% of the Fortune 500 — and high net worth individuals both at home and abroad in approximately 190 countries and jurisdictions. With over 30 years of experience in providing kidnap and ransom insurance and a dedicated team of underwriters globally, we have the expertise to provide superior crisis protection and response for clients and their families. Our global presence means we can make fast and effective decisions, with the ability to respond within a moment's notice in the unfortunate event of a crisis incident.

Crisis Solution 2.0 offers clients a comprehensive package of vital services and insurance protection to respond to a number of crisis events that can occur while travelling or residing in various “hot spots” and major city centres worldwide. We also provide access to prevention and response services from Crisis24, a world-class specialist crisis response consultancy firm. Crisis24 has one of the largest global specialist response teams in the industry; all of whom are either full time employees or exclusively retained, making ours one of the leading insurance solutions in the market.

Claims Scenarios



Kidnap

Two employees of an international construction company were abducted while returning to their work camp in Nigeria, despite the precaution of a police escort. The kidnappers demanded NGN100 million (USD 623K) for their release. The insured called the AIG crisis centre hotline and Crisis24 deployed personnel immediately to both Nigeria and the client's headquarters in Paris. Crisis24 assisted in negotiations and, after 20 days, secured the employees' release for a payment of \$125,000. AIG reimbursed the insured \$195,000, which included the ransom, medical, and rehabilitation costs, and payments to local officials to assist in delivery of the ransom.



Extortion

The head of a wealthy family in Mexico City received several calls demanding the disclosure of business details and a US\$1 million payment or the extortionists threatened to release information about the company and/or kidnap his eight year old daughter. Crisis24 immediately deployed to the insured's residence; they provided a complete risk assessment of the insured's home and business, together with a protocol for handling future calls. Crisis24 continued to monitor the matter, but no further calls were received.



Piracy

An international shipping company had one of its ships hijacked by Somali pirates off the coast of Yemen. The pirates demanded US\$50 million to release the vessel. Crisis24 deployed personnel immediately to the insured's corporate offices. After several months of negotiations, the vessel was released for a \$9.5 million payment. The insured's policy had a \$5 million ransom limit, which AIG reimbursed to the insured. AIG also reimbursed the client an additional \$2.75 million for covered expenses.



Evacuation

Following an attempted coup, the U.S. State Department issued a Travel Advisory Warning recommending the evacuation of all non-essential foreign nationals. This impacted our insured, an NGO operating throughout the Middle East. The insured contacted the AIG crisis centre hotline. AIG assisted in securing travel arrangements for six employees and their families, and reimbursed the insured for the evacuation costs.





Broad coverage to protect a spectrum of individuals who may be affected by a wide range of crises. This can include organizational officers or directors, employees, their guests and relatives, as well as volunteers and those handling demanded payments.



We have the appetite to underwrite a wide range of KR&E insurance, spanning industries and countries. We offer everything from traditional corporate kidnap and ransom insurance to individual and family policies.



Primary and excess limits of up to \$50M for corporate entities and high net worth families.



Broad definition of insured persons that includes officers, directors, employees, their guests and relatives, students, volunteers, and any other person delivering or handling ransom monies.



Risk management support that begins long before a crisis occurs, by providing risk assessment and management planning. If a crisis does occur, insureds can rely upon best-in-class providers of crisis communications and negotiations as well as medical and emergency travel assistance services.



Crisis24: Discover the advanced capabilities of Crisis24, AIG's crisis prevention and response service partner. Together, we provide clients with comprehensive support when they need it most.

Appetite

Coverage	Threat, disappearance, detention, express kidnap, and political repatriation automatically included in the base form of Crisis Solution 2.0, our main policy Separate limits provided for ransom, expenses, business interruption, and legal defence Covered medical expenses available for up to 36 months Necessary coverage extensions, via endorsement can include child abduction (with legal liability), hostage crisis, armed assault, product extortion expense, stalking, medical repatriation, and natural disaster repatriation
Available	Primary and excess limits of up to \$50M for corporate entities and high net worth families
Minimum Premium	Typically \$1,000 per million
Minimum Deductible/Retention	None
Program Options	Primary or excess
Target Classes and Industries	AIG is prepared to underwrite nearly all industry types, large or small. This includes: <ul style="list-style-type: none"> • Aviation • Oil and gas • Energy and mining • Construction and engineering • Multinationals • Pharmaceuticals • Maritime • Higher education • We will also consider charities, NGOs, and other similar organizations
Target Geographies	All; high-risk regions for kidnap and ransom include parts of Latin America, Africa, the Middle East, and Asia, but extortion often occurs in first world countries and security-related incidents can occur anywhere. Crisis Solution 2.0 is a global umbrella policy without unnecessary destination restrictions.

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For more information about AIG's insurance plans, please contact your agent, broker or AIG representative.



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