

THE incidence of kidnapping is on the rise both nationally and internationally so much so that some tended to define kidnapping as a 'growth industry'. World over, every year about 12,500 people get kidnapped, including over 1,000 professionals and executives. India ranks high in this area with only Colombia, Mexico, the former Soviet Union, Brazil, Nigeria, and the Philippines ranking above the country.

The drivers behind this increased risk are:

- > Terrorism
- > Crime
- > Greed for making a quick buck
- > Natural searches in warped areas
- > Political situations like breakdown of state
- > Adventure tourism

The impact of a kidnapping is difficult to measure and enormous. It is traumatic for those involved at personal, professional level. Organisations dealing with kidnapping incidents may face huge losses from ransom payments, business interruption, litigation, adverse publicity and long-term damage to reputation.

Kidnap extortion and detention are real dangers for companies operating both overseas and in domestic markets. They are often overlooked by management on the grounds that "it won't ever happen to us", but the damage this can inflict on a business can be very severe - as the annual roll call of corporate and individual victims around the world testifies.

Kidnap outcomes

MOST kidnaps are carried out in or-

Shock relief

Kidnap & ransom insurance cover can help one ease the financial burden and resolve issues smoothly

der to obtain a ransom, and in most cases a ransom is paid. Rescues are rare, largely because authorities in most countries recognise that the safety of the victim is paramount. While data is hard to get as most kidnappings go unreported, the available



figures are as under:

- > Ransom Paid: 67%
- > Released, no payment: 15%
- > Killed: 9%
- > Rescued: 7%
- > Other: 2%

Kidnap demands

Demands can be huge, depending upon the ability of the family or the organisation of the victim to pay. This also depends upon the negotiating power of the parties concerned and the ability and agility of the law en-

Salient features of coverage

- > Ransom/extortion payment
- > Transportation and delivery of ransom
- > Death or bodily injury
- > Crisis management
- > Negotiation services
- > Emergency response helpline and related expenses
- > Medical services and emergency evacuation
- > Psychiatric care, rest and rehabilitation expenses

Coverage can be explored for property damage extortion and product contamination extortion or trade secret/HDP extortion. Scope of the cover, deductibles and premium, depend upon the risk perception and assessment of insurers.

Confidentiality is extremely critical to kidnap & ransom insurance programme, safety of persons covered being extremely paramount to all concerned. There were situations when insurers withdrew quotes before firming up the offer, when they realised that the fact of purchase of kidnap and ransom protection was getting known to too many persons and beyond need to know the basis.

Hence it is necessary to keep it highly confidential even internally in the insured organisation.

EXTORTION COVERAGE

notwithstanding, this risk may visit even the well informed and well prepared. While no insurance cover can ease the emotional and physical pain, kidnap & ransom insurance cover can help ease the financial burden and resolve issues smoothly.

Kidnap and ransom policy offers companies or individuals protection against kidnap, extortion and wrongful detention. Even though ransom appears to be the focus and primary benefit under this policy, the important benefit comes from the support of crisis response team that assesses the threat and advises the family or business affected on how to handle it.

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