Crisis Solution Sales Narratives

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Video Summary

In a world filled with increasingly complex threats, employers need more than kidnap and ransom insurance to keep their people safe. Here are five key reasons to recommend AIG’s Crisis Solution to your clients

1. Risks can occur anywhere in the world, and any business where employees travel or are based overseas are exposed to these ‘people risks’. Crisis Solution provides global protection with a broad, flexible umbrella policy that doesn’t include unnecessary restrictions. Put simply, Crisis Solution offers consistent, compliant worldwide cover.
2. Organisations – especially multinationals – face a broad range of evolving threats. These are not limited to kidnap and ransom events, and include a wide range of extortion types. With over 45 years’ K&R experience, AIG’s global underwriting team has the in-depth knowledge needed to recognise the threats our clients face.
3. Crisis Solution provides all our clients with complimentary risk prevention services. Working with our preferred third-party crisis consultancy, NYA International, our clients receive information and training at all levels of their organisation, either online or face to face - helping them meet their duty of care obligations.
4. If an incident does occur, clients get a guaranteed response from NYA International. With the largest crisis response team in the industry, strategically positioned across the globe, NYA can quickly deploy consultants with regional and cultural understanding to an incident location. And, with seven assistance centres, AIG Travel provides corporate evacuation capabilities and support worldwide.
5. AIG has the capability to offer a single insurer solution across multiple business lines, enabling our clients to benefit from cost savings, coordinated cover and a seamless claims experience. And when it comes to claims, our seasoned specialists work in conjunction with world leading law firms to deliver sensitive support and timely loss reimbursements in complex environments across the globe.

Key Sales Themes

Worldwide Exposures

Risks can occur no matter where in the world you are.

* Travel Exposures: Any business whose employees travel overseas on behalf of the company could benefit from AIG’s Crisis Solution insurance.
* Local Operations: In many parts of the world the greatest threat is to local nationals. Organisations have a duty of care to all employees, not just to business travellers and expatriates.
* Industry Risk: Visibility and perception of brand can make companies more vulnerable to extortion as they may be targeted on economic or moral grounds.
* Obvious Targets: It’s not only extremely wealthy individuals who are at risk. Depending on the location, the threat of kidnap can still be present as wealth is often a relative concept.
* Expanding Operations: Crisis Solution is an umbrella policy that can be structured for corporate clients to include all employees and their families. As a business expands so does the cover.

Duty of Care

Companies have a duty of care to all their employees. Crisis Solution can help companies meet this obligation.

* All Employees: It’s not just expatriates that companies are obliged to protect. Organisations, especially multinationals, have a strong moral and legal obligation for employees across their global operations, including business travellers, local nationals, subcontractors and even their families.
* Credible and Documented: Organisations need to demonstrate they have taken all practicable steps to meet their employees’ health, safety, security and wellbeing needs.
* Assessments: Employers are required to make suitable and sufficient risk assessments for employees who travel on business, particularly when asking them to travel overseas.

Evolving Threats

There are many forms of extortion, which are broad ranging in their nature and complexity.

* Kidnap for Ransom: The most recognised form of extortion, prevalent in areas with a high disparity of wealth, active criminal and terrorist groups, under- resourced or inefficient law enforcement and high levels of corruption.
* Express Kidnap: Often starts with a small street crime, and develops into an opportunistic demand for more cash from the victim or their family, friends or employer. Express kidnaps are generally short and, in some parts of the world, have become an every-day occurrence.
* Other Risks: Maritime piracy, the illegal detention or imprisonment of individuals, hostage scenarios, malicious or criminal threats made against people and organisations, and the risk to personal security due to political instability or a natural disaster event.

Prevention Services

Complimentary tailored prevention services in addition to the market standard Risk Mitigation Allowance.

* Expertise: Access to our preferred third-party crisis consultancy, NYA International, whose insight will help an organisation develop their own approach to ‘people risk’ and its implementation - helping clients meet their duty of care obligation.
* Breadth: Not simply limited to kidnap and ransom scenarios, prevention services cover a wide-range of people risks, from boardroom level support and crisis planning to personal security information for business travellers and local nationals.
* Intelligence: Pro-active intelligence and training seminars are regularly delivered online or face to face. Through our Global Watch website, clients also have complimentary access to travel information, country guides, city reports and daily alerts.

Response Services

AIG’s preferred third-party response consultancy – NYA International – retains the largest crisis response team in the industry and has over 25 years’ experience of advising during crisis incidents across the globe.

* Global: NYA’s response consultants are strategically positioned across North America, Europe, Africa and Asia Pacific. This allows for a rapid response to incidents worldwide and provides regional and cultural understanding.
* Experienced: Following a rigorous selection process, consultants complete a unique and demanding training programme designed to ensure clients have access to the highest quality individuals when they need them most.
* Unique: NYA is the only response team of its kind to deploy up to four consultants: two each to a company’s headquarters and the incident location. This provides maximum levels of support and continuity during what can often be a protracted the crisis management process.
* Assistance: Medical and travel assistance is provided by AIG’s own assistance company, AIG Travel. Through seven assistance centres worldwide, AIG Travel also delivers swift corporate evacuation capabilities for political crises and natural disasters across the globe.

Insurance Cover

With over 45 years’ K&R experience, our dedicated global underwriting team has the deep industry knowledge to recognise the threats our clients face.

* Broad: Our flexible umbrella wording doesn’t include unnecessary restrictions limiting the destinations covered. We offer consistent, compliant cover, worldwide.
* Customer Centric Claims: AIG’s seasoned claims specialists work in conjunction with world leading law firms to deliver sensitive client support and timely loss reimbursements in complex environments across the globe.
* Aligned: We can offer a single insurer solution across multiple business lines, enabling our clients to benefit from cost savings, coordinated cover and a seamless claims experience.

Target Market

The target market for Crisis Solution is extensive. It is suitable for organisations of all sizes where their employees are exposed to some degree of ‘people risk’, as well as private clients.

Broad Appetite

With high capacity limits and a broad risk appetite, we are willing to look at any risk that could benefit from our Crisis Solution insurance.

Geography

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 is a global umbrella policy without unnecessary destination restrictions.

Industries

AIG is prepared to underwrite all industry types, large or small. This includes:

* Aviation
* Oil and gas
* Energy and mining
* Construction and engineering
* Multinationals
* Pharmaceuticals
* Maritime

We will also consider charities, NGOs and other similar organisations.

Private Clients

Wealthy individuals make attractive extortion and kidnap targets. Crisis Solution can help protect ultra-high/mid net worth individuals and their families across the globe. The AIG form can also be extended to include guests in the home of the insured.

Cover At A Glance

AIG’s Crisis Solution goes beyond traditional kidnap and ransom insurance to cover a wide range of issues faced by clients; from complex cyber extortion, disappearance or large scale detention situations, to a simple ATM hold up.

Cover Structure:

No deductible

Limit per insured event and per cover

Covered Events:

Extortion

Detention

Kidnap

Hijack

Additional incident cover options:

* Assault
* Disappearance
* Political evacuation & repatriation
* Express kidnap
* Hostage crisis
* Threat
* Business interruption loss
* Product loss
* Cyber extortion
* Tiger kidnap

Financial Reimbursement:

Accident and death benefit

Ransom reimbursement

Loss in transit

Legal liability – expenses and indemnity

Other reasonable and necessary expenses including continuing salary, rest and rehabilitation, medical fees, personal financial loss, interest on a loan taken out for a ransom and cost of increased security

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 NGN100m (US$623k) for their release.

* Response  
  The insured called the AIG crisis centre hotline and NYA deployed immediately to both Nigeria and the client’s headquarters in Paris. NYA assisted in negotiations and, after 20 days, secured the employee’s release for a payment of $125,000. AIG reimbursed the insured for $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$1m payment or the extortionists threatened to release information about the company and/or kidnap his eight year old daughter.

* Response  
  NYA 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. NYA continued to monitor the matter, but no further calls were received.

Piracy

An international shipping company had one of its ships was hijacked by Somali pirates off the coast of Yemen. The pirates demanded US$50m to release the vessel.

* Response  
  NYA deployed immediately to the insured’s corporate offices. After several months of negotiations, the vessel was released for a $9.5m payment. The insured’s policy had a $5m ransom limit, which AIG reimbursed to the insured. AIG also reimbursed the client an additional $2.75m for covered expenses.

Evacuation

Following an attempted coup, the US 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.

* Response  
  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 these evacuation costs.

Podcast script

Kidnapping, piracy, hijacking and extortion – familiar plotlines of Hollywood movies. But increasingly, these are serious, real life problems too, for many companies operating in high-risk parts of the world.

Insuring these threats may seem like a relatively recent and novel development. But we’ve been doing it for 45 years. Over that time, we’ve used our industry knowledge and experience to hone our product as the risks evolved and multiplied. So it’s not just kidnap and ransom insurance any more. We call it Crisis Solution, because it provides solutions for companies exposed to a range or host of crises worldwide.

These include extortion, kidnapping and hijacking, with optional cover for – amongst other things – assault, disappearance, hostage crisis, product loss, political evacuation and repatriation, and what’s known as ‘tiger’ kidnap – when a hostage is taken in order to force someone else to commit a crime, like steal valuables.

Crisis Solution is designed for organisations of all sizes, in all industries, operating anywhere in the world. It’s that broad. It’s also used by wealthy individuals, who are sometimes the target of kidnap and extortion attempts. It’s a sensible cover to buy for companies working in high-risk regions, but it may also be required, under your duty of care to employees, no matter where you operate.

So how does it actually work? Responding rapidly and appropriately to any crisis situation can mean the difference between a disaster and a positive outcome. That’s why we work with the largest crisis response team in the industry, NYA International.

NYA’s response consultants are positioned in key regions around the world, giving them in-depth local knowledge and contacts, so they can respond to and resolve incidents quickly. Here’s a real-life example of how a crisis situation might play out. It’s a recent claim that we settled under our Crisis Solution policy.

Two employees of an international construction company were abducted on their way back to their work camp near Lagos in Nigeria – even though they were under police escort at the time. The kidnappers demanded 623 thousand US dollars for their release.

The insured called the AIG crisis centre hotline and NYA deployed immediately, uniquely sending four consultants, two to Nigeria and a further two to the client’s headquarters in Paris. NYA helped the client to negotiate with the kidnappers, and after 20 days, they secured the employees’ release for a payment of 125 thousand US dollars, less than 20% of the initial demand. We reimbursed the insured for 195 thousand US dollars, which covered the ransom, plus medical and rehabilitation costs of the victims.

Our own assistance company, AIG Travel, often plays a part in resolving logistically complex, often large scale crises. We have seven assistance centres worldwide, and they’re set up to carry out swift corporate evacuations after a natural disaster or a political crisis.

Here’s an example of this. After an attempted coup in a Middle Eastern country, the US State Department issued a Travel Advisory Warning, recommending that all non-essential foreign nationals be evacuated. Our insured was an NGO operating throughout the Middle East and we needed to get their people out.

The insured contacted the AIG crisis centre hotline and we sprang into action, helping to organise travel arrangements for 6 employees and their families – increasing the number to 30 people. We reimbursed the insured for these evacuation costs.

And on the subject of claims, our in-house specialists work with leading law firms around the world, so that losses are reimbursed sensitively and in a timely manner.

It’s great to know that financial support is there, and to know help will come quickly if the worst happens. But it’s better if crises can be avoided in the first place. Like a lot of our products, Crisis Solution has a strong emphasis on loss prevention. Working with NYA International, we can help you re-evaluate your ‘people risk’, and can help you understand your duty of care obligations. Policy holders also have access to online and face to face training, and to our Global Watch website, with its country guides, city reports and other useful information.

It’s worth mentioning that AIG also offers a single insurer solution, capable of joining multiple lines of business which allows our clients to benefit from cost savings, coordinated and flexible cover accompanied by a smooth claims experience.

So if you’re looking for insurance that will cover the consequences of kidnap, hijack, extortion, and similar unexpected events, consider Crisis Solution. It will help keep your people safe and put your mind at rest. Find out more at AIG.com.

American International Group, Inc. (AIG) is a leading global insurance organization serving customers in more than 100 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

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