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Kidnap and Ransom Insurance: Not Just for Kids and Millionaires

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The global temperature for malicious opportunism is rising. Places of leisure and vacation have become hotspots for abduction and intimate crime. Mexico, known for its spring break destinations, is now the most dangerous country for kidnappings.

Before you disregard the issue as not pertaining to Mr. Joe Middleclass, understand that federal statistics show that only 1 in 8 kidnappings is of a high-profile business executive. About half are actually in the middle class or below. And keep in mind that 90% of kidnappings go unreported, due to faithlessness in government authorities.

Some might think the best defense for this is to avoid the U.S. State Department's published list of dangerous areas or stay put in their homeland. But many don't have much choice when it comes to traveling for business, and some tourists prefer to take the risk.

Whatever the reason for travel, no one is without options for defense. There is insurance designed to indemnify the ransoms and numerous expenses incurred should a kidnapping take place. Some plans can also fund, without limit, the service of a crisis response team, employing specialists located around the world. These teams have worldwide knowledge about negotiations designed for specific regions and are highly trained to handle kidnappings, ransom requests and extortion plots.

Kidnap and ransom insurance should be considered more widely by travelers. Of course, individuals should protect themselves, but so should businesses and corporations, doctor groups, educational institutions, missionary groups, financial institutions, athletic teams, film productions, boating enterprises, private plane charters and many others.

By obtaining this type of insurance, travelers are covered for kidnapping, extortion, detention and hijacking. Over the past several months, our firm has seen a significant increase in kidnap and ransom plan sales, as many agents have started recognizing the travel patterns of their clients and have begun to advise them of this coverage.

Imagine this hypothetical: your loved one has just been released from an abduction. The private negotiator was successful; the consultants you hired for interpretation and public relations did their jobs; the ransom was paid. You can go home.

But now the reality sets in. You've liquidated your assets to compile the ransom, which thankfully wasn't lost during the delivery. The debt you've accumulated from travel expenses, communications costs, security and other professional fees is enormous, and the future expense of physical, psychiatric and medical rehabilitation along with legal counsel will be an incredible financial burden. If you had purchased a kidnap and ransom insurance policy, you could have recouped these expenditures.

There are some other benefits that a good kidnap and ransom plan can offer:

* If the reimbursable ransom is "lost" during delivery, an all-too-frequent occurrence, the plan can replace the funds.

- * If there is a personal accident, the plan can indemnify medical expenses or pay a death benefit.
- * For the high-profile client, the plan can fund public relations needs.
- * The plan can issue a reward incentive for information leading to recovery.
- * Income is commonly lost due to the time it takes to handle a situation like this, and lost income can be included coverage.
- * Child care can be considered as a recoupable cost.
- * If the worst does happen, funeral expenses can be recovered to help give some financial relief to the survived.

Whether your client is an individual or a group, a vacationer or a business traveler, first-class or coach, the need for kidnap and ransom insurance should be imperative, especially when the destination is one known for the unfortunate occurrence of hostage taking.

Even in safer areas of the world, the chance of being extorted is possible, and certain precautions should be taken, including the purchase of insurances. It is important to work with experienced underwriters in this unique area of business so that complete protection can be achieved. Typically, this special type of product can be found in the non-traditional insurance market and can be a very helpful offering to clients. It is invaluable protection if needed, and responsibility for having placed a kidnap and ransom plan should be thought of as a heroic action.

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Source: Proquest LLC
Wordcount: 734