

Protecting Technology Firms

The world is a dangerous place to work these days. Technology firms are finding their employees and third country nationals potentially in harm's way in places as diverse as Mexico and India. The dangers range from political and economic instability to kidnappings fueled by the perception that wealthy U.S. tech companies are a ripe source of cash. Businesses operating via the Internet, meanwhile, face business interruptions, extortion threats and scams.

The numbers tell a story

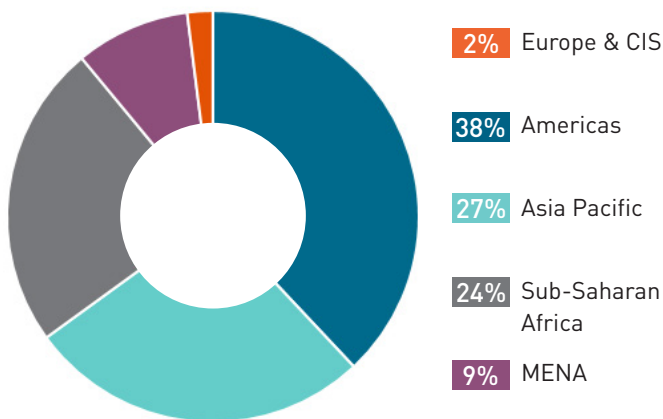
Control Risks, a leading international crisis management and response company:

- Worked on 2,745 kidnappings and extortion cases in 132 different countries as of August 1, 2015.
- Handled 152 cases in 2014.

Figure 1 provides a geographical breakdown of kidnaps of foreign nationals.

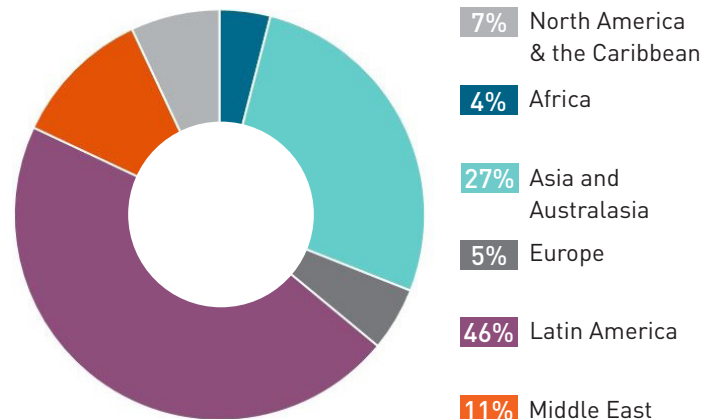
While kidnappings garner media attention, extortion is also a serious and growing threat. See figure 2 below.

FIGURE 1 Kidnappings by region



* Kidnappings by region 2019

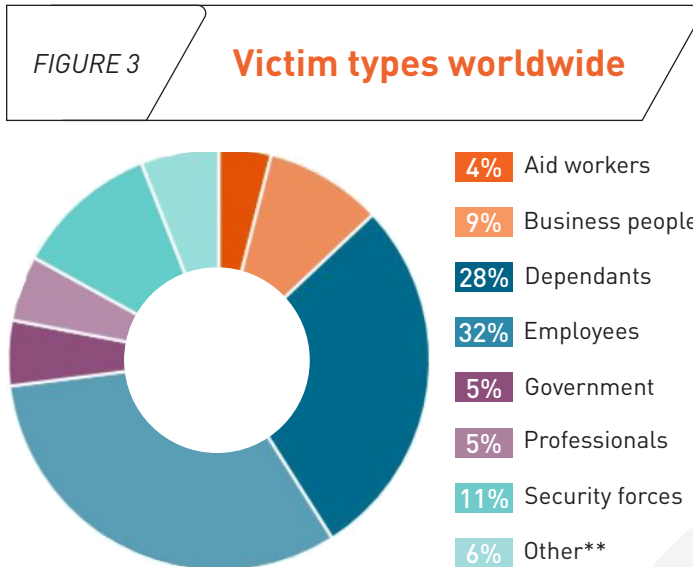
FIGURE 2 Extortions by region



* Extortions by geographical region, first half of 2015

Mitigating your risks

Nearly every type of employee is at some risk, as well as their dependents. See figure 3 below:



* Kidnaps Worldwide 2014. Most Common Victim Types Known to Control Risks.

** Others include media, project workers, religious workers, ranches, tourists and sports/entertainment personalities

There are steps you and your employees can take to mitigate risk, from dressing inconspicuously to carrying a mobile phone or another communications device that is preprogrammed with police, embassy and other emergency numbers. It's also important to always be alert to your surroundings, and to avoid disputes, demonstrations and political rallies. In many places, it's not advisable to walk alone on most streets after dark. If you need a cab, try to hail one at a major hotel, or hire a reputable car and driver.

Insurance and expertise

While prevention is key, it's impossible to protect everyone all the time. A Kidnap and Ransom (K&R) insurance policy is a valuable tool that can help protect technology firms doing business internationally.

The K&R policy can help reimburse an organization for the payment of a ransom following a kidnapping or extortion threat and can help pay for experts to navigate the organization through an ordeal.

With a K&R policy through Victor, you are eligible to receive assistance from Control Risks. This means you get access to experts with considerable experience handling kidnapping and extortion threats. In fact, the policy pays for all of the Control Risks response team's expenses and fees.

K&R policies can also pay for a range of additional expenses, such as the cost of hiring interpreters, post-kidnapping medical costs (both physical and psychological) and rest and rehabilitation. Technology firms can also opt to purchase endorsements for loss of business earnings (i.e., if an extortion threat forces you to close temporarily) or for losses associated with a computer virus attack.

Equally important, a good K&R policy provides confidentiality. Everything associated with coverage and support in a crisis will be handled with complete discretion, thus minimizing media attention, from competitors and from other criminal organizations.

* Source of information: Control Risks

Visit victorinsuranceus.com/kidnap for more information or contact a Kidnap, Ransom & Extortion underwriter at (301) 961-9800 or kidnap.us@victorinsurance.com.

Visit us at victorinsuranceus.com to learn more.

The statistics shown are based on Control Risks' records of kidnap-for-ransom cases, defined as the abduction of a person or persons with the intent of their detention in an unknown location until a demand is met. These statistics are based on those cases about which Control Risks has obtained reasonably reliable information and do not purport to represent the full extent of the problem. This document is for illustrative purposes only and is not a contract. It is intended to provide a general overview of the program described. Please remember only the insurance policy can give actual terms, coverage, amounts, conditions and exclusions. Program availability and coverage are subject to individual underwriting criteria.

Victor Insurance Managers Inc. (fka Victor O. Schinnerer & Company, Inc.) recently filed in all U.S. jurisdictions to re-brand and change its name. This name change has become effective in almost all states while still pending in several states, which we expect will complete their approval processes shortly.

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