



**A GUIDE TO
INSURANCE FOR
NGOs OPERATING
IN VIOLENT
ENVIRONMENTS**

OPEN BRIEFING

Published by Open Briefing, 2018.

Open Briefing

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Disclaimer: This document is not written by a qualified insurance adviser; however, the author has extensive sector relevant experience, including engaging with brokers, insurers and crisis responders over a number of years. This document does not constitute legal advice. To the fullest extent permitted by law, Open Briefing will not be liable for any loss, damage or inconvenience arising as a consequence of any use of any information or advice in this document.

A GUIDE TO INSURANCE FOR NGOs OPERATING IN VIOLENT ENVIRONMENTS

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1. INTRODUCTION

Insurance is an important form of risk management for NGOs that might not be able to bear a significant unplanned financial loss resulting from a security or medical incident in the field.¹ Yet, engaging with brokers and insurers to purchase the right insurance policies can be a confusing and sometimes frustrating process. Policies are commonly long, complex documents that are full of jargon and multiple inclusions, exclusions, endorsements and conditions.

This guide aims to support organisations that purchase and manage **travel; personal accident; kidnap, ransom and extortion;** and **crisis solution** policies.² It aims to explain the key terminology and provide recommendations to help organisations avoid common pitfalls. The advice is primarily aimed at organisations purchasing insurance products in the United Kingdom; however, many of the principles are relevant in other jurisdictions.

Note that not every negative economic event is insurable. As such, individuals and organisations may need to self-insure against some events by setting aside resources to cover possible future losses.

Open Briefing is a producer for Tangiers Insurance and its **battleface** travel medical insurance and **OBS Shield** crisis response insurance. If these products are right for you and your organisation, please contact us to discuss your needs and arrange a quote.

Tangiers will offer organisations a 5% discount on premiums if your staff have completed our hostile environment awareness training (HEAT) course. Tangiers will also contribute 15% of the premiums to Open Briefing in support our work protecting human rights defenders, humanitarians and others on the frontlines of civil society.

Tangiers International is a certified B Corporation, having met rigorous standards of social and environmental performance, accountability and transparency.

¹ The losses may not always be financial, but policies reduce losses to financial terms.

² This document does not encompass other types of business insurance that organisations should have in place (e.g. professional indemnity, public liability, buildings and contents, and vehicle).

2. KEY GUIDANCE

Know what you need and maintain control of the process

Brokers and insurers should work with you to ensure that you get the right policies for your organisation. However, they can sometimes attempt to push clients towards a particular policy irrespective of whether it truly meets their needs. It is therefore vital that organisations know exactly what cover they need, and to ask for quotes that fit these requirements. If your broker or insurer is unwilling to be flexible or unable to understand your organisation's insurance needs, you should seek alternative providers. Using the right broker and insurer is critical. It is highly recommended to seek companies that specialise in your sector; ask similar organisations for recommendations.

Add additional endorsements if you need them

If you find a policy that provides most, but not all, of the cover that you need, explain this to the broker or insurer and ask them if they can provide additional endorsements to cover the gaps. Useful additional endorsements could relate to the types of Insured Persons, extended geographical coverage, inclusion of pre-existing medical conditions or an allowance to travel against government travel advisories, for example.

Ensure that you provide a fair presentation of the risk

Organisations will commonly be asked to complete a form and provide supplementary information. The requested information could include company details, the level of required insurance, the organisation's activities, likely risks, the number of staff, travel patterns, travel destinations, previous claims and incidents and asset registers, for example. As well as understanding your needs, this process is part of the methodology that underwriters use to assess your organisation's exposure to the risks (and ultimately the likelihood of claiming on the policy). Organisations are required to provide this information to their brokers and insurers in a manner that is clear and accessible and does not make any misrepresentations. If organisations fail to do this, it may qualify (in the United Kingdom) as a 'breach of the duty of fair presentation' under the Insurance Act 2015, allowing the insurer to void the contract, refuse all claims and not return any of the premiums paid.

Equally cover all staff

It is not uncommon for organisations to provide more extensive policies to travelling staff or international staff based overseas than to national staff. This is partly due to the availability of appropriate insurance in different countries, but also a reflection of the relative lack of mitigation measures put in place for national staff despite the increasing practice of transferring risk from international to national actors. This is a nonsensical and discriminatory approach to risk management, as national staff are often significantly more exposed to safety and security threats than their international colleagues. **Of the 3,114 aid workers who were killed, injured or kidnapped in the 10 years to 2017, only 14% (439) were international staff according to the Aid Worker Security Database.**³ Sector specific insurers and brokers are beginning to understand and respond to this dynamic by developing and offering global policies. Ambrelia and Allianz Worldwide Care have designed the NGO Care range of insurance products with this requirement in mind, for example. An alternative option for organisations to set minimum insurance standards for country programmes and self-insure where available in-country policies fall short of these standards.

Use the free access to risk portals

Over the last 10 years, most major insurers have begun providing customers with access to risk portals as part of their travel, personal accident, kidnap and crisis solution policies. Although the quality and granularity of the information provided varies significantly, these online portals commonly include country and city profiles, risk ratings, health information, safety and security reports, business and social etiquette guidance, embassy contact details and government travel advisories, for example. These portals can be used to drive an organisation's threat-level system or inform travel risk assessments, and because they are available to all those covered by the policy, individuals can research destinations, providing an excellent mechanism to support an organisation's informed consent processes.

Socialise your policies

Once organisations have the right policies in place they must be socialised with the Insured Persons. This needs to go beyond simply telling staff that they are covered or circulating the summary of cover document in an email. As discussed above, policies are commonly long, complex documents that are full of jargon and multiple inclusions, exclusions, endorsements and conditions. This means that organisations need to translate the policy and cover into clear language. Organisations should develop short, simple guidance documents (ideally with some example scenarios) and deliver socialisation sessions where the Insured Persons can ask questions to gain a deeper understanding of what is, and what is not, covered. Note that this should exclude crisis solution and kidnap, ransom and extortion policies.

³<https://aidworkersecurity.org/incidents/search?start=2008&end=2017&detail=1>

3. TRAVEL AND PERSONAL ACCIDENT

Type	Policy intention	Common areas of cover
Business Travel	Business travel insurance policies cover major events while travelling overseas for business or charitable purposes.	<ul style="list-style-type: none"> • Travel cancellation, curtailment, rearrangement and replacement. • Medical repatriation, political and natural disaster evacuation. • Legal expenses, personal liability, personal property, business equipment, personal money. • Kidnap and ransom (to limited amounts).
Personal accident	Personal accident insurance policies also cover major events while travelling overseas for business or charitable purposes. However, they are specific to losses that are caused by violent, accidental, external or visible events.	<ul style="list-style-type: none"> • Accidental death. • Loss of sight, limbs, speech, hearing. • Permanent (total and partial) disablement. • Temporary (total and partial) disablement. • Medical expenses. • Funeral expenses.

Recognise that personal accident policies are not health insurance policies

Personal accident policies are not the same as health insurance policies. The former cover the consequences of accidents, including bodily injuries, disablement or death, whereas the latter is broader, as it covers medical expenses arising from illness, medical conditions or the consequences of accidents (except disablement or death caused by the accident).

Ensure that you have adequate cover

It is vital that you ensure that you have adequate levels of cover. When considering this, remember that it is not necessarily the case that care and repatriation is more expensive in hostile and remote locations. The UK Foreign & Commonwealth Office estimates that a stomach bug or infection treated in a hospital in the United States with flights home could cost in the region of £100,000.

Take into account the advice of qualified medical practitioners

Many policies have an exclusion that relates to travelling (or intending to travel) against the advice of a qualified medical practitioner. For this reason, organisations must ensure that travellers confirm that they are not doing so prior to booking a trip. Policies or extensions are available that cover previous medical conditions should this be required.

Agree direct billing on personal accident policies

Direct billing allows medical professionals and institutions to pass the bill for medical care directly onto an insurer. This means that the Insured Persons do not need to personally pay the bill and then claim the amount back from the insurer. Apart from avoiding the obvious inconvenience a claims process entails, direct billing removes the financial barriers to care and reduces the time it takes to access medical services, which is especially important in emergency situations.

Check what government travel advisories apply

Policies will commonly include an exclusion for travel to any country with a government advisory in place. For policies from British companies, this exclusion will normally apply to travel advice issued by the Foreign & Commonwealth Office that recommends against 'all' or 'all but essential' travel to a country or one of its regions. At the time of writing, this includes **Central African Republic, South Sudan and Syria**, for example. Organisations should check existing or prospective policies for this exclusion, and, if present, which foreign ministry's travel advisories apply. As an illustration, one current policy states that '[The company] shall not be under any obligation to provide services or incur any expenses to or from a Traveler if, in [the company's] sole discretion ... [t]he Traveler has not heeded travel warnings issued by the State Department or appropriate authorities recommending that Travelers avoid that specific region or location.' If your organisation intends to frequently travel to countries or regions against government travel advice, it should purchase a policy without such restrictions. There are products, such as battleface from Tangiers Insurance, designed specifically for people travelling to and working in conflict zones and hostile environments that might be useful.

Be aware of disturbed areas

Some policies will include exclusions that relate to 'disturbed areas', which are defined within the policy. These exclusions often mean that the insurer is not liable for injury, loss or expense suffered as a result of specific situations, such as war or terrorism, within the specified disturbed areas. As such, organisations should review their travel patterns against a policy before purchasing it in order to ensure that these exclusions will not impact upon them. Where they do, organisations should either seek a broader policy or buy specific policies for travel to disturbed areas when required.

Be aware of sanctioned countries or regions

Insurers are subject to laws, regulations and national sanctions restrictions that may prohibit them from providing cover or paying claims to certain individuals or entities and from insuring certain types of activities in or connected with specific countries and territories. These countries and territories change over time, so organisations need to regularly check with their insurers if they think they are likely to travel to such locations. As an illustration, the following countries and territories are listed on one major insurer's policy at the time of writing: **Iran, Syria, North Korea, Sudan, Cuba and Crimea**.

Travel and reside on the correct visas and permits

Insurers will commonly not pay for any loss or expense where an Insured Person has failed to secure or maintain immigration, work, residence or similar visas and permits for the country where the person is travelling. It is generally good practice not to use tourist visas when travelling for work purposes. If organisations purposefully intend to clandestinely travel as tourists, this should be discussed with their insurer to add specific policy endorsements.

The country of residence applies

It is vital to remember that most travel policies only apply when an Insured Person is outside their country of residence. Organisations should also carefully consider situations in which employees are nationals of the country that they are travelling to, as, despite being resident in another country, many policies exclude situations where Insured Persons are a national of the country in which they are travelling. Conversely, if an Insured Person travels outside their Country of Residence for more than 90 consecutive days, most policies will not pay a claim on the basis that they are no longer resident in the country where the policy was issued. Finally, many benefits (e.g. psychological counselling or funeral expenses) are only covered if they take place in the Insured Person's country of residence.

Be clear on your duty of care for incidental holidays

Many policies now come with cover for incidental holidays. This means that travellers are covered for holidays (usually up to seven days) in conjunction with an Insured Journey. There are two important points to note here. Firstly, the cover usually only applies to holidays in the same country as the Insured Journey. **A common mistake is for employees to travel to a neighbouring country and mistakenly assume that they are covered.** Secondly, while this is a nice benefit to offer to staff (for little cost), organisations need to very clearly communicate the point in time at which their duty of care obligations cease. It is unrealistic to expect travellers to follow an organisation's standard operating procedures while on holiday. Therefore, it is also unrealistic to expect organisations to respond to situations on the traveller's behalf during an incidental holiday (other than through their insurers if the incidental cover applies). Such dynamics should be clearly communicated to staff and other Insured Persons.

Be aware of the limits of psychological counselling cover

Most policies do offer adequate cover for psychological counselling. While provision is often made for bereavement counselling for families or trauma counselling for Insured Persons, it is commonly restricted to situations where there has been a bodily injury or an Insured Person has witnessed at terrorist incident. As such, organisations must ensure that they provide employees with access to psychological counselling for all other types of events and incidents.

Be aware of common exclusions and conditions

All insurance policies have exclusions and conditions. As they will be different on each policy, organisations should ensure that they are fully aware of them, before they purchase a policy. Below are some common policy exclusions/conditions where insurers may state that they are not be obliged to provide response services:

- When the insurer would have to breach national or international laws and/or regulations.
- When the insurer is unable to obtain necessary authorisation required to do.
- When the Insured Person has violated the laws or regulations of the country in which they are travelling.
- When the Insured Person has not heeded travel advisories from the Foreign & Commonwealth office or other named foreign ministry.
- When (in the insurers sole opinion) it will be impossible or reasonably impracticable to do so due to:
 - war and/or terrorism or other political or local conditions;
 - the Insured Person being in an inaccessible location or offshore; or
 - the Insured Person being in a predicament that may more reasonably be the responsibility of a search and rescue operation organised by the police or coastguard or other authority responsible for rescue services.

4. KIDNAP, RANSOM AND EXTORTION AND CRISIS SOLUTION

Type	Policy intention	Common areas of cover
Kidnap, ransom and extortion	Kidnap, ransom and extortion insurance policies are indemnity policies. This means that they reimburse the loss incurred.	Kidnap, extortion, wrongful detention, hijacking.
Crisis solution	Crisis response policies are also indemnity policies, but offer cover for a broader set of circumstances.	Kidnap, express kidnap, extortion, wrongful detention, hostage crisis, hijacking, disappearance, threats.

As the above table indicates, kidnap, ransom and extortion policies provide less areas of cover than the newer crisis solution policies, which is why most organisations now opt for a crisis solution policy.

Do not focus (only) on the ransom

These policies provide much more than reimbursing insured ransom payments. Understanding exactly what the policies provide and in which situations the responder will provide it is critical to using them correctly. It is also possible to purchase these policies without the ransom element. This is a requirement for some organisations, as specific donors do not allow the purchase of ransom cover with their funding. These policies are still worthwhile purchasing without the ransom cover if your staff could be exposed to the threat of detention, extortion, etc. Robust policies will normally include (financially limited) cover for travel, accommodation, communications, child care, rest and rehabilitation, medical services, increased security, legal liabilities, interpreters, accidental death and disability benefits, salaries and job retraining for affected persons. They can provide a vital boost to an organisation's own crisis response capabilities.

Interview the responders before purchasing the policy

Professional response consultants offer many of the same services in the same way. However, some specialise in working with specific sectors, and others offer slightly different, but potentially important, elements of cover (e.g. a willingness to deploy two consultants simultaneously to your national and international crisis management teams). As such, organisations should spend an appropriate amount of time discussing the scope of the services and the response consultant's sector-specific experience.

Be aware of the policy's legal jurisdiction

Despite having global application, most insurance policies are based on the legal jurisdiction (or location) in which they are issued. As such, the laws of that country will apply to the policy. This is especially important in relation to ransom payments, as different governments take different stances on this issue. The long-standing policy of the British government, for example, is not to make substantive concessions to hostage takers. In addition, the payment of ransoms to terrorists is illegal in the United Kingdom under the Terrorism Act 2000, which has 'extra-territorial effect', meaning that the law applies wherever the ransom is paid. The United States government's policy is similar in that they will also not make ransom payments or substantive concessions and prohibits the payment of ransoms to foreign terrorist organisation (FTOs). However, a change of policy in August 2015 opened the door to the payment of ransoms by the families (not employers) of citizens of the United States. These may seem like minor differences, but they have potentially major implications. As such, organisations should consult their insurer's crisis responders to ensure that they have a full and complete picture of the relevant legal requirements that apply to the jurisdiction of the policy, the nationality of any affected individuals and the laws of the host country.

Ensure that response consultant's fees and expenses are 'unlimited'

Probably the most useful element of these policies is the access that they provide to response consultants. Every major insurer that offers these policies has an exclusive – and sometime opaque – agreement with a response consultancy to provide this element of the policy. Currently, Hiscox use Control Risks, AIG use Neil Young Associates and XL Catlin use Terra Firma, for example. These response consultants are private security companies that specialise in this area and have extensive capabilities, long case histories, access to perpetrator statistics and teams of consultants who can advise you throughout the crisis. As such, it is important that the policy provides unlimited financial cover for these consultants and their expenses.

Response consultants advise; they do not manage and they do not negotiate

It is a common misconception that an organisation facing kidnap or other crisis situations can call their insurers who will send a response consultant to manage and negotiate the crisis for them. This is simply not the case (in the United Kingdom at least). Response consultants will advise your crisis management team(s), outlining strategies, options and scenarios, but all the decisions and the contact with the hostage takers remains the Insured's responsibility.

These are indemnity (reimbursement) policies

Indemnity is a compensation for damages or losses. As such, these policies will only reimburse the losses incurred. If your payment meets all of the legal and policy conditions, your insurers will reimburse your costs (usually quite quickly). However, this means that if you decide to pay a ransom, you must have the money to do so. In practice, there is some ability to negotiate this with insurers, but it should not be presumed that they will provide funds for you to pay a ransom from the outset.

Restrict knowledge about the existence of the policy

It is a requirement of these policies that organisations take all possible measures to restrict the knowledge of the existence of the policy. This requirement works on the basis that the ransom payments are usually lower and the negotiations will be simpler and swifter if the hostage takers are not aware of the existence of the engaged response consultants or the ransom element of the policy.

Get to know your responders and write their details into your crisis management plan

It is critical to meet your responders once your policy is in place. You can request a briefing designed to help you understand how to engage with them during an incident and how their services can fit into your internal crisis management processes. Once this is understood, you should write this engagement process into your crisis management plan or abduction protocols.

Utilise the pre-incident services or subvention kitties

All good kidnap, ransom and extortion and crisis solution policies will include pre-incident services. Sometimes called a 'subvention kitty', this allows your organisation to spend a nominated amount (usually 10% of the policy fee) on crisis management training. While insurers will encourage you to spend this money with their responders, organisations can approach their insurers and gain approval to spend the money with other (perhaps more sector-relevant) security risk management providers.

Inform the insurers and responders of an incident as soon as possible

It is a condition of most policies that you must inform both the insurers and the responders of a relevant incident as soon as is practically possible. Failure to do so may result in lack of cover.

Organisations must also ensure that they provide a fair presentation of the risk, ensure adequate cover and be aware of sanctioned countries or regions as outlined in relation to travel and personal accident in the previous section.

GLOSSARY

Policy Period	The time for which the policy is valid. Usually between the Effective Date (the date the policy is issued) and the Expiry Date (the date the policy expires).
The Insured	The individual or organisation that has purchased the policy.
Insured Person(s)	This differs per policy. It is important that the organisation clearly informs the broker/insurer who it would like to be covered in the policy (and to what extent). This may include board members, senior managers, all employees, families, consultants, volunteers, drivers and other categories. The more categories of people you chose to cover, the more expensive the policy will be. Within the policy, each category will be offered differing levels of cover on the basis that organisations generally prefer to provide higher levels of cover for employees than local contractors, for example. However, this is the organisation's, not the insurer's, choice.
Operative Time	The times when the policy is valid. It can be as simple as '24 hours a day'. It can also be more complicated, including terms like 'While undertaking an Insured Journey on behalf of the Insured, including Incidental Holiday outside or within the Country of Permanent Residence of the Insured Person'. It is common that different Operative Times apply to different categories of Insured Persons.
Insured Journey	A journey that begins during the Policy Period and is undertaken by an Insured Person within the Operative Time.
Country of Permanent Residence	The country where an Insured Person usually lives (either indefinitely or with the intent to reside indefinitely).



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