



203 - Preparing for Unexpected Challenges: Managing International Business Travel Risks

George Jones
Senior Vice President
Marsh Uk Ltd

Kelly McCann
President, Kroll Security Group
Kroll, Inc.

Carol Seaman
Vice President and Chief Compliance Officer
Cook Group Incorporated

Faculty Biographies

George Jones

As an insurance broker, George Jones has handled political risks, product contamination and extortion risks and latterly ran the Marsh Special Risks team (MSRt), specializing in kidnap and ransom, property and product extortion. MSRt handle over 700 corporate and family policies, worldwide, handling an average of 10 claims each year, predominately in Latin America, Africa and Asia. MSRt also offers advice and training on reducing the risks of kidnapping and preparedness for handling kidnapping or extortion crises.

Following receiving a B.A. with honours, George Jones served six years as an Commissioned Officer with the British Army including tours of Germany, Cyprus, Cambodia and Bosnia – Herzegovina.

Kelly McCann

Mr. McCann is President of Kroll's Security Group and oversees global security operations and training. Following 9/11 Mr. McCann was hired by CNN as their exclusive security analyst. He also served CNN as one of their military analysts for both the Afghanistan and Iraq wars. He worked for CNN for two and one half years in these capacities.

Mr. McCann is a former Marine Corps special missions officer. While serving in this capacity he was assigned to sensitive counter-terrorism and counter-narcotics duties. After his service to the Marine Corps he worked for various US Government agencies as an instructor in high-risk environment survival. An acknowledged expert in combative skills, protective operations, hostage recovery and both counter and anti-terrorism Mr. McCann started his own company in 1993 that was acquired by Kroll in 2003.

McCann has traveled to and operated in over 47 countries.

Carol Seaman

Carol M. Seaman is vice president and chief compliance officer for Cook Group Incorporated, an international, privately-held medical device manufacturing company with headquarters in Bloomington, Indiana. She is responsible for the design, implementation, maintenance and review of Cook's global ethics and compliance program. She also oversees the global insurance and risk management department.

Ms. Seaman was associated with Ferguson, Ferguson & Lloyd in Bloomington and taught in the legal writing and research program at the Indiana University School of Law for three years. She joined Cook Group Incorporated as Corporate Counsel and since, served as director of risk management and insurance and then vice president of administration before assuming her current responsibilities.

She chairs the Lawyers Council of the American Civil Liberties Union of Indiana based in Indianapolis. Professional organization memberships include the Monroe County, Indiana State and ABA; the ACC (International Legal Affairs Committee); the Indiana Medical Device Manufacturer's Council (Program Committee); and the Regulatory Affairs

Professionals Society. Ms. Seaman volunteers with the Monroe County Historical Museum, the Hoosier Hills Food Bank, Monroe County Habitat for Humanity and St. Thomas Lutheran Church.

Ms. Seaman received a B.A from Wittenberg University and a M.A. from Indiana University. She received her J.D. from Indiana University School of Law.



203. Preparing for Unexpected Challenges: Managing International Business Travel Risks

George G. L. Jones, Senior Vice President, Marsh

J. Kelly McCann, President, Kroll Security Group

Carol Seaman, VP & Chief Compliance Officer, Cook Group Inc.

Moderator

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The risks of international travel

George Jones, SVP, Marsh

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Marsh Special Risks team Related insurance products and services

Information and Risk Management Services

Kidnap & Ransom



War/ Terror Personal Accident



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Emergency Political Repatriation



Risk Management Services



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- Public information:
 - Deluge
 - Biased
 - Lowest common denominator
- Commercial Information services:
 - Focussed
 - Robust
 - Unbiased
 - Free
 - Offset Rebate – usually 10% of annual premium, each year
- Training / awareness services:
 - Free set number of days
 - Offset Rebate – usually 10 % of annual premium, once, maybe twice

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Risk Management Services

available from Marsh Special Risks team

- 1. Travel Security Awareness Briefings (general or territory specific)
- 2. Kidnap Awareness Briefings
- 3. CMT Desk Top Exercises
- 4. CMT Semi-Live Play Exercises
- 5. Preparedness Audits
- 6. Crisis Management Plans

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Personal Accident and Business Travel

- Loss of Limb, Eye(s), Speech, Hearing
- Disablement
 - Temporary Total
 - Permanent Total
 - Temporary Partial
 - Paraplegia
 - Quadriplegia
- Medical Expenses
 - Doctors' fees
 - Nursing home / hospital
 - Ambulances
- Expenses
 - Medical
 - Emergency travel
 - Rescue
 - Legal
- Personal Liability
- Personal Property / Cash
- Cancellation, Disruption, Delay
- Assistance
 - Air ambulance
 - Lost ticket / Baggage
 - Cash Advance

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War/Terrorism Personal Accident (WTPA)

- Accidental Death
- Permanent total disability
- Temporary total disability
- Sickness / medical expense
- Additional expense
- No territorial exclusions for W-W, or
- Country specific
- Nuclear, Biological, Chemical cover (USD10m only)
- Individual vs. whole group

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Emergency Political Repatriation Specialist / bespoke policy

- Kroll Security Group / Air Partner Ltd.
- Development of triggers from above EPR / Air plan
- Phased Withdrawal
- Security deployment to Asset / Project
- Mitigation of Political Risks M.E.L. (Reduction in premium ?)
- Travel / Site briefings to personnel

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Targets for kidnapping and extortion

- Multinationals with foreign subsidiaries, J.V.s, operating divisions or assets.
- Overseas contractors with personnel abroad
- Domestic companies with overseas travel
- Wealthy families or individuals inherited or through business success

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KIDNAP OF FOREIGN NATIONALS WORLDWIDE 2006 TOP TEN NATIONALITIES

1. American
2. Italian
3. British
4. Filipino
5. Colombian
6. Spanish
7. Chinese
8. South Korean
9. French
10. German, Indian, Lebanese



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Kidnap, Ransom and Extortion insurance

Triggers

- Kidnap
- Extortion (threat to):
 - kill, injure, abduct
 - physical damage or loss to property
 - disseminate, divulge or use trade secrets
 - introduce computer virus
- Product Extortion
 - by persons whom demand a ransom
- Detention
- Hijack

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Kidnap, Ransom and Extortion insurance

Insured Losses

- Payment of a ransom
- Lost ransom in transit
- Response fees / expenses
- Additional Expenses
- Legal Liability
- Personal Accident benefits

Enhancements

- Property extortion b/I
- Computer Virus b/I
- Emergency Political Repatriation
- Threat Response
- Product Recall
- WTPA

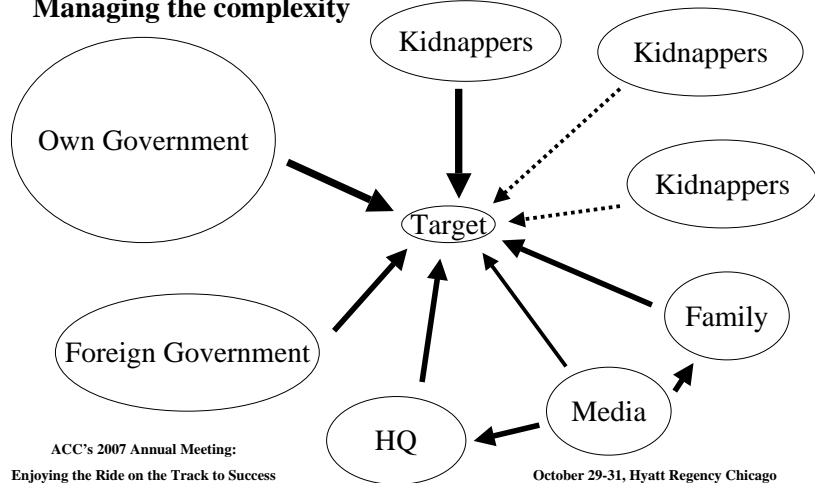
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**Response –
Managing the complexity**

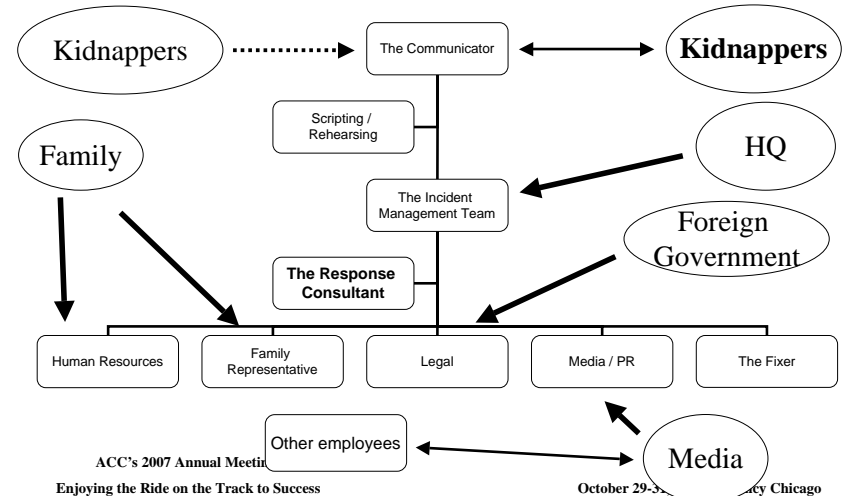


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Response – Managing the complexity



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The Good Response Consultants

- Protect life
- Comply with local law
- Protect commercial position
- Responsible corporate citizenship
- Good Government and partner relationships
- To make the company a hard target for future threat

NB. Response Consultants are not Loss Adjusters

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Evaluation of Response Consultants

- Experience
- Quality
- Size
- Case review / knowledge exchange / learning abilities
- Territory intelligence / information
- Logistic support
- Twin deployment
- Knowledge base / records / database
- Wider security skills within group
- Multi-national corporate governance and ethical review

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Markets and Response Consultants

Insurers

USA :

- ☛ St Paul Travelers
- ☛ Great American
- ☛ PIA
- ☛ AIG WorldSource
- ☛ ACE (US) ??
- ☛ Chubb (US)
- ☛ Zurich

Europe and RoW :

- ☛ St Paul Travelers in Lloyds
- ☛ Hiscox (Lloyds or Guernsey)
- ☛ AIG (Europe)
- ☛ Chubb (Europe)
- ☛ ASJ

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Response Consultants

- ☛ ASI Global
- ☛ Control Risks Group
- ☛ Corporate Risks Intl
- ☛ Clayton Consultants / Triple Canopy
- ☛ NYA ??
- ☛ Ackerman
- ☛ NYA / Armour Group

- ☛ ASI Global
- ☛ Control Risks Group / Result Group
- ☛ Clayton Consultants / Triple Canopy
- ☛ Ackerman
- ☛ Hendersons - Colombia only
- ☛ Hart Group - Marine, Mexico only

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ACC Annual Meeting, October 2007 Session 203: Preparing for Unexpected Challenges: Managing International Business Travel Risks Resources

Books

- Briggs, Rachel. (2003). *Doing business in a dangerous world: Corporate personnel security in emerging markets*. London: The Foreign Policy Centre.
(Available online at: <http://fpc.org.uk/fsblob/152.pdf>)
- Briggs, Rachel. (2003). *Keeping your people safe: The legal and policy framework for duty of care. Corporate personnel security in emerging markets: Working paper 1*. London: The Foreign Policy Centre.
(Available online at: <http://fpc.org.uk/fsblob/126.pdf>)
- Briggs, Rachel. (2001). *The kidnapping business*. London: The Foreign Policy Centre.
(Available online at: <http://fpc.org.uk/fsblob/46.pdf>)
- Grover, Jim. (2000). *Street smarts, firearms, and personal security: Jim Grover's guide to staying alive and avoiding crime in the real world*. Boulder, Colorado: Paladin Press.
- Morrison, Terri & Conaway, Wayne A. (1995, 2006). *Kiss, bow, or shake hands: The bestselling guide to doing business in more than 60 countries* (2nd ed.). Avon, Massachusetts: Adams Media.

Articles

- Banham, Russ. (2002, April). Are kidnapers changing the rules? *Treasury & Risk Management*, 12, (4), 18-23.
- Beam, Christopher. (2007). What if I'm kidnapped by terrorists? A how-to guide for hostages overseas. *Slate*. Retrieved August 24, 2007, from <http://www.slate.com/id/2171133/>
- Conley, John. (2002). Kidnapped: Protecting executives abroad. *Risk Management Magazine*. Retrieved August 27, 2007, from <http://www.rmmag.com/MGTtemplate.cfm?Section=MagArchive&NavMenuID=304&template=/Magazine/DisplayMagazines.cfm&Archive=1&IssueID=168&AID=1631&Volume=49&ShowArticle=1>
- Kurlantzick, Joshua. (2007, January 28). Safe or not? It depends on whom you ask. *The New York Times*. Retrieved August 24, 2007, from <http://travel.nytimes.com/2007/01/28/travel/28prac.html>
- Matchulat, John. (2006, December). Planning for terrorism: How far should an employer go? *Risk Management Magazine*, 53, (12), 22-27.

Stemman, Roy. (2005, September). Kidnapped! *G4S International*. Retrieved August 27, 2007, from http://www.g4s.com/international-magazine_september_2005.pdf.

United Nations Economic and Social Council; Commission on Crime Prevention and Criminal Justice. (2003). *International cooperation in the prevention, combating and elimination of kidnapping and in providing assistance to victims; Report of the Secretary General* (UN publication no. E/CN.15/2003/7).

United Nations Economic and Social Council; Commission on Crime Prevention and Criminal Justice. (2003). *International cooperation in the prevention, combating and elimination of kidnapping and in providing assistance to victims; Report of the Secretary General; Addendum* (UN publication no. E/CN.15/2003/7/Add.1).

Online Resources

AllSafeTravels

AllSafeTravels is a travel advice website dedicated to tracking, reviewing and organizing travel advice (including warnings, services, travel health and general advice), current events (such as holiday, elections, strikes and demonstrations) and disease outbreak alerts and immunization recommendations. The information is freely available (some aspects require a free registration) and they offer personalized email updates and emergency broadcasts with the purchase of their Travel Alert service.

<http://www.allsafetravels.com/>

Come Back Alive

Come Back Alive is the official website of Robert Young Pelton, author of "The World's Most Dangerous Places." In addition to travel advice, the website offers a discussion forum, books and DVDs, a travel Wiki, and news feeds and information purportedly straight from the front lines.

<http://comebackalive.com/site3.php>

Foreign & Commonwealth Office (United Kingdom)

The UK offers a very thorough travel advice website that includes information on weather emergencies, before-you-go checklists and specific advice aimed at particular groups of travelers (i.e. backpackers, sports travelers, youths, disabled travelers, etc.), as well as general safety advice and terrorism alerts.

<http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029390572>

Overseas Security Advisory Council (OSAC)

OSAC is a U.S. government website that is managed by the Bureau of Diplomatic Security, U.S. Department of State. The following URL connects with the 'Personal Security and Living Abroad' section of the OSAC Resource Library which contains many security guidelines and other advisory documents for traveling and living abroad.

<https://www.osac.gov/ResourceLibrary/index.cfm?display=type&type=1024>

Smart Traveller (Australia)

Smart Traveller is the Australian government's website for overseas travel. Although its primary focus is the safety and well-being of Australian citizens, the travel advisories are frequently reviewed and updated, and the website is very user-friendly with helpful safety information.

<http://www.smarttraveller.gov.au/index.html>

U.S. Department of State Bureau of Consular Affairs

This is the travel advisory site of the State Department for Americans traveling abroad. The site is a useful, but limited resource for security warnings. It is the best place to find information on government document requirements, current health issues, registration with Embassies, and especially the Office of American Citizens Services and Crisis Management (ACS). The ACS exists to aid US citizens traveling or living abroad with non-emergency (identity, passport, citizenship, registration, judicial assistance, etc.) and emergency (arrest, death, crime victimization, repatriation, medical evacuation, temporary financial assistance, etc.) situations.

<http://www.travel.state.gov/index.html>

Related ACC Resource Documents (Access through members only section of ACC.com)

Binns, Cynthia, Karson, Daniel & Whiting, Douglas. (2002). 903: Security concerns for global businesses. *ACCA Annual Meeting 2002*.

Waite, William F. & Claridge, David S. (2003). Terrorism risk management strategies for business. *ACCA Docket 21, 8, 74-89*.

Useful Industry Resources

Aon. "Political and Economic Risk Map." Available at:

http://www.aon.com/about/publications/issues/political_risk_map.jsp?src=politicalrisk

Chubb. "Managing terrorism risks: A practical guide." Available at:

<http://www.chubb.com/businesses/csi/chubb2206.pdf>

Chubb. "Managing travel risks: Tips on international business travel." Available at:

<http://www.chubb.com/businesses/csi/chubb2205.pdf>

Sovereign Risk Insurance, Euromoney & Reactions. "Global Political Risk Map."

Available for download at:

<http://www.sovereignbermuda.com/Downloads/Sov%20PR%20Map%2007.pdf>

Available with trial offer of "Reactions" magazine at:

<http://www.reactionsnet.com/default.asp?Page=18>

Legislation and Case Law

Global Terrorism Sanctions Regulations 31 C.F.R. § 594 (2006)

Terrorism Sanctions Regulations 31 C.F.R. § 595 (2006)

Trading with the Enemy Act (TWEA) 50 U.S.C. app. § 1 et seq.

United States of America v. Chiquita Brands International, Inc., No. 07-055 (D.D.C. filed Mar. 14, 2007)

USA PATRIOT Act, Title III: International Money Laundering Abatement and Financial Anti Terrorism Act of 2001 (PL 107-56, 26 Oct. 2001)

Disclaimer: These materials represent a survey of some of the information available on the topic of managing international travel risks. The materials are provided for information only and are not meant to take the place of professional legal, insurance or security advice. ACC and the session's panelists are not responsible for the content of these materials

INTERNATIONAL CORPORATE TRAVEL:
Risk Assessment Guide

Prepared by Carol M. Seaman, Vice President and CCO, Cook Group Incorporated
For Session 203- "Preparing for Unexpected Challenges: Managing International Business Travel Risks"
ACC Annual Meeting, October, 2007

In-house counsel may find themselves responsible for overseeing corporate departments that manage, or ought to manage, the risks of international travel for corporate employees. The following is an outline to assist in-house counsel in informing themselves about their corporations with respect to international business travel as preparation for partnering with insurance brokers, underwriters and security service providers.

I. Determine who in the corporation should advise you as you work to understand and analyze the needs of the corporation and develop a unified approach to managing the risks of international travel.

- A. Risk Management and Insurance
- B. Security
- C. Human Resources (important insight for orientation, training, communication, enforcement)
- D. Travel (in-house travel department, corporate owned travel agency, or outside travel agency?)
- E. Legal
- F. Compliance
- G. Management (especially with respect to corporate policy and direction)
- H. IT
- I. Finance (e.g. possibly with respect to expense reporting guidelines and auditing of travel)

II. A risk assessment needs to be tailored to the corporation giving consideration to the type of industry, the size of the corporation, the number of people who travel and where they travel, etc. Suggested questions:

- A. Who travels?
 - 1. Consider employees from all business activities and functions.
 - 2. Determine, how, by whom and where information about international travel by corporate employees is documented.
- B. Where do people travel?
 - 1. It may take a survey of international travel in the past 2-5 years to get a full picture.
 - 2. Are there business plans available about future travel or future business development to indicate where people may start traveling?
- C. Why do people travel for the corporation?
 - Does the corporation provide alternatives to international travel (e.g. telephone conferences, webcasts, video conferencing)?

- D. What are the current corporate policies and procedures involving travel?
1. Who approves travel arrangements prior to trips?
 2. Can the company track the location of its employees at any given time?
 3. Is there a written travel policy or a written security policy in place?
 - a. how comprehensive is the policy/policies?
 - b. how are the policies communicated?
 - i. a written policy is distributed to all employees
 - ii. the policy is discussed at orientation
 - iii. the policy is presented during training
 - what type of training?
 - *Personal safety training?
 - *International cultural information and training?
 - how, where and by whom is the training performed?
 - *in-house
 - *outside the company
 - c. how are the travel or security policies enforced?
 4. How does the corporation communicate with employees about travel?
 - a. Is there a mechanism to communicate about and enforce travel restrictions to dangerous places?
 - b. Is there a mechanism to communicate dangerous situations that may arise while someone is traveling?
 - c. What is the source of information used for either a or b?
 5. Is there a crisis response program for international travel?

Does the corporation maintain personal information about employees who travel?

 - a. What types of information are maintained?
 - b. Where is the information kept?
 - c. Who has access?
 - d. What measures are in place to keep the information confidential?

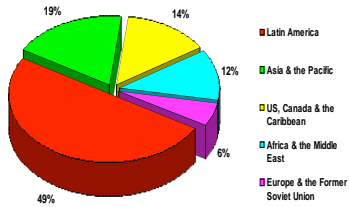
- E. What departments/people are currently involved in managing international travel risks and how are they involved? Use the same list presented in paragraph I above. For each department, understand:
- a. who are the relevant employees
 - b. what is the reporting hierarchy/organizational chart for those employees?
 - c. what are their roles with respect to international security.

- F. Does the company have ex patriot employees?
1. Who and where are they?
 2. What security support does the corporation provide?
 3. Who oversees ex pats?
 4. How does the corporation communicate with them?

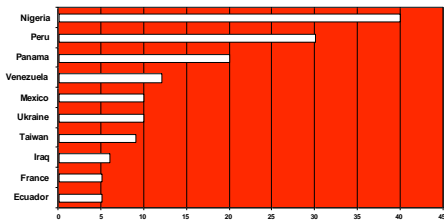
- G. Understand the current insurance program relative to international travel.
1. For each line of insurance:
 - a. who are the brokers, underwriters and security providers,
 - b. what are the limits, basic terms, who is covered
 - c. examples of types of insurance to consider:
 - i. Work Comp (Foreign Jurisdiction)
 - ii. Health Insurance abroad
 - iii. Kidnap & Ransom Insurance
 - iv. Travel Insurance
 2. How are ex patriots insured?
 3. Is there a current relationship with a security service provider?

Is there coordination between the Security Department and the Risk Management and Insurance Department?
 3. What is management's position toward managing and insuring the risks of international travel (e.g. currently in a state of denial or ready for action, tight budget or whatever it takes; minimalist approach or comprehensive)?

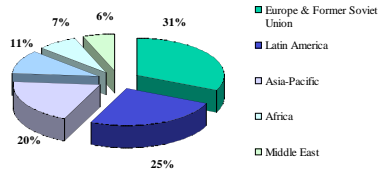
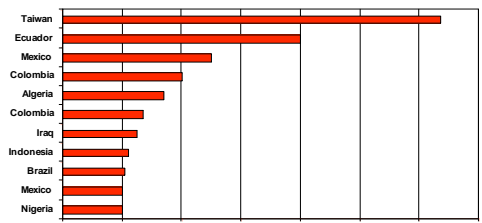
**KIDNAPS WORLDWIDE 2006
BREAKDOWN BY GEOGRAPHICAL REGION**



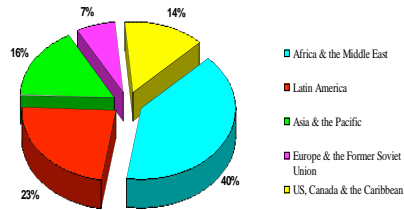
**LARGEST KNOWN RANSOM DEMANDS IN USD
WORLDWIDE (2006)**



**LARGEST KNOWN RANSOM DEMANDS IN USD
(2000-2005)**



**KIDNAP OF FOREIGN NATIONALS
2006 BREAKDOWN BY
GEOGRAPHICAL REGION**



**KIDNAPS WORLDWIDE 2006
VICTIM OUTCOMES**

