

Security Incident Response (SIR)

Crisis Management



About SIR

Working with Hiscox Special Risks, the leading provider of specialist kidnap, detention, and extortion insurance, and Control Risks, a specialist global risks consultancy specialising in political, security, and integrity risk, Bowring Marsh is proud to offer our clients a SIR policy. The SIR policy provides peace of mind for organisations of any size with easily accessible crisis management, strategic advice, and recovery services.

What is SIR?

SIR is a proactive indemnification policy which provides our clients with a comprehensive corporate security and business integrity solution. This product establishes a contractual mechanism which allows Hiscox to pay on behalf of the client all of Control Risks' fees and expenses incurred whilst assisting the insured client with the management of complex issues throughout the readiness, response, and recovery phases.

Control Risks' services can be called upon by the insured not only in the event of an incident occurring but on suspicion, imminent threat, or allegation of an incident.

What is Covered?

The SIR policy provides access to Control Risks' specialist consultants to support the policyholder in managing, mitigating, or eliminating any event listed within the six risk categories across security risks and integrity risks.

SIR Provides Cover for the Following Insured Events

Act of terrorism, blockade, civil commotion, civil war, commercial retaliation, coup d'état, insurrection, malicious damage, occupation, product tampering, rebellion, revolution, riot, sabotage, unauthorised premises access, war.

Abduction, assault, detention, hijack, hostage crisis, missing person, murder, radicalisation, stalking, suspicious death, threat, workplace violence.



Control Risks

Agent misconduct, competitor malfeasance, contract and procurement fraud, counterfeiting, criminal facilitation, defamatory allegation, embezzlement, financial statement fraud, internal bribery and corruption, malicious prosecution, money laundering.

Triggers

- **On occurrence** of an insured event.
- **On suspicion** of an insured event.
- **On imminent threat** of an insured event.
- **On allegation** of an insured event having occurred.

Limits

Risk mitigation fund: 20% of the premium immediately made available to the policyholder to allocate towards Control Risks' risk mitigation and prevention services.

Evaluation and assessment: Cover for 20 days for Control Risks to conduct an initial analysis, assessment, and preliminary investigation of facts. If Control Risks determines that the event has likely occurred or concludes that there is clear and imminent danger of an event occurring, the full cover will trigger as follows:

- Response and recovery services:
 - Danger of bodily injury to an insured person: Control Risks' fees and expenses are unlimited.
 - For all other non-life threatening risks: Control Risks' fees and expenses are covered for up to 60 days' indemnity period.
 - Where an insured event requires Control Risks' digital forensics, eDiscovery, and unstructured data analytics

services: Control Risks' fees are covered up to a specified financial limit of indemnity.

- Response and recovery expenditure:

Hiscox will cover the costs incurred by the policyholder for the temporary containment, protection, and remediation measures as follows:

- Costs for temporary physical security measures to protect the insured's property and insured persons (up to 90 days).
- Gross salaries of persons specifically assisting with an insured event and assisting in the coordination of the business continuity and recovery plan.
- Cost of communication equipment.
- Travel and accommodation costs.
- Costs for the search for explosives or other harmful materials on your premises.
- Costs for electronic sweeps for bugs or other electronic listening devices.
- Reward paid to an informant for information leading to the resolution of an insured event.

A range of endorsements can also be added to tailor the policy to each client's exposure. Options include: emergency political repatriation, reputation response and recovery, and additional indemnity for kidnap, ransom, and extortion events.



EXAMPLE 1:

IMMINENT WORKPLACE VIOLENCE

An international manufacturing client suspected a disgruntled former employee might conduct violent acts against one of its US subsidiaries.



APPROACH

- The client anticipated the situation and activated the services of Control Risks before it escalated.
- Control Risks conducted detailed investigations into the background of the individual and the likelihood of the threat.
- A Control Risks consultant conducted a security assessment of the site and provided recommendations on how to minimise security breaches and protect employees and customers.
- A Control Risks workplace violence expert advised on how to engage with the former employee and his family to improve relations with the client and diminish the likelihood of the incident occurring.



OUTCOME

- The pre-emptive activation of Control Risks' consultancy support enabled the client to prevent, rather than react to, a crisis.
- Insight enabled the client to roll out a more effective corporate social responsibility programme.
- The long-term measures recommended by Control Risks addressed the source of the crisis and ensured that the client was implementing effective security measures at all of its sites to prevent similar incidents occurring.
- The client's senior management and principal investors were kept fully informed and reassured that the potential threat had been averted.

EXAMPLE 2:

RIOTS AND CIVIL COMMOTION

Rioting in a Middle Eastern city where a social networking company was located raised concerns about the safety of employees and disruption to business production and delays. The company called in the support of Control Risks using its SIR policy.



APPROACH

- An assessment on the safest routes for employees to travel to the office from their homes was provided and Control Risks gave a briefing and training session to staff on safe conduct.
- Guards were temporarily stationed outside the office and senior management were given executive protection teams.
- The client benefitted from detailed advice on security threats, potential escalations, and how best to engage with the local authorities.



OUTCOME

- A number of staff had been missing work due to the rioting, but as a result of Control Risks' assistance, employees were reassured and continued normal business operations, enabling the client to meet vital project deadlines.
- The employees and investors were reassured that the site was safe by the presence of the Control Risks security detail.
- Any likely threats against the office were deterred by the visible increase in security. The likelihood of future threats was diminished by the security recommendations provided.
- The client was able to guarantee the safety of its employees in the affected area.
- A final report was produced detailing lessons identified and recommendations for improved security planning.

Key Benefits of a SIR Policy

1. **Duty of Care.** Demonstrates to stakeholders that duty of care obligations have been considered and that anti-fraud and anti-corruption measures are in place.
2. **20% of the SIR premium is made available to the policyholder on day one.** These funds are used to invest upfront in resilience programmes for mitigating the likelihood of critical events occurring or their impact if they do occur. This can be used on any of Control Risks' services, across any of their disciplines.
3. **Simplicity.** A SIR policy gives the policyholder immediate access to Control Risks' services via a single activation number. All Control Risks' fees are paid by Hiscox, so there is no requirement to engage with third-party providers on a case-by-case basis.
4. **Crucially, the policy can be triggered before a loss has occurred — on suspicion, allegation, or imminent threat of an insured event, as well as when one takes place.** This means the SIR policy can mitigate the impact of an ongoing incident or allow it to be averted altogether, potentially reducing claims on other more costly insurances.

Why Buy?

- Provides a simple and robust mechanism to access expertise on demand.
- Eliminates the financial volatility of responding to unpredictable events.
- Complements your existing capabilities in security and business continuity functions – providing bench strength and technical expertise.
- With the ability to activate the policy in advance of a crisis, clients can use SIR to increase business resilience to unforeseeable and unbudgeted critical events.
- Business continuity and enablement – ensuring that you have the correct resource immediately on hand when needed.

- Complements other insurances by acting as a first line of defence, particularly where other insurances will not trigger until the event has occurred. This can act as a deductible gap-fill.

About Crisis Management

Marsh's Crisis Management business (part of Bowring Marsh) provides clients with a broad range of insurance solutions, extensive knowledge, experienced claims handling, and risk prevention services across special risks, product recall, and terrorism.

The Special Risks team (part of Crisis Management) is experienced in helping companies and families in the design and implementation of security-related programmes, specifically created to address the current risk environment.

In a period of such rapid change within the security risks arena, it remains critical to partner with a discreet, trusted expert adviser.

We will guide you through the insurer/consultant identification, product selection, placement strategy, and claims handling process, as well as pre-emptive risk mitigation, planning, and training.

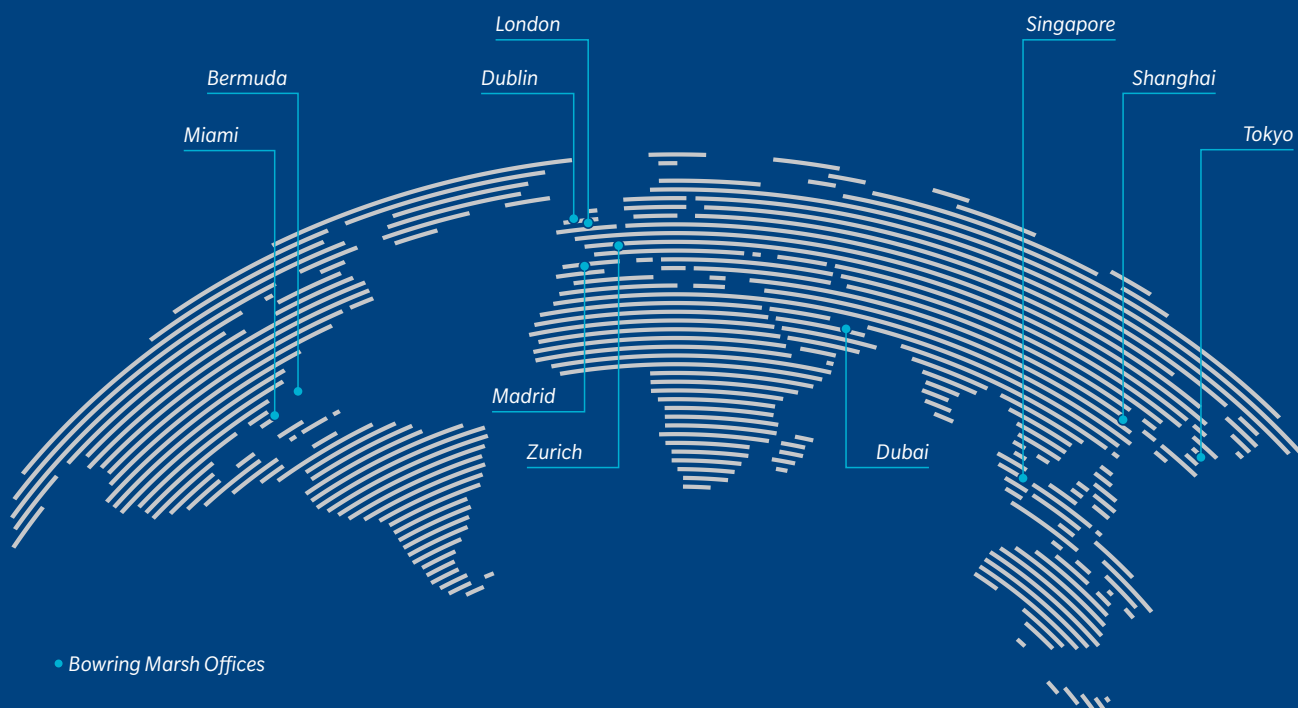
Ultimately, our goal is to ensure:

- The safety of your workforce and loved ones.
- The protection of your company or family's finances.
- The safeguarding of your brand and reputation.

For a company, our insurance solutions can help you build operational resilience and demonstrate that integrity, due diligence, and duty of care lie at the very heart of your organisation's ethos.



Bowring Marsh is the dedicated, specialist international placement broker for Marsh. Working seamlessly with Marsh, Bowring Marsh provides clients with risk transfer solutions, benchmarking, and claims advocacy wherever clients are in the world through its global insurance placement network of 10 offices in the United Kingdom, Ireland, Continental Europe, Asia, the Middle East, Latin America, and Bermuda. Bowring Marsh is a market leader placing in excess of US\$3 billion of premium in the international insurance marketplace for more than 3,000 customers annually¹.



1. Source: Marsh July 2018 - July 2019

To find out more about how we can help you, please contact Marc, Lucy, or any other member of the Special Risks team.

MARC HEWITT
Senior Vice President,
Head of Special Risks
Crisis Management
+44 (0)1603 203695
marc.l.hewitt@marsh.com

LUCY BRADSHAW
Partner, Special Risks
Crisis Management
+44 (0)20 7528 4253
lucy.bradshaw@marsh.com

This is a marketing communication.

The information contained herein is based on sources we believe reliable and should be understood to be general risk management and insurance information only. The information is not intended to be taken as advice with respect to any individual situation and cannot be relied upon as such.

In the United Kingdom, Marsh Ltd is authorised and regulated by the Financial Conduct Authority for General Insurance Distribution and Credit Broking (Firm Reference No. 307511).

Copyright © 2019 Marsh Ltd All rights reserved GRAPHICS NO. 19-0558d