

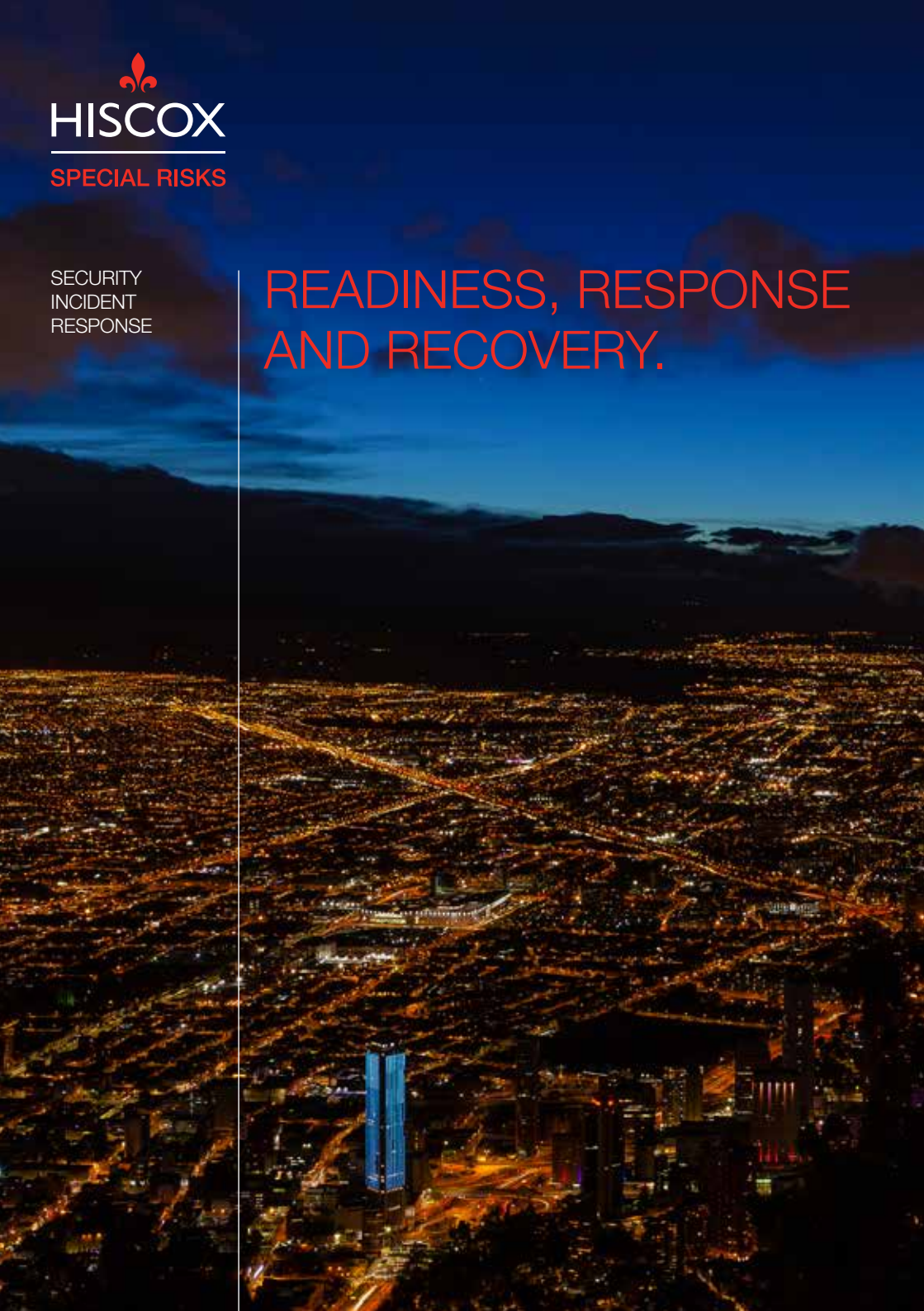


HISCOX

SPECIAL RISKS

SECURITY  
INCIDENT  
RESPONSE

READINESS, RESPONSE  
AND RECOVERY.



## What we do

For over 25 years Hiscox has been supporting clients to manage complex security issues and crisis events that threaten people, assets, business operations and reputations. Our exclusive partnership with Control Risks brings together renowned insurance expertise and unparalleled security risk and crisis management capability.

## A unique security solution

The Hiscox Security Incident Response (SIR) policy is designed to support clients with the management of complex issues throughout the readiness, response and recovery phases. The policy gives immediate access to the expertise of Control Risks to help manage a wide range of insured events. SIR clients are also reimbursed for the costs incurred in dealing with these events. By enabling the activation of the policy in advance of a crisis, clients can use SIR to increase their resilience to unforeseeable and unbudgeted critical events.

## How it works

There are four ways in which the support of the SIR policy can be triggered:

1. on the **occurrence** of an insured event
2. on the **suspicion** of an insured event having occurred
3. when there is an **imminent threat** of an insured event
4. on the **allegation** of an insured event having occurred.

These early stage triggers are crucial tools that enable clients to mitigate risk and manage complex events **before** they become crises.



The Hiscox Security Incident Response (SIR) policy helps clients to manage potentially critical incidents across six risk areas.

### Continuity and property risks

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

### Personnel risks

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

### Political risks

Confiscation, deprivation, expropriation, nationalisation, illegal seizure.

### Compliance, fraud and reputation 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.

### Cyber and information risks

Cyber compromise, cyber threat, industrial espionage, proprietary information theft, social engineering, unauthorised disclosure.

### Extortive risks

Blackmail, boycott, bribery demand, cyber extortion, extortion, kidnap.

An aerial night photograph of a city, likely New York City, showing a dense urban landscape with numerous buildings and streets illuminated by city lights. A prominent, tall skyscraper, the Empire State Building, is brightly lit and stands out against the dark sky. The city lights create a warm, golden glow, contrasting with the cool blue tones of the twilight sky. The perspective is from a high angle, looking down on the city.

## Why choose Hiscox?

We have helped policyholders manage thousands of crisis events in the last 25 years, drawing on Control Risks' 42 years' experience of complex security and integrity issues. Together we are the global leaders in this sector.

## Using the policy

### 1. Policy integration session

After purchasing SIR, a client will have a policy integration session with Control Risks. This will highlight the scope of Control Risks' services and assist with the integration of SIR into any existing security risk management framework.



### 2. Risk mitigation allowance

SIR clients can use up to 20% of their policy premium on risk mitigation services with Control Risks.



### 3. Preliminary investigation

Hiscox will pay for the services of Control Risks to conduct early stage evaluation and assessment at the first signs of a developing issue.



### 4. Response and recovery

When an insured event has occurred, or is imminent, Hiscox will cover the costs of Control Risks on an unlimited basis where there is a risk of bodily injury, and for up to 60 days otherwise.



### 5. Response and recovery expenditure

The SIR policy reimburses a range of the costs incurred in responding to insured events. This may include temporary physical security measures and/or the costs of deployment of internal security resources.

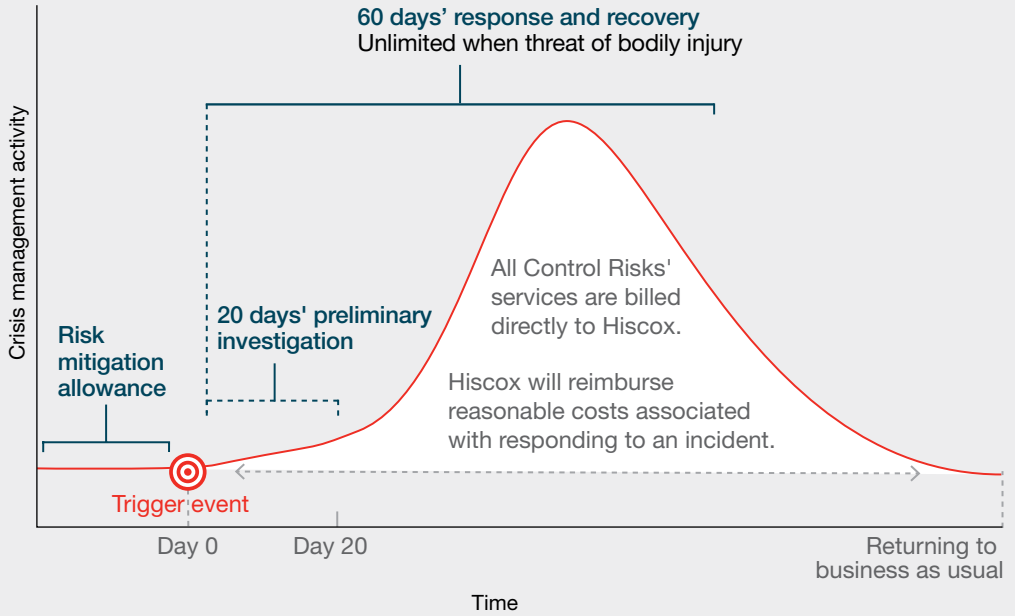


### 6. Endorsements

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



## Indicative engagement during policy term



## SIR core benefits



Provides peace of mind to senior management that they have the resources in place for dealing with unforeseen events.



Immediate access to leading incident management support, on a global basis, for a fixed premium.



Complements and reinforces existing incident management and enterprise risk management structures including other insurance policies.



Helps build organisational resilience by providing a risk management allowance that can be used for preventing and managing risks.



Demonstrates to stakeholders that duty of care obligations have been considered and that anti-fraud and anti-corruption measures are in place.

## How does SIR fit into risk transfer?

SIR is designed to complement other insurance lines. The pre-incident triggers mean that the policy can be activated before other insurance policies and potentially reduce claims made against these. Where indemnity policies may have deductibles, SIR can fill the gap, providing support immediately.

Crisis impacting  
your organisation



**HISCOX**  
SPECIAL RISKS

**SECURITY INCIDENT RESPONSE**  
first line of defence

**Control Risks**

Deductible

Directors  
and officers'

Deductible

Political  
risks

Deductible

Cyber

Deductible

Political violence  
/terrorism

Indemnity policies

## Case studies

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### Act of terrorism

A marauding terrorist firearms attack occurs in a European city, leading to security forces implementing a regional lock down. A company activates its invacuation procedures and initiates its crisis management team. Co-ordinating closely with the company's crisis management team, Control Risks provides initial and immediate advice as well as regular updates on the locations of the terrorists and security forces. Control Risks activates an executive protection team in the city to provide immediate assistance and security for company personnel. Additionally, on an ongoing basis, Control Risks provides live updates from the on-the-ground team confirming the safety of company personnel and the return to normal of transportation links. The client is provided with an after-event report, including a timeline of client decisions and the context in which they were made.

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### Procurement fraud and industrial espionage

An oil services company receives a tip-off that local contractors are providing sub-standard materials and are leaking work plans to a competitor. Following a crisis meeting, the client triggers their SIR policy based on the allegations and seeks Control Risks' guidance on the options open to them. Control Risks carries out a stakeholder mapping exercise and identifies family links between the local contractors and a competitor company. Under Control Risks' guidance, a series of tests on the construction materials are commissioned discreetly and conducted away from the site itself. Control Risks works with the client's appointed local legal counsel and supports the collection of the available evidence. After several planning meetings with legal counsel and analysis by Control Risks specialists of the local power/influence dynamics, a decision is taken not to pursue legal action as a first option, but to present the evidence to the competitor organisation – who subsequently decline to bid on the future work. The local contractors are dismissed and alternatives appointed. Additional site security is implemented around the site offices and all sensitive commercial documents are removed from the site. Work is able to continue successfully.

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### Riot/civil commotion

A financial services client with offices and customer-facing branches in Paris has property damaged during the first of the 'yellow vest' protests. As the rhetoric around the protests intensifies, and it becomes clear that future protests are being organised, the client's CSO triggers their SIR policy on the imminence of civil commotion. Control Risks provides advice to the CSO and her team on the protection of premises and personnel during these types of incidents. Control Risks are also able to advise on the technical specifications of improvements works to their premises in advance of each of the protests over the subsequent four weekends. The client is enabled to continue their business, at a slightly reduced level, throughout the period of unrest, and to deliver a positive message to employees and customers that they have protected their interests, as well as those of the company itself.

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