Coverage Guide

Whether managing established foreign operations or venturing overseas for the first time, multinational organizations are vulnerable to a variety of risks not typically insured under a domestic insurance program.

AIG’s WorldRisk package policy provides businesses and organizations with a coordinated multi-line insurance program to protect their international assets, employees and reputation. Clients can choose from multiple coverages, listed on the following pages, to customize their WorldRisk package.

Recently Enhanced Coverage Modules (2019)

- Foreign Commercial General Liability
- Travel Accident & Sickness
- Foreign Commercial Property
- Kidnap & Ransom

Additional Modules

- Foreign Voluntary Compensation
- Foreign Business Automobile Liability
- Commercial Crime
- Marine Ocean Cargo
- Political Risk
Additional Enhancements

- **Traditional no-fault Coverage C**: “Medical Expenses” expanded to include fatality, disability, bereavement/trauma counseling and repatriation of mortal remains of third parties injured on insured’s premises or as a result of their operations.

- **Pollution Exclusion** modified to make an exception for escape or discharge of pollutants causing bodily injury or property damage if discovered within seven days and reported within 30 days.

- **Access or Disclosure of Confidential Or Personal Information** exclusion makes exceptions for bodily injury and damage to tangible property arising from a security breach of confidential data.

- **Who is an Insured** updated to include 18 new categories of additional insureds, including “blanket” additional insured status where required by contract.

- **Definition of Bodily Injury** now includes accompanying mental anguish, shock or emotional distress.

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1 Subject to sublimits
2 Arising from covered bodily injury, property damage or personal and advertising injury
Foreign Voluntary Compensation

Foreign Voluntary Compensation and Employer’s Liability insurance for all classifications of employees, including 24-hour coverage on a primary, first response basis.3

Value-adds:

• 24/7 access to medical, travel and security assistance services of AIG Travel, our wholly owned in-house travel and medical advisory service, which works closely with our claims department to facilitate smooth and prompt claims handling.

• Automatically-attaching Emergency Security and Political Evacuation endorsement provides a $25K per occurrence limit that responds to crisis situations occurring from political unrest, personal threats, war and military events.
  – Optional limits of $50K and $100K are also available for an additional fee.
  – Benefits can be paid “on behalf of” the client, rather than by reimbursement only.

• No aggregate limit for Supplemental Repatriation (available limit of $1M per occurrence).

• Upon request, and subject to additional premium, coverage can be amended to provide U.S. State of Hire benefits for local hires or nationals working in less developed countries lacking a state-run workers’ compensation or Social Security system.

Travel Accident and Sickness

24-hour injury benefits for employees, their spouses and children on a primary basis while traveling overseas on a business trip, including 14 days of non-business related personal travel.

Value-adds:

• Pays “on behalf of” insureds for out of country medical costs

• 24/7 access to medical, travel and security assistance services of AIG Travel

• Emergency medical evacuation coverage included

• Emergency family travel expenses included

• Repatriation of remains expenses included

• Claims payments made under Travel Accident and Sickness “stack” with limits provided under Foreign Voluntary Compensation

Recent coverage part enhancements:

• Reverse trip travel by foreign-based employees into U.S and Canada can now be covered

• Broadened definitions for all employee types and now includes sole proprietors and partners

• Automatic coverage for employees of newly acquired entities for up to 180 days

• Insured persons aged 70 or older now covered (previously available only by endorsement)

• Emergency medical evacuation for expatriate employees to country of assignment (previously restricted to country of hire or citizenship)

• At the insured’s option, we can either pay travel and medical related claims expenses on their behalf or reimburse

3 Wherever legally permitted
Foreign Commercial Property

Commercial property insurance up to $50M TIV (total insured value) for real and business personal property, business interruption and extra expense.

Recent coverage part upgrades include:

- **Policy Limit**: matches the TIV of the largest reported location; functions as a “blanket” limit applicable to each occurrence at any reported location
- **Tenants and Neighbors Liability**: sublimit for this coverage is in addition to the policy limit (previously part of the occurrence limit)
- **Burglary, Theft, and Robbery**: now covered to full policy limits (no longer a sublimit)
- **Locks and Keys**: new coverage for expenses to replace or reprogram damaged locks and keys, including additional costs to repair or reprogram undamaged locks to accept new keys and codes
- **Newly Acquired Locations**: sublimit applies up to 120 days (previously only applied up to 90 days)
- **Inflation Guard**: new coverage provided at a rate of 12% annual values increase
- **Outdoor Property**: definition is now more robust: including lawns, trees, shrubs and plants; also includes fill beneath paved surfaces
- **Upgrade to Green®**: new coverage pays additional costs to repair or replace damaged property with materials certified by authorities that conserve natural resources and reduce energy consumption
- **Property in the Course of Installation**: coverage expanded to include projects the insured undertakes for third parties (would normally be covered under a Builder’s Risk policy)
- **Cyber**: new coverage insures against corruption, erasure or alteration of electronic data; electronic equipment rendered useless by malicious code; business income loss from denial of service attack; and data preservation expenses
- **Business Income – Flexible Trigger**: coverage has been upgraded to allow selection of either gross earnings or gross profits method of calculating the insured’s time element loss, whichever is greater (most insurers require trigger to “follow form” over local policies, which does not always work to the insured’s advantage)

Foreign Business Travel Property Coverage Part – Upgraded

This coverage part form addresses the incidental property needs of clients that either have no premises overseas or own/lease/operate very small foreign locations, typically under $100K in TIV.

Coverage is no longer limited to sales representative samples and personal property at exhibition, but now includes:

- Personal property at any one location
- Personal property of others while in the client’s care, custody, or control
- Personal property of employees while on client’s premise
- Previously, inland transit applied only to personal property in course of transit when used either for display at exhibition or as sales representative samples; now applies to personal property in transit, regardless of the intended use
- Property sold under a deferred payment plan is now covered
- Contractors equipment now covered
WorldRisk

Kidnap and Ransom

Coverage for kidnap or ransom, extortion, wrongful detention or hijacking while traveling abroad; starting at $100 for our $250K “low limits” option with no country exclusions.⁴

Value-adds:

- No deductible applies
- Insuring agreement is simplified and broadened
- “Insured person” definition broadened to include sole proprietor and partners
- “Relative” definition expanded to include domestic partner, fiancé or fiancée
- Definition of “salary” previously limited compensation payable after victim’s release if an insured person has not returned to work a maximum of 30 days after release; now increased to 90 days after release
  - Time payable after date of insured’s event first occurred increased from 60 months to up to 72 months
- Reverse Trip Travel coverage is now available for foreign-based employees (local hires/nationals and third country nationals) while on business trips to the U.S., Puerto Rico and Canada

Recent coverage part upgrades include:

- Threat Coverage for various threats (not accompanied by ransom) to harm an insured person, damage an insured person’s property or disclose proprietary information
- Hostage Crisis Illegal holding of insured persons for more than one hour as security for meeting demands of hostage takers
- Express Kidnapping New coverage addresses a growing problem in many countries: kidnapping of an insured person for less than 24 hours with intent to demand ransom directly from the victim’s personal assets
- Disappearance Unexpected loss of contact with an insured person for a period exceeding 48 hours

Political Risk

Coverage for confiscation, expropriation, or nationalization of insured’s assets by a foreign host country government or economic loss due to embargo and license cancellation.

⁴ Subject to OFAC restrictions and requirements
Foreign Business Automobile Liability

Automobile liability insurance for owned, hired or non-owned vehicles outside of the U.S. that is difference-in-conditions/difference-in-limits over any compulsory local coverage.

Commercial Crime

Coverage for employee theft, forgery or robbery inside or outside of the premises.

Marine Ocean Cargo

Marine ocean cargo insurance with optional war risk coverage.

For more information, contact your local WorldRisk underwriter or broker.