

Special Contingency Risks (SCR)

Security Risk Management

Willis

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India



India ranks among the world's top 10 countries in the number of kidnappings reported. The character of the kidnappings varies considerably from region to region with various criminal gangs and extremist groups operating in different states. In 2007, 22% of India's reported kidnappings were recorded in Bihar state, followed by the territory of Delhi (15%) and Uttar Pradesh state (10%). Kidnappings also occur frequently in the cities of Mumbai (Maharashtra state), Hyderabad (Andhra Pradesh state), Bangalore (Karnataka state) and Kolkata (West Bengal). Fewer kidnappings have been recorded in the states of Jammu, Kashmir and Assam (Assam) than in the past, but the risk remains serious. Official statistics in India are released on a state-by-state basis.

Pharmaceuticals Executive Feared Kidnapped
When a senior executive did not return home from a meeting in Gwalior (Madhya Pradesh state) on January 18, his family called the authorities. Upon finding his bloodstained, abandoned car on the Gwalior-Indore road, police declared the case a

suspected kidnapping. No ransom demand has been made, however, and the victim's fate remains unknown. The victim was missing for 8 days and finally released on Jan 27.

10M Rupee Ransom Paid for Businessman's Son in Jalandhar

The son of a businessman was kidnapped in Jalandhar (Punjab state) in mid-January 2008. Details of the incident emerged only after the 10M rupee ransom (\$254,000) was paid and the abducted youth released. The state police took up the case following the victim's release and have recovered 5.6M rupees (\$142,000) of the total ransom. Four of the kidnappers were arrested; police are pursuing the rest.

Police Rescue Kidnapped Son in Ahmedabad within Six Hours

The father of a man kidnapped by four men in Ahmedabad (Gujarat state) on January 9 received a ransom demand of 2.5M rupees (\$67,000) on his cellular telephone. He alerted the local police, who immediately began tracking the telephone calls while negotiations with the kidnappers continued. When a settlement figure had been agreed, the police equipped the father of the victim with counterfeit rupees and followed him to the drop point. Once the payment was made, the police arrested two of the kidnappers, who led them to where the victim was being held. He was rescued in the early hours of January 10 after a six-hour ordeal. Police arrested a total of three kidnappers. A fourth is believed to have escaped.

Rajkot Businessman's Son Rescued Within Hours of Kidnap

A wealthy businessman's 14-year-old son was abducted in the early morning outside his school on January 7 in Raipur (Chhattisgarh state). Four kidnappers called the victim's father that same morning, demanding 5M rupees (\$127,000) for his safe release. The boy's father alerted police at once. They traced the telephone call and swiftly rescued the son. Three kidnappers were arrested, but one managed to escape. No ransom was paid.

Afghanistan



In 2007, Afghanistan was among the 10 most active countries in kidnap-for-ransom incidents. The frequency of these incidents had risen steadily since 2003, but the second half of 2007 saw a dramatic escalation. This increase is expected to continue into 2008. The British Foreign and Commonwealth Office strongly advises against all but essential travel, while the U.S. Department of State continues to issue strong warnings against U.S. citizens traveling to the country. Both the U.S. and the U.K. warn that their citizens could be the targets of kidnap-for-ransom and kidnap-for-assassination. Many other countries offer similar warnings.

Although kidnaps-for-ransom occur throughout much of the country, many occur in and around Kabul. According to figures published by security consultant Control Risks, Ghazni province has suffered the most

kidnaps, with the southern and western provinces of Farah, Helmand, Herat, Kandahar, Nimruz and Zabol being particularly active.

US Aid Worker and Afghan Driver Kidnapped in Kandahar

A 49-year-old U.S. citizen was kidnapped with her Afghan driver on the morning of January 26 in Kandahar (Kandahar province). She was abducted by six gunmen as she began her morning commute to work. She had lived in Afghanistan since 2002, was a fluent Pashto speaker and wore a traditional burqa in public. No ransom demand has been made and no group has come forward to claim responsibility. The fate of the victim remains unknown.

Officials believe the kidnap was carried out by Taliban militants and is an indication, following the Serena Hotel bombing in January in Kabul, that the militants are mounting urban attacks in order to terrorize foreign nationals living in the country.

Hotel Attack in Kabul Confirms Taliban Threat

On January 14, three Taliban militants, including at least one suicide bomber, stormed the Serena Hotel in the capital Kabul, detonating a suicide vest, throwing grenades and opening fire on visitors. At least eight people, including one Norwegian, one American and one Filipino national, were killed and at least six others injured.

The incident underscores the volatile security environment in Kabul, confirms the Taliban's ability to operate within the capital and supports the established view that the group seeks to attack targets of symbolic value – such as the high-profile Serena, known to be frequented by foreigners.

Child Kidnapped By Men in Police Uniform

An child was kidnapped by men in police uniform in early January in Kandahar city (Kandahar province). Eyewitnesses reported that the victim was driven away toward police headquarters following the abduction. Her family later received a ransom demand of \$100,000. They negotiated this figure down to \$50,000. The child was subsequently

released. Authorities repudiated claims that the police were behind the abduction, but the family remains convinced that law enforcement officers were the perpetrators.

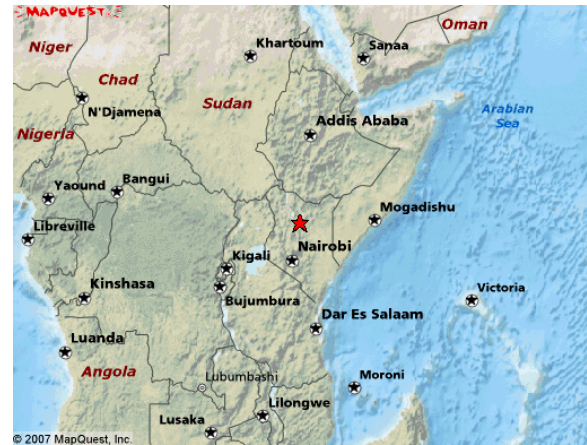
German National and Family Kidnapped in Herat Province

A 42-year-old German national and his Afghan wife and child were kidnapped by armed men in Golran district (Herat province) on December 16, 2007. Afghan officials, who referred to the victim by his Muslim name, Abdul Rahman, reported that he was abducted while traveling with his family to his father-in-law's house. Local authorities believed the Taliban were behind the abduction. German media reported that the wife and child were released by the kidnapers and that only the man was abducted, but neither has been confirmed. Between 2003 and 2004, the victim worked as a carpenter for a humanitarian organization in Afghanistan before staying on in the country as a private citizen. This is the fifth abduction of a German national in Afghanistan this year. No immediate ransom demand was made. The fate of the victims remains unknown.

On December 18, the news broke that in Germany an arrest warrant relating to computer fraud had been issued for the victim. A Bavarian state prosecutor said that while the warrant was not effective internationally, the man would be detained if he set foot in his native country.

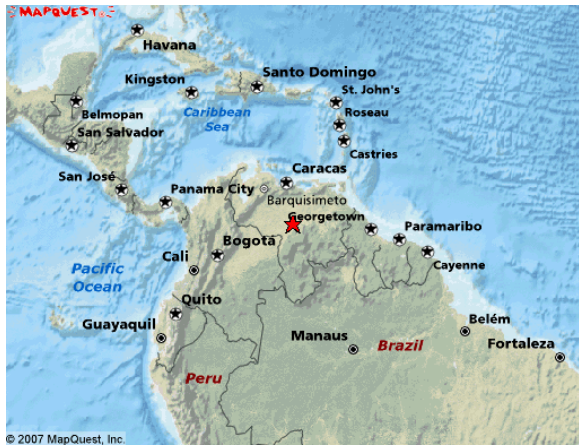
On December 19, an Afghan minister announced the arrest of four Afghan men in connection with the kidnapping. None of those involved were believed to have been members of the Taliban.

Kenya



The disputed results of the presidential election held in late December 2007 ignited political violence. Security risks will remain high until a solution is found to the conflict. Security threats stem from spontaneous or orchestrated protests and rioting, heavy-handed security crackdowns, vigilante roadblocks, and a possible increase in opportunistic common crime on the back of political unrest. While business travelers are unlikely to be deliberately targeted, they are still at risk of incidental exposure to violence. Travel risks in the west of the country will remain high until at least mid-2008, as tensions persist following serious outbreaks of ethnic violence.

Venezuela



Kidnapping for ransom in Venezuela has been growing steadily since 2000; by late 2007 Venezuela edged out Mexico for the highest rate of kidnapping in the world, according to Control Risks. Venezuela's economic and social crises, together with conflict in neighboring Colombia, have contributed to this growth. Moreover, Colombian President Alvaro Uribe's hard-line Democratic Security and Defense Policy has played a role in pushing guerrillas and demobilized paramilitaries toward the border states

where kidnapping has become most prevalent. Kidnapping in Venezuela has become a lucrative industry.

Son of Former State Governor Freed After Three Days

Eduardo Lapi, son of the former governor of the state of Yaracuy, was released after being held for three days. Lapi, aged 27, was kidnapped on January 18 by common criminals and released on January 20 in a rural area of Lara state. He walked to a farm house, and locals helped him return to his home in Barquisimeto (Lara state).

Son of Ambassador to Canada Kidnapped in San Cristobal

A 43-year-old businessman was kidnapped while buying spare parts at a shop in San Cristobal (Tachira state) on November 20, 2007. He was taken by three armed men who forced him into a car. The victim was manager of a local dairy company and the son of the Venezuelan ambassador to Canada. The fate of the victim is unknown.

This is a publication by Special Contingency Risks Limited (SCR). SCR is a specialist insurance broker that focuses solely on Kidnap and Extortion related risks. SCR has assisted clients in the prevention, insurance and management of kidnaps since 1976 and as world-wide market leaders SCR aims to provide the best products and services, tailored to your specific needs, to a very competitive price. SCR is a Lloyd's of London insurance broker and can therefore provide clients with the financial security that the London insurance market brings as well as unique in-house preventative risk management and other value-added services. SCR's Bulletin has been designed to ensure constant risk awareness for all clients.

Some information is courtesy of The Control Risks Group. Control Risks Group is a leading, specialist, international business risk consultancy. Control Risks offers a full range of value-added services to companies, governments and private clients worldwide, including: political and security risk analysis, confidential investigations, pre-employment screening, security consultancy, and crisis management and response. We aim to enable our clients to take risks with greater certainty and precision and to solve problems that fall outside the scope of mainstream management resources. Information for the Monthly Kidnap Bulletin is drawn from our daily online political and security risk analysis service Country Risk Forecast (www.crg-online.com) and the International Kidnap Online Service.

Some information is courtesy of AKE, Ltd a security risk management company.

For additional information please feel free to contact Steve Robinson at 212 915 8630, Robinsons@scr-ltd.co.uk or Todd Cranche at 212 915 8217, Todd.cranche@scr-ltd.co.uk.