

*"The nature of humanitarian relief has changed dramatically ...*

*Providing assistance while protecting the providers is the dilemma facing all international aid organisations."*

*- Deaths among Humanitarian Workers<sup>1</sup>*



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## **Insurance for Relief & Development Workers**

*by Jon Gerlach and Jim Irwin -- Safe Passage International, [www.spibrokers.com](http://www.spibrokers.com)*

With the dramatic increase in violence against relief & development workers, aid agencies are becoming increasingly aware that insurance is an important part of their security plans, and that all insurance is not created equal. Adequate insurance supports the health and safety of workers, and may provide liability protection for the agency.

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*Workers should not go into the field without adequate insurance for the risks they will face.*

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This article outlines the major risks faced by relief & development workers in war-torn or disaster-ridden areas of the world and provides a brief overview of how each risk is covered, or excluded, by typical insurance plans. Guidelines are suggested for selecting appropriate coverages.

Typically, the aid agency will obtain two policies for its workers: Foreign Voluntary Workers Compensation ("FVWC") and Travel Accident Insurance (TA"). Even with both policies in force, gaps can occur in coverage. The agency needs to know what its current policies cover so any gaps can be identified and filled. These gaps should be filled if workers are to be adequately covered for risks they will face in the field.

### **Foreign Voluntary Worker's Compensation**

Foreign Voluntary Workers Compensation insurance ("FVWC") extends worker's compensation benefits to employees who, because of their out-of-country status, are ineligible for coverage under their normal Worker's Compensation plan.

FVWC covers work-related injuries only: no coverage exists for any war risk injury that occurs "off the job," such as when a person travels on his own time, or suffers an injury outside the scope of his employment. FVWC also provides protection for the employer against worker's compensation related lawsuits by employees.

### **Travel Accident Insurance**

A standard Travel Accident ("TA") policy provides coverage for accidental injury, death and dismemberment, and sometimes sickness and disease.

Coverage is effective on a 24/7 basis during a trip, not just for on-the-job incidents. This can fill some of the daily "off duty" gaps found in FVWC policies. A few TA policies will cover workers when they take a short vacation during a business trip. On the other hand, if the worker leaves the country of assignment to take a personal vacation, that excursion may not be covered.

24/7 emergency telephone assistance services, including medical evacuation to a suitable hospital are standard in most TA policies. Insurance companies will not guarantee the availability of air evacuation from areas where the transportation infrastructure has been seriously compromised due to war or natural disaster – it can be nearly impossible to arrange private flights or evacuations on commercial airlines for a considerable period of time, until travel becomes safer.

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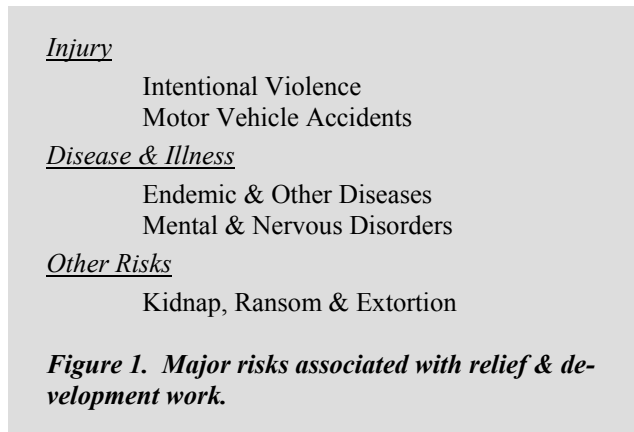
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## **Risks**

Data collected in recent years allows us to identify and quantify to some extent the major risks faced by workers outside their home country. The major risks are shown in **Figure 1:**

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### **Intentional Violence**

According to one study of fatalities between 1997 and 2001, 180 humanitarian workers were killed by armed attackers and landmines.<sup>2</sup> Another study reports 253 aid worker deaths from intentional violence between 1985 and 1998.<sup>3</sup> Recently, the risk of intentional violence, including assassinations and kidnappings, have forced many NGOs to curtail operations in Iraq. Would-be killers often see no difference between humanitarian workers, journalists, UN peacekeepers, or soldiers – all can become targets.

### **War Risk Insurance**

Under the war risk exclusion found in all TA insurance policies, no benefits are paid for war-related injuries. How, then, does war risk coverage work? TA insurance may ignore this exclusion by using what we call a “War Exclusion Waiver.” The waiver will read something like this: “Any Exclusion under this Policy for declared or undeclared war or any act thereof is hereby waived.”

Insurance companies maintain lists of “High Risk” countries that are updated according to changing conditions. For the war risk exclusion to be waived in a “High Risk” country, the NGO is required to notify the insurance company (or its broker) in advance, and pay an additional premium. However, in countries that are not on the High-Risk list, there is no additional premium or travel notification required in order to have war risk coverage there. For more information on how war risk insurance works, we suggest reading “War Risk Insurance for Non-Governmental Organizations”.<sup>4</sup>

### **War Risk Coverage - An Example**

To better understand the coverage available under a TA policy that includes war risk insurance (**Figure 2**), consider a mine clearance accident. The victim -- if he survives -- will suffer serious physical injuries. He may lose an eye, a hand,

sometimes an arm, and suffer severe post-traumatic psychological stress.

Medical treatment in this case includes trauma care along with evacuation of the victim to a suitable medical facility, where emergency surgery may be performed, followed by intensive care. Once the patient is stable enough to travel to his home country, the insurance company pays to have him returned home, with a medical escort if necessary.

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- Medical Expense benefits
    - Trauma Care
    - Evacuation & Repatriation
    - Surgery & Anesthesia
    - Rehabilitation & Physical Therapy
    - Outpatient Services
  - Dismemberment benefit
  - Accidental Death benefit
  - Partial and Total Disability benefits
  - Emergency Assistance services

**Figure 2. War Risk Insurance benefits at a glance.**

Outpatient benefits are typically paid for rehabilitation and physical therapy, which are often necessary after the patient returns home. In some TA policies, benefits may be paid for mental health treatment, such as post-traumatic stress syndrome and other disorders arising from the accident, although mental health treatment is typically covered only for a short period of time, if at all. In addition to the benefits described above, the patient who lost an eye, a hand, or a limb, may be entitled to receive a lump sum payment under the Accidental Death & Dismemberment benefit. Finally, if the injury renders the victim unable to continue his work, Partial or Permanent Disability benefits may be available, paid on a weekly or monthly basis during the period of disability for a limited period of time.

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### **Motor Vehicle Accidents**

Studies indicate that motor vehicle accidents account for more deaths and serious injuries among humanitarian workers than any other cause, except intentional violence. However, the statistics do not paint a complete picture of this risk: automobile accidents are not publicized by agencies for a variety of reasons including security and public relations concerns.<sup>5</sup>

Medical expenses due to a vehicle accident while on the job will be covered by FVWC. However, when a person is injured outside the scope of his employment, FVWC may not provide any coverage. This gap can be filled by purchasing a TA policy, since coverage under a TA policy is effective 24/7 regardless of whether the worker was injured on or off the job. In the case of any accident, TA policies provide the same benefits that are outlined above for war-related injuries.

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### **Endemic and Other Diseases**

Because they work in regions where sanitary systems are substandard, damaged or destroyed by war or natural disaster, relief & development workers are more vulnerable to endemic diseases than are business or vacation travelers. Hepatitis A&B, Malaria, Influenza, Meningitis, Cholera, Typhoid, Tetanus-Diphtheria, Polio, Rabies, Mumps, Measles, Rubella, and Japanese Encephalitis are the leading causes of serious illness among relief & development workers. According to one study, infectious disease accounted for over 75% of emergency evacuations of humanitarian workers, followed by trauma-related injury.<sup>6</sup>

Endemic diseases, malaria for example, are covered by some FVWC policies, but may be excluded in others. The employer should confirm that endemic diseases are covered under their FVWC policy. TA policies typically do not distinguish between endemic disease and any other type of disease – as long as the policy has benefits for illness or disease (not all TA policies do), endemic diseases will be covered.

### **Mental and Nervous Disorders**

FVWC may provide some disability benefits for Mental and Nervous Disorders. Conversely, such disorders are typically excluded in TA policies, even those containing disability benefits.

### **Kidnap, Ransom and Extortion**

Kidnapping statistics are incomplete and unreliable: many kidnappings are not reported to the police or the press. Parties often work privately toward a resolution of the crisis, without involvement by law enforcement. If the NGO carries Kidnap and Ransom insurance, professional hostage negotiators under contract with the insurance company are available to work toward a safe hostage release. The insurance policy covers the costs and expenses of the negotiator and provides ransom payments when necessary.

Benefits for Extortion are typically included in a Kidnap and Ransom policy, providing coverage both for personal threats and threats against real or personal property of the NGO or employee. Kidnap, Ransom and Extortion coverage is not included in FVWC or TA coverage: it is a standalone policy that must be purchased separately.

### **Conclusion**

Workers should not go into the field without adequate insurance for the risks they will face. Compare the insurance policies available, and purchase the right mix of benefits – this due diligence should alleviate dangerous gaps in coverage and provide peace of mind for the relief & development worker.

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### **Notes**

1. *Deaths among Humanitarian Workers* by Mani Sheik, Maria Isabel Gutierrez, Paul Bolton, Paul Spiegel, Michel Thieren, Gilbert Burnham, online at: [www.reliefweb.int/library/documents/Deaths\\_Among\\_Humanitarian\\_Workers.pdf](http://www.reliefweb.int/library/documents/Deaths_Among_Humanitarian_Workers.pdf)
2. *Paying the Ultimate Price: Analysis of the Deaths of Humanitarian Aid Workers (1997 - 2001)* by Dennis King, consultant, UN Office for Coordination of Humanitarian Affairs, online at: [http://www.reliefweb.int/rw/lib.nsf/db900SID/LGEL-5E9FXV/\\$FILE/share-UltimatePrice-jan02.html?OpenElement](http://www.reliefweb.int/rw/lib.nsf/db900SID/LGEL-5E9FXV/$FILE/share-UltimatePrice-jan02.html?OpenElement)
3. See note 1.
4. *War Risk Insurance for Non-Governmental Organizations*, by Jon Gerlach and Jim Irwin, Safe Passage International, online at: [http://www.spibrokers.com/securityfirst/War\\_Risk\\_Insurance\\_for\\_NGOs.pdf](http://www.spibrokers.com/securityfirst/War_Risk_Insurance_for_NGOs.pdf)
5. See note 2.
6. *Field Evacuation Patterns of Humanitarian Relief Workers* by Dr. P. Gregg Greenough, Baltimore, Maryland USA, abstract online at: <http://pdm.medicine.wisc.edu/Greenough.htm>

*Photo: AP/Wide World Photo, courtesy U.S. State Department.*

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*Safe Passage International* is a leading broker of war risk insurance designed specifically for NGOs, humanitarian and development workers, and news media working in difficult areas of the world. **War Risk Coverage** is available for incidents that other policies typically exclude. **Safe Passage International** represents insurance companies in the United States and abroad.



**Jim Irwin** founded *Safe Passage International* in 1985. Under Jim's leadership, the company specializes in value-added products and creating insurance solutions for organizations working in troubled regions of the world.



**Jon Gerlach** is the Executive Vice President and Chief Operating Officer at *Safe Passage International*. An attorney, he joined the firm in 1991. Jon has written and lectured extensively on law and travel insurance.

**Safe Passage International**

3609 S. Wadsworth Boulevard, Suite 565

Lakewood, CO 80235, USA

Tel: 303-988-9626

Fax: 303-988-9666

Email: [jirwin@spibrokers.com](mailto:jirwin@spibrokers.com) or [jgerlach@spibrokers.com](mailto:jgerlach@spibrokers.com)

Website: [www.spibrokers.com](http://www.spibrokers.com)