



## Solutions Guide: Business Process Outsourcing Industry



### Why AIG?

#### Relevance to BPO

AIG's insurance solutions are tailor-made to address the risks of the BPO industry.

From handling risks in physical property and infrastructure, to managing the safety and security of your data, to providing insurance coverage for your employees, AIG is closely in-tune with BPO needs.

#### Claims

We deliver the global breadth to handle complex claims involving multi-site, multi-country BPO networks, and also bring focused, localized experience in the Philippine market.

#### Jurisdiction

Worldwide and Global Network

#### Capacity & Financial Strength

AIG has strong financial strength ratings, large capacity & deep financial backing.

### Business Process Outsourcing (BPO) in the Philippines

AIG offers tailored options to suit the needs of different BPO and IT clients across all practices and ranging in size from SME providers to large, multinational corporations, both third party providers and captive shared services. AIG provides insurance for familiar risks like natural disasters, but is also unique in the Philippines marketplace in providing innovative solutions for emerging risks like cyber risk, complex professional liabilities, and network interruption. Even with familiar risks like typhoons, AIG's coverage is tailored to meet the needs of BPO business continuity plans and the unique needs these entail to facilitate quick restoration of service.

Our in-depth understanding of BPO exposures stems from first-hand knowledge of BPO's, with an insurance practice team who are leaders in the industry and from our own global network of shared services centers. AIG operates two captive shared services centers based in Manila and is one of the top-30 BPO locators in the country. At AIG, "we know BPO" and can help you with a wide range of insurance solutions specifically for your business model.

#### We cater to a wide variety of BPO and IT business models serving all industry practices:

- **Contact Center Services**
  - requiring flexible and immediate business continuity
  - multiple-location fail-over
  - greater sensitivity to network interruption
- **Healthcare Information Services and Professional Services**
  - heightened risks of data loss
- **Knowledge Processing Services** (engineering, finance, legal, etc.) and **Software Development**
  - greater exposure to professional liability
- **Next Wave Cities**
  - variety of covers for Metro Manila locations
  - regional coverage for delivery centers or across the newer locations, including Mindanao
- **Telecommunications and Datacenters**
  - Potential for physical damage due to cyber attack
- **BPO Talent Needs**
  - Travel and health insurance for either onshore or offshore training
  - Differentiation of employee value proposition through benefits



## Insuring your physical assets and Safeguarding your revenue stream

Damage to, or loss of, critical infrastructure and equipment could affect not just your business, but that of your clients, too. Protecting the integrity of your company’s services to customers is the number one priority, whether the physical assets being utilized are leased or owned. A related, but equally-critical business priority is mitigating the risk of lost revenue streams and key account relationships stemming from a fire, natural catastrophe, or network outage.

We recommend that you take out a **Property All-Risk** policy to address your companies’ exposure against Fire, Natural Catastrophe Risks and others. The policy can be extended to include **Business Interruption** cover which insures loss of profit or revenue due to the interruption of your business operations as a result of damage to your insured property which is caused by a covered peril.

More comprehensive risk strategies will consider **Property Terrorism** cover. This cover protects against damage to company assets in the event of an attack, and has an option to attach a business interruption cover to insure the loss of profit indirectly caused by the terrorist attack.

The Threat	The Solution	Coverage and Benefits
<b>Natural catastrophe &amp; disasters, fires and other perils affecting the work sites or physical properties of the insured.</b>	<b>Property All-Risk Policy</b>	<ul style="list-style-type: none"> <li>✓ Provides you coverage for your property against loss or damage caused by common and uncommon perils faced by Philippines-based BPO’s and IT-related companies.</li> <li>✓ Covers fire and lightning, earthquake, typhoon, flood, falling aircraft, impact damage, explosion, bursting or overflowing of water tanks or pipes, subsidence &amp; landslip, volcanic eruption, riot, strike and malicious damage, spontaneous combustion, sprinkler leakage, bush /olling fire, damage by falling trees or branches and objects.</li> <li>✓ Option to include machinery and electronic breakdown coverage for servers, computers, and data centers.</li> </ul>
<b>Financial losses arising from an incident at your property.</b>	<b>Business Interruption Cover</b>	<ul style="list-style-type: none"> <li>✓ Protects against loss of gross profit due to interruption of your business operations as a result of damage to your insured property caused by a covered peril.</li> <li>✓ AIG provides the most comprehensive cover of Extra Expense / Increased Cost of Working. When a BCP is activated, our clients need the flexibility to rapidly shift work and staff to alternate locations. These provisions cover expenditures incurred for the purpose of avoiding or diminishing a loss in call volumes, processed transactions, or other revenue-generating services.</li> <li>✓ Most other insurers limit the expenses BPO’s can claim to maintain their service levels – no more than \$1 spent for every \$1 mitigated. AIG realizes that in a BCP scenario, reputations are at stake and BPO leaders need the flexibility to respond quickly to fully restore services.</li> <li>✓ Additional Increased Cost of Working Cover – AIG provides the largest limits for these type of claims, which are critical to enable businesses to address BPO workforce, training, and knowledge transfer needs.</li> </ul>
<b>Terrorist attacks targeting or affecting your business.</b>	<b>Property Terrorism</b>	<ul style="list-style-type: none"> <li>✓ Provides protection for your property against physical loss or damage caused by an act of terrorism.</li> <li>✓ Business Interruption cover can also be included.</li> </ul>

**For inquiries, you may contact:**

**Lester Penafiel**

Commercial Property Profit Center Manager  
T 878 5411 • lester.penafiel@aig.com



## Insuring your data

Threats to Cyber Security are real and are growing exponentially; Cyber Risk poses significant risk to BPO's with high reliance on network communications and sensitive customer data. Your brand reputation and your customer relationships are at stake when a breach occurs.

The cost of a cyber-attack impacts all aspects of a BPO business model, including potentially-catastrophic costs from first-party damages and third-party liabilities. AIG offers an extensive insurance policy that addresses the consequences of losing sensitive data in the event of a cyber-attack, as well as business interruption coverage should your network be disrupted. AIG's **CyberEdge** policy provides comprehensive protection against cyber-attack including data crisis response, pro-active forensic services, data administrative investigation, all in addition to mitigating financial losses. In addition, **CyberEdge PC** offers another level of coverage including protection against physical damage caused by cyber-attacks and security failures.

The Threat	The Solution	Coverage and Benefits
<p><b>Philippines' BPOs and ICT companies are top targets for cyber-attack given the data-driven nature of the Industry.</b></p> <hr/> <p><b>Response costs, to protect customers and your brand, are vastly underestimated.</b></p> <hr/> <p><b>Liability for data lost in the event of an attack can be catastrophic.</b></p>	<p><b>CyberEdge</b></p>	<p><b>CyberEdge provides comprehensive protection for all aspects of an attack including:</b></p> <ul style="list-style-type: none"> <li>✓ Coverage of First Party damages including:               <ul style="list-style-type: none"> <li>○ well as investigation and fines ordered by a data protection authority</li> <li>○ electronic data restoration</li> <li>○ costs of notifying affected customers</li> <li>○ cyber extortion</li> </ul> </li> <li>✓ Third Party Liability Coverage for the public disclosure of confidential personal and corporate data, including breach of data security and civil/criminal defense costs.</li> <li>✓ Tangible Offerings and Benefits such as:               <ul style="list-style-type: none"> <li>○ data crisis response</li> <li>○ pro-active forensic services</li> </ul> </li> <li>✓ Loss of profits due to network interruption</li> </ul>
<p><b>Cyber-attacks that lead to equipment failure, physical damage to property, and even physical harm to people.</b></p>	<p><b>Cyber Edge PC</b></p>	<p><b>CyberEdge PC offers additional level of protection and benefits:</b></p> <ul style="list-style-type: none"> <li>✓ Adds capacity above existing insurance programs solely from a loss from a cybersecurity failure.</li> <li>✓ Enhances underlying coverage through difference-in-conditions coverage designed to fill gaps in coverage for cybersecurity risk.</li> <li>✓ Fills in when an underlying sublimit caps cybersecurity-related coverage.</li> <li>✓ Provides event management coverage which includes the costs of a forensic investigation and services of a crisis management firm.</li> <li>✓ Immediate support of partner experts composed of legal firms, forensic investigators, and crisis management firms</li> </ul>

**For inquiries, you may contact:**

**Leilani Isidro**  
 Financial Lines Profit Center Manager  
 T 878 5411 • Leilani.isidro@aig.com



# Insuring your greatest resource: People

In a service-oriented industry like BPO which has expanded into complex knowledge services, employees and their knowledge is the most important asset. AIG understands that it is your priority to offer the greatest value proposition to your employees and to protect employees while at home, in the office, or traveling abroad. We offer **Group Personal Accident**, to address accident-related exposures at the workplace, and **Annual Business Travel** to cover your employees while they are on a business trip.

The Threat	The Solution	Coverage and Benefits
<p><b>To Employees:</b> accident or death which causes financial hardship.</p> <p><b>To Employers:</b> Losing talent to competition due to non-competitive benefits.</p>	<p><b>Group Personal Accident</b></p>	<p>We offer organizations the choice to cover their employees on a 24 hour basis worldwide or only whilst they are at work. Benefits include personal accident cover for accident-related injuries, death, medical expenses and permanent disabilities due to unfortunate accidents obtained anytime or anywhere, including the following events:</p> <ul style="list-style-type: none"> <li>✓ Commercial Flying <b>except</b> for private/helicopter flying</li> <li>✓ Motorcycling cover <b>except</b> for professional use/competition or racing</li> <li>✓ Sabotage and Terrorism</li> <li>✓ Acts of God</li> <li>✓ Accidental Food poisoning</li> <li>✓ Amateur Social Sports</li> <li>✓ Drowning</li> <li>✓ Animal Bites</li> </ul> <p>Additional Benefits: Medical Evacuation and Repatriation of Mortal Remains resulting from accident that occurs within the Philippines, Emergency Medical and Travel Assistance services, &amp; Increased Accidental Death Benefit if accident happens during graveyard work of employees.</p>
<p><b>Travel-related accidents &amp; losses.</b></p>	<p><b>Annual Business Travel</b></p>	<p>With mobility required for training and account relationships, business travel to and from Philippines is a must. Travel perils range from the inconvenience of lost luggage to the most serious medical or security crises.</p> <ul style="list-style-type: none"> <li>✓ Global and Domestic travel protection in one plan</li> <li>✓ Choice of US Dollar or Philippine peso coverage</li> <li>✓ Baggage coverage which offers business essentials (e.g. laptop)</li> <li>✓ Full access to 24- hour emergency assistance offering advisory, security, medical, and concierge services for all travel-related needs.</li> </ul>
<p><b>Unexpected medical expenses of employees traveling for work abroad.</b></p>	<p><b>Annual Business Travel</b></p>	<p>The costs of an employee medical emergency or death, particularly in a high-cost foreign country, can derail most business plans. Travel coverage while abroad is a must.</p> <ul style="list-style-type: none"> <li>✓ High benefit limits for medical expenses</li> <li>✓ 24-hour emergency assistance from licensed doctors and clinical professionals</li> <li>✓ Unlimited coverage for emergency medical evacuation and repatriation</li> <li>✓ Crisis response, even on-site crisis teams, deployed to assist with medical care or evacuation</li> </ul>

For inquiries, you may contact:

**Tess Caraan**  
Personal Accident Underwriting Manager  
T 878 5524 • Tess.Caraan@aig.com

**Rizza Pamintuan**  
Travel Manager  
T 878 5574 • Rizza.Pamintuan@aig.com



## Insuring your operations

In the litigious environment of many BPO clients, Philippines' businesses face escalating risks of errors and omissions in their handling of sensitive processes. Liability for provision of professional services has grown in direct proportion to the complexity and higher-value services which BPO's now routinely provide. Legal services, architectural design, engineering, medical plans of care, and financial advisory services are but a few of the high-value BPO value propositions now being delivered from the Philippines, but which now entail greater exposure to third-party liability and in multiple jurisdiction. **Professional Liability** provides protection for risks related to rendering professional services across the spectrum of complexity and varying industries.

BPO's and Shared Services, like the multinational clients and parent companies which they service, are increasingly expected to adhere to global standards for safety of their employees, standards of conduct, and duty of care. Clients demand a higher standard from their providers realizing that their own brands are inextricably linked to the reputation of their BPO partners. Many clients now mandate that their BPO partners provide coverage for accidents to employees and incidents that cause injuries to third parties, or damage to their property. **General Public Liability** and **Employer's Liability** cover is a tailored insurance solution to businesses of all sizes, and across different industries in the event of legal action taken against the company.

The Threat	The Solution	Coverage and Benefits
<p><b>Errors and omissions of BPO employees in rendering service to your customers</b></p>	<p><b>Professional Liability Cover</b></p>	<ul style="list-style-type: none"> <li>✓ Covers BPO Professionals for their Professional Liability arising out of the provision of (or failure to provide) Professional Services to their clients.</li> <li>✓ Pays for Defense costs and settlements (awarded by the court or amicable settlement entered into by the Insured)</li> <li>✓ Cover for Loss of Third Party Computer Records with nil deductible and sublimit</li> <li>✓ Capability to cover small limits (limits not lower than US\$ 50,000) to large limits (up to US\$ 10,000,000)</li> <li>✓ Ability to bundle Professional Liability and CyberEdge covers in one policy</li> </ul>
<p><b>More complex services expand the nature of legal action as well as potential damages</b></p>		<p>Flexible policies that can cover complex BPO services which include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Call Centers</li> <li>• Support</li> <li>• Marketing/ Promotion</li> <li>• Customers Relations</li> <li>• Data Processing</li> <li>• Back Office</li> <li>• Payroll Processing</li> <li>• Inventory Management</li> <li>• Medical Transcription</li> </ul>
<p><b>Legal action taken against the company by the employee</b></p>	<p><b>Employer's Liability</b></p>	<p>To indemnify the Insured for all sums which the Insured shall become legally obligated to pay as damages because of bodily injury by accident or disease, including death at any time resulting therefrom, sustained by any employee of the Insured arising out of and in the course of employment.</p>
<p><b>Legal action taken against the company by a third party.</b></p>	<p><b>General Public Liability</b></p>	<p>Covers the Insured's legal liability for property damage and/or bodily injury to third parties arising out of the ownership, maintenance or use of the premises and all operations which are necessary or incidental thereto. Cover Includes:</p> <ul style="list-style-type: none"> <li>✓ Legal Defense Costs</li> <li>✓ Personal and Advertising Injury</li> <li>✓ Excess Automobile Liability</li> <li>✓ Premises Medical Payment</li> </ul>

For inquiries, you may contact

**Karina Cerrado**

Casualty Manager  
T 878 5508 • Karina.Cerrado@aig.com

**Leilani Isidro**

Financial Lines Profit Center Manager  
T 878 5411 • Leilani.isidro@aig.com