

# Biopolitics of Specialised Risk: An Analysis of Kidnap and Ransom Insurance<sup>1</sup>

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A revised version of this article has been published in *Security Dialogue* 38 (3), September 2007

## Abstract:

This paper offers a biopolitical security analytic of kidnap and ransom (K&R) insurance. It suggests that security phenomena should be analysed in terms of the problematisations through which they are expressed. Using Foucault's concept of biopower K&R insurance is studied as part of a security dispositif designed to deal with a problematic of kidnap risk. The biopolitical security that results is aimed at enabling the circulation of the client should a kidnap event occur. As such, it is a personalised private provision of security premised upon the promotion of an individual's capacity to circulate in a future. While narrating a story of a kidnap event, the paper analyses the micro-practices through which a population of 'kidnapping prospects' is created, the underwriting process through which prospective clients undergo a security audit, and the forms of security that derive from this dispositif. It argues that the value of the concept of biopower for security analysis is its potential for explaining problematics that are not circumscribed to a fixed referent object but relate to the emergent features of the changing character of the human being.

## Keywords:

Biopolitics of security, risk analysis, biopower, insurance, critical security studies

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<sup>1</sup> The author would like to thank Michael Dillon, the Editor, and three anonymous reviewers for helpful comments on the manuscript. Research was partly funded by a Peel Studentship Trust Award and a Cartmel College Bursary at Lancaster University.

This paper offers an analysis of a specific micro practice of security, that of kidnap and ransom (K&R) insurance. The conventional literature on security studies makes almost no reference either to specific cases like this or to the general field of insurance as a security provider. However, the field of insurance is an extremely extensive and a very detailed technology of security from which to analyse the ways in which contemporary individuals are being secured.

Here is a form of security which illustrates the attenuation of the inside/outside and public/private distinctions featured in the literature on the privatisation of security (Bigo, 2003; Olsson, 2003; Abrahamsen and Williams, 2006). It is however an example of the privatisation of security which cannot be analysed within the traditional scope of the nation state although it interacts with it. This is not a new phenomenon but an old form of privatisation of security that has been documented as going back to the early modern period when slaves and merchants were being insured in their persons and in their capacity to generate revenue (Hendriks, 2000 [1850 (1661)]; Clark, 1999).

Insurance itself is a very old technology traced back to Babylonian times (Trenerry, 1926). It has always been allied to the legal order of states as evidenced for example in regulations over insurance inscribed in the Code of Hammurabbi, in contracts registered in notarial records in XV C. Barcelona (Smith, 1941), and indeed in every contemporary insurance policy. Since the late seventeenth century, when probabilities began to be used in the sale of annuities as a means to generate revenue for cities and states (Clark, 1999; Poitras, 2000), the industry has become a fundamental instrument for the development of capitalism and liberal political regimes; and yet, the literature on political economy has little to say about it. The insurance industry is now highly specialised and diversified offering many standard but also specialist products such as K&R insurance.

K&R insurance belongs to the special risks insurance and is therefore subjected to very specific forms of underwriting. It deals with a very specific type of population which requires particular forms of ‘future(s)’ protection. As will be argued in the conclusions, it is a population whose security is focused on potential capacities rather than actual conditions of life. Under such circumstances this population becomes a morphing referent object for which current approaches to security studies offer little explanatory value. Such explanatory value is however found within the framework of the biopolitics of security. A specific theorisation and analysis over this framework will be offered in the conclusions, suffice it for the moment to say that biopolitics is here understood, following the work of Michel Foucault, as an assemblage of practices comprising detailed forms of power/knowledge which change according to their own dynamics and changing understandings of the nature of their referent objects.

The article begins with a story of a kidnap event followed by a description of the environment that enframes it. The second section analyses ‘kidnap risk’ as a *dispositif de sécurité*<sup>2</sup> (Foucault 2007: c.f. lectures 2 & 3) by focusing on the production of a population of ‘kidnapping prospects’. It continues analysing the underwriting mechanisms that seek to secure the potentialities of this population and by presenting two forms of security that emerge in the process: a reparational and a preventive one. The article concludes by reflecting on the particularities of this kind of biopolitical analysis and its implications for security theory. While a biopolitical theorisation of security informs this account of K&R insurance throughout, recounting a specific case of K&R serves as a convenient and accessible way of moving towards a more general account of the biopolitical security analytic.

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<sup>2</sup> This term has been commonly translated into English as ‘apparatus of security’. In this paper the term ‘security dispositif’ will be used in want of a better translation. For a wider description of the concept see Gilles Deleuze, ‘What is a dispositif?’ in T. Armstrong (ed.) *Michel Foucault: Philosopher* (New York: Routledge, 1999)

## The kidnap event

Eight o'clock in the evening and Mrs. Smith is anxiously waiting in her London house for her husband who should be back from a business trip in a South American country. In half an hour they should be leaving for a concert in which their 12 year old daughter will be having her first-time orchestra performance. The telephone rings, it's the CEO of the mining company for which Mr. Smith works as Chief Exploration Officer. He tells Mrs. Smith that there has been an unfortunate security incident and her husband has been abducted on his way to the airport in this South American country. He then adds... *"but you must not worry, the crisis management plan has been activated and the leader of our crisis management team is on its way to your house"*. Minutes later Mr. Phillips, a hardened security consultant in his mid-forties and former SAS officer, arrives together with Mr. Harris, the Security Manager of her husband's employer. The briefing begins by stating that Mr. Smith is covered by a Kidnap and Ransom (K&R) insurance policy which forms part of the company's risk management strategy. The fees and costs of Mr. Phillips and his team, at the service of a London-based 'priority crisis response' company which works in tandem with the insurer, are covered and their expert advice will be present throughout the negotiation. Mr. Phillips explains that from intelligence reports provided by his people on the ground this appears to be a 'conventional' case and that every measure will be taken to recover the victim unharmed. While shaking hands prior to departure he says, *"you're in good hands, our company has the best record in the safe-retrieval of hostages in the business."*

Mrs. Smith fears for her husband's economic and psychological welfare as well as that of herself and her family. She knows that a quick resolution of the crisis must be reached for them to continue their 'normal' life and finds reassurance in knowing that

her husband is covered by the K&R policy. This is news for her. She later learns that had her husband disclosed the existence of the policy it would have been rendered invalid by the insurer.<sup>3</sup> There is also the legal aspect. Since her husband's company works in association with a state-owned corporation and under local laws purchasing and holding K&R policies is a crime, disclosure of the policy's existence could jeopardise the association. The government of this country considers the payment of ransom a way of supporting what they consider terrorist organisations. Any form of 'cooperation' from a state-partner company would terminate the association contract and bring along criminal proceedings. She is later told as well that all communications with the press will be handled by the consultants for 'security purposes' and that all reimbursement of monies surrendered, all consequential expenses (recall expenses, lost earnings, legal and medical expenses), as well as all additional related costs (such as rewards, travel and accommodation, her husband's salaries, the salaries of those who replace him, any personal financial losses derived from his absence, and the fees for the security guards that will look after her and the family while he returns) will be covered by the policy. However, her fears remain. How will her husband be physically and psychologically affected? Will he be traumatised for life? How is their daughter going to react? Will this be the end of a happy family life? The consultant team tells her there is nothing to fear, after all her husband is an *asset* that must be returned in good condition for the ransom to be paid. Post-traumatic counselling is also included in his policy.

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<sup>3</sup> Angie Wong has noted that '[i]n fact, one condition of kidnapping policies is that the insured must not to tell anyone they have coverage. According to Mack Rice Jr. of Marsh & McLennan, an insurance brokerage firm, the policies themselves are handled like top-secret documents. 'When we issue a policy, you are given a number,' Rice says. 'We don't even put the company name on the file.'" Angie Wong, 'Insurers meet rising demand for kidnap and ransom insurance', in (Columbia News Service, Columbia University, Graduate School of Journalism, 2004)

Four days later Mrs. Smith is presented with an international news-brief stating that a British mining executive has been released from his abduction by a South American guerrilla organisation in remarkably good health. The next morning Mr. Smith lands in Heathrow airport and while hugging his wife and daughter says: “I’m back, *life goes on*”.

The story of Mr. Smith and his abduction is built upon interviews conducted with families who have undergone real kidnapping experiences in Colombia in the past five years. Used for setting the problem, the situation is however a rather common one where a dynamic market has been constituted, populations of ‘kidnapping prospects’ are being defined, and a complex ensemble of techniques have been developed in the form of K&R insurance as a mechanism for coping with kidnapping events.

According to Mark Hall from Air Security International, a supplier of protection services, ‘there is probably anywhere between 8,000 and 10,000 kidnap and ransom situations globally on an annual basis’(Easen, 2004). Kroll, a private security services provider, argues that there are more than 15,000 cases each year (Kroll, 2006: 2). The London-based Foreign Policy Centre estimated in 2001 that ‘[e]conomic kidnapping is one of the fastest growing criminal industries’ and ‘that kidnappers globally take home well over \$500 million each year –and rising’(Briggs, 2001: 1). Angie Wong relates that according to Chubb Insurance, ‘sales of K&R insurance policies have jumped sharply since Sept. 11, 2001. Applications for K&R insurance are up 20 percent from two years ago [2002] due to an increase in terrorism awareness... Corporate policies range between \$1,500 and \$5,000 a year for \$1 million of coverage’ (Wong, 2004). Coverage can be arranged up to 5 million under certain circumstances.

The market for K&R insurance is ample and is under constant re-creation by the insurance-risk consultancy complex which defines the problem in market terms.

‘According to Greg Bangs, a ransom product manager at the Chubb Group, up to 80 percent of Fortune 500 companies had purchased K&R policies for their globetrotting executives by December 2003’ (Wong, 2004). An advertisement brochure from a reputed insurer reads, ‘[m]ost kidnaps are carried out in order to obtain a ransom, and in most cases a ransom is paid. Rescues are rare, largely because the authorities in most countries recognize that the safety of the victim is paramount’. The brochure, aimed at senior executives at Fortune 500 companies, continues by highlighting the added value of their product: the direct access to a world leading security management consultancy. ‘The average percentage of deaths following a kidnap is 9% [7% are rescued, 15% released without payment, 2% escaped, and 67% where ransom is paid]’\*. In cases involving Control Risks [a London-based market leader in crisis response], less than 2% of people are killed’. It then adds, ‘killing usually takes place at the time of abduction rather than during the negotiation’(Gigerenzer, 2002: 5).

The advertisement headings of security consultancies are quite suggestive. Control Risks says in its website: ‘There are certain crises that no business, no matter how resilient, can be expected to deal with on its own’ (CRG). So does Chubb, this time from an insurer angle: ‘Operating managers in any corporation face the daunting challenge of protecting valued employees and corporate assets... extortion, crime, and political instability are facts of life that corporate leaders must deal with when transacting business in an increasingly global, and unfortunately, hostile environment’(2006).

The geography of the problem is also rather specific. But as I reflect later, the general problematic of insurance is not so confined. It is part of a whole ensemble of micro-practices constitutive of securing of populations to which more attention will be

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\* Data taken from (Gigerenzer, 2002: 5) and originally provided by the Control Risks Group.

given in the conclusion when the wider theoretical implications of the case described in the story will be drawn out. Thomas Clayton (2005), who leads a security consultancy which works in association with the AIG insurance group, states that '[d]espite the recent flurry of high profile kidnappings in the Middle East, Latin America continues to be the scene of more than 80% of all kidnaps for ransom and Colombia is still the dubious world leader with Mexico not far behind.' The main motive for kidnap remains being profit; even in 'Colombia, the kidnappers, who are traditionally highly-trained, well-organized pseudo-Marxist rebel groups, make no attempt to hide the fact their sole concern is profit. Recently, when a distraught family involved in a protracted hostage negotiation tried to determine the condition of the victim, they were promptly told, "We are kidnappers, not murderers!"' (Clayton, 2005). Kidnapping in other regions, particularly Western Africa, the Middle East, India, and Central Asia are however also significant and in most cases related to multinational economic interests. Kidnapping in advanced liberal economies is also prominent. With the recent uncovering of a plan to abduct Tony Blair's youngest son it was widely advertised that 442 kidnaps had been reported in London alone in 2005 and throughout the United Kingdom the figure for 2004-2005 was of 2,790 cases (Rice, 2005). K&R insurance can indeed be traced back to 1932 when following the kidnapping and murder of famed aviator Charles Lindbergh's son, Lloyd's underwriters brought the product to the scene (Bogardus, 2003).

Kidnapping may itself be subdivided into different types, each operationalised and 'secured' against in different ways. Kidnapping for profit is different from political kidnapping, for example, where the explicit purpose is to affect in some way or protest against governmental policies and decisions. Famous cases such as those of 'Black September' of 1972 recently recreated by Spielberg in his film Munich; the 1996

hostage crisis at the Japanese Embassy in Lima which ended with a police storming of the building; the Moscow theatre hostage taking of 2002 in which gases were used in the recovery of the victims; and the Beslan school siege in North Ossetia in 2004; among others, have in common that they are perpetrated as a mechanism to exercise pressure against governmental policies or principles. This paper is concerned solely with the analysis of kidnap for profit as described in the initial story.

### **The security dispositif of kidnap risk**

There is no such thing as K&R insurance in nature. K&R policies are products; in fact, they are unique products which are tailored on demand and there is nothing natural about them. As François Ewald has wisely noted, ‘there is no such thing as insurance in general. There are only insurance companies who are in competition with one another’ (Ewald, 1999: 21). The corollary of kidnap and ransom policies is kidnap risk. It is not natural either. Kidnap risk is an interpretation that results from problematising kidnapping in terms of risk, a concept that renders reality in a particular way. Likewise, there are neither ‘kidnapping prospects’ nor ‘kidnappers’ in nature. There are only people which are speciated as specific populations with the purpose of promoting and protecting their capacity to circulate. K&R insurance, kidnap risk, kidnappers and kidnapping prospects, all arise in relation to a way of problematising reality in such a way that they constitute a security problematic for which responses are demanded: the problematic of kidnap risk.

Constituted as a security problematic, K&R insurance is presented as a sophisticated form of embracing kidnap risk which operates under a complex ensemble of technologies aimed at rendering kidnapping in as calculable a form as possible. This is done by enframing the practice of kidnapping within a calculable rationality premised

upon the metrics of probabilities and expected impacts. Quantified kidnapping is then actuarialised, as the practice through which risk is transformed into probabilities is known. Actuarialised kidnapping can then be tackled through various mechanisms. A very effective one is K&R insurance as the figures offered before demonstrate. But the problematisation goes further, as the initial story indicates: there is a particular kind of expertise mobilised around the practice of hostage recovery that becomes instrumental in constituting K&R insurance as a product. Such expertise is articulated through a deeper knowledge of the ways through which insurers identify the level of risk that potential clients bring to their insurantal pools. This is the world of risk analysis consultancy services and crisis response groups. Altogether, the problematisation of kidnapping into kidnap risk, the constitution of kidnapping prospects and kidnapers as populations, the mobilisation of a complex ensemble of expert knowledges and practices, and the creation of a sophisticated product to respond to the problem, constitute what Michel Foucault has referred to as a security dispositif (Foucault 2007: c.f. lectures 2 & 3). The security dispositif of kidnap risk is here analysed by looking at the micro-practices through which it proceeds.

### **The referent object of protection: prospects of kidnapping**

The first strategy for analysing this security dispositif is exploring how populations are created in the process of insuring, particularly the population of ‘kidnapping prospects’. This population results from depicting kidnapping as an occupational hazard for those whose professional activities lead them to live or operate in a ‘risky’ environment. Mr. Smith, for example, is prone to being kidnapped due to the nature of his job which requires him to be where the mines are. A kidnapping event is for Mr. Smith a professional risk that he needs to take. Such treatment, however, is not

gratuitous. It results from considering the fact that the possibilities of a kidnap are highly probably and of a certain magnitude. As Bodie and Merton (1999: 257) argue, risk is ‘uncertainty that matters’, and for uncertainty to matter it must be accounted for. A way of doing this is by conducting a risk assessment exercise.<sup>4</sup> A risk assessment is intended to identify the different types of vulnerabilities of a company, an institution or an individual and is instrumental for the formulation of a risk management strategy. The results of these assessments are usually plotted in terms of the probability of occurrence of an event versus the impact such event would have over the company or the person. The plotting is then used to identify levels of risk upon which decision-makers will have to either opt for a risk aversion strategy or embrace the risks through a risk management plan. This assessment is however based on existing information over known cases and the expert knowledge of relevant analysts. Unknown information affects its outcome, so does the effectiveness of existing risk mitigation measures. This makes it a very dynamic process in which knowledge and information are critical.

When the risk assessment indicates that there is a high probability of kidnapping for the individual or the corporation, protective measures will be needed to tackle the risk. There are two options: to avert the risk or to embrace it. Averting a kidnap would entail suspending operations and evacuating personnel; embracing kidnap risk can include preventive measures such as the anonymity of the company’s agents in risky regions, the unpredictability of their movements, their provision with physical protection such as armour and armed escorts, a clear strategy to protect and filter information, and restrictions to non-essential travel. Reactive measures to medium to very high kidnap risk would most likely include some form of insurance, either self-

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<sup>4</sup> Information provided in these two paragraphs is based on the author’s experience as risk and security advisor for an energy corporation operating in South America between 2000 and 2002. For a general view on corporate security risk assessment and risk management see, for example: (Roper, 1999)

insurance through savings and investments to pay for a ransom and hostage recovery services as well as financial loss, or K&R insurance policies as described before together with crisis communications plans. Kidnapping prospects are therefore those individuals that, constituted as a population in the process of identifying and managing kidnap in terms of risk, are to be subjected to very specific strategies aimed at ensuring their protection, one of them being the use of K&R insurance.

It is important to note here in passing the distinction that Foucault has made between people and population to which more attention will be paid later (Foucault, 2004; lecture 3). Foucault has argued that the biopolitical promotion of the human as 'species existence' first developed around the interrogation, classification and statistical analysis of populations in the flourishing towns and cities of France in early modern Europe. Through his analysis of the problems of the town, epidemics, and scarcity, he argues that a new political object of governance emerged, that of the population rather than the people (Foucault, 2004: lectures 2-3, 2004). Referring to this process as one that takes life, not as an unproblematic essence but rather as wagered upon the strategies through which species existence is made to happen, Foucault makes a significant contribution that opens up the possibility of analysing populations as politically constructed entities. As the outcome of complex emergent speciation processes that proceed through technologies of power, such as technologies of risk, populations are never fixed referent objects but rather political objects under constant evolution and transformation. Kidnapping prospects are precisely an outcome of this speciation process. Mr. Smith the Chief Exploration Officer is transformed into an object of security premised upon the technologies that speciated him as such.

This speciation process is also related to the demand side of the kidnapping market.<sup>5</sup> Kidnappers contribute in the constitution of a population of kidnapping prospects by affecting the levels of risk against which particular individuals will be compared. Kidnappers, as business actors within this equation, will be seizing the opportunities identified in the economic sectors and geographical regions in which they are operate. To do this they would base their market research over kidnapping prospects on open-source publications such as media and market reviews, on intelligence they can gather by means of infiltrating personnel within the circles in which the prospects interact, and by exploiting social, economic, or cultural inequalities and grievances as a means to identify their victims. Since the rationale of this kidnapping activity is profit, the potential value of the person has then to be established; if the victim appears to have enough wealth or is part of an organisation that does, the rest is operational: following the persons' movements, learning its routines, getting to know as much as possible about its family and friends, analysing its spending habits, understanding the protective strategies that have been put in place to deter a kidnap, etc. When the kidnap of a victim occurs it is no mere coincidence; the kidnappers have carefully chosen the day, hour, place, people involved, as well as weapons to be used, as Gabriel García Márquez vividly illustrates in his narrative of three simultaneous kidnappings in Colombia in 1990 (although such kidnappings were political) in which the smallest detail had been taken into account when the final move occurred (Garcia-Marquez, 1996).

Emerging out of a problematisation of kidnap risk, kidnapping prospects are therefore a category of species life, a population that results from an assemblage of practices comprising detailed forms of power/knowledge which morph according to their own dynamics and changing understandings of the nature of their own referent

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<sup>5</sup> Michel Callon has argued that markets are also the result of constructive activities (c.f. Callon, 1998).

objects or fields of formation. Kidnapping prospects become the referent object of protection for which the instrument of K&R insurance is deployed.

### **Underwriting: K&R insurance as special risk**

The analysis of the underwriting process is the second strategy used in this article to study the security dispositif of kidnap risk in which K&R insurance is embedded. Underwriting is the process by which an insurer analyses the levels of risk that a potential client represents and based on them decides on the conditions under which a policy can be written, if at all (c.f. Dickson and Steele, 1984). Underwriting is however not confined to documenting the contingent correlations of behaviour and statistics with levels of risk pre-established in actuarial tables. It assumes an active and creative role in establishing levels of risk which overlaps with the process of constituting populations at risk, such as kidnapping prospects.

An underwriter's objective is to select bad from good risks and opt for the latter if their companies are to remain competitive within the business; a good risk is a low risk. However, risk discrimination is based on information, qualified information that can be used for the analysis of risks. The analysis of the ways in which underwriters collect and process information for different kinds of insurance would require dedicated studies that exceed the scope of this paper (c.f. Ericson, Doyle, and Dean, 2003); therefore, this study has been limited to the kind of information collected by insurance companies when underwriting prospective clients for K&R policies. For this purpose ten different K&R insurance corporate application questionnaires were collected, compared and analysed and three major areas were identified as the markers upon which potential clients were to be assessed: financial and management capacity; kind of

operations undertaken in their business; and the risk responsibility and risk management culture existent in the companies.

In the area of financial and management capacity potential clients were asked to disclose their latest audited financial reports together with details of those responsible for its management. They were also asked to state the terms of coverage required and the deductible limits they were prepared to pay.<sup>6</sup> This information is used to determine the solvency of the corporation as a means of knowing if it can afford K&R policies which are expensive products. The size of the company would give an indication of the type of internal controls by which its management is held accountable (for example, bigger corporations are audited and held accountable by their shareholders and listed companies are subjected to additional forms of auditing). Answers to these questions are indicative of the client's corporate responsibility which is taken as indicative of responsible risk management (c.f. Power, 1997).

Insurers are also concerned with the type of activities that a prospective client undertakes. In all the forms detailed descriptions of the company's operations specifying number of locations, number of employees assigned to them, and their corresponding revenues was required. Information regarding foreign travel was especially collected with regards to the position of those travelling, number of trips, average length of stay, number of people travelling, means of transportation and security provisions in place. Underwriters understand that personnel based on fixed quarters represent a different risk than those under constant travelling. Travel to and within risky areas heightens the exposure to kidnapping, therefore a description of measures taken to mitigate such risk are already indicative of a responsible attitude

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<sup>6</sup> Deductibles are a way of controlling what the industry knows as 'moral hazard'. If the client has something to lose when making a claim it would restrict its claims to legitimate events.

towards risk management. By acquiring this kind of information underwriters try to assess the level of ‘moral hazard’ that potential clients might represent. Moral hazard refers to the possibility that clients holding insurance policies might incur risks that they would otherwise prevent. In other words, moral hazard is the added risk that clients bring to the pool by the fact of having insurance cover. Another risk that underwriters are attentive to prevent is that of ‘adverse selection’. Adverse selection results from choosing clients that because of the high level of risk they represent will very likely lead to claims. Collecting information at the maximum level of detail, especially in relation to the client’s kind of operations, counts towards the minimising of these two risks.

Third, insurers are also concerned with assessing the potential client’s understanding and management of its corporate security. A statement of the company’s knowledge of ‘higher than average risks’ in the countries where it operates with regards to kidnapping, extortion, political instability or acts of terrorism is explicitly demanded. The information required goes as deep as requesting the disclosure of the company’s security records and the outcomes of security events that could be related to the policy under application. For example, six of the forms demanded the disclosure of kidnapping, extortion threats, cyber-extortion, hijacking, wrongful detention, or political threats that had been discovered by the company in the past five years which could have been covered by an insurance policy. Itemised losses for each case were asked to be disclosed. The prospective client was also required to describe the risk management strategies that were already in place for the control of the identified risks. A direct question enquired about knowledge of facts or information that may already give rise to a claim. By understanding the client’s security culture underwriters seek to learn about the company’s security profile.

Finally, underwriters are concerned with learning about the potential client's strategies to protect own and client's information and with seeking evidence of their good faith in previous contracts and activities. A request for the name of the person responsible for managing insurance plans and at times explicitly requiring the signature of the company's risk manager indicate the interest of insurers in making responsibilities as transparent as possible. All forms included a note reminding the potential client of the criminal character of concealing or giving false or inaccurate information.

It is evident from the kind of information collected by insurers their intention to identify their clients' levels of risk management expertise. This assessment of the risk management culture falls within what Michael Power has identified as the 'New Risk Management' which he argues, focuses on the systematisation and integration of risk management practices (2003: 150). This process, which evolves during the 1990s, goes in line with the evolution of corporate social responsibility agendas (2003: 150) and meets the process that Ian Hacking argues has led to the emergence of the profession of 'risk analysis' in 1969 (Hacking, 2003: 31). The organisational and managerial shift described by Power (2004) and documented by Ericson, Doyle and Barry (2003: ch. 5) provides the context upon which the underwriting process takes place. Underwriters, in sum, are concerned about learning as much about their potential clients as they can for the purpose of underwriting the contingency of kidnapping. Through actuarial calculations and managerial practices they seek to profile clients in levels of risk. By so doing they commodify the contingency of events, practice which becomes instrumental for the preventive form of security that will be presented later on.

### **The security of K&R insurance: repairing and promoting circulation**

While the case of K&R insurance is a case of specialist risk intrinsically interesting in itself, it raises wider questions about the whole problematisation of security. Most immediately and directly it prompts us to ask what kind of security is being offered here. By first asking what kind of security is being offered here we can make our way to a more general problematisation of security which the case offers. K&R insurance is an example of insurance as a security device located within the wider problematisation of the biopolitics of security. Let's begin then by asking what kind of security is offered in K&R insurance.

In the process of constituting populations, of underwriting prospective clients, and at a later stage while responding to claims, two forms of security emerge: a reparational and a preventive one. The former results from the response to a claim within the terms prescribed in a K&R insurance policy. The latter is an outcome of the underwriting process.

When Mr. Smith was kidnapped, it is understood from the story that the device that enabled his safe retrieval was that of K&R insurance. Although the story is hypothetical, it is a fact that one of the conditions of possibility and at the same time a condition of operability of this kind of policies is its secrecy, as will be elaborated below. But before getting into that discussion it is important to highlight a key characteristic of K&R insurance: it is aimed at securing a potentiality rather than an actuality. The Mr. Smith that was being covered -Mr. Smith the Chief Exploration Officer of a mining company and not Mr. Smith the husband or father- was protected not simply because of his present value for current operations, but mainly because of his capacity to develop the projects and generate new ones based on his experience and expertise. These experience and expertise represent a potentiality, a *capacity*, upon

which the future of organisations is premised and requires protection if companies are to remain in business. So when Mr. Smith was safely returned to his company through an instrument that effectively put him back in circulation, the circulation that mattered for the mining company was that of the Chief Exploration Officer's capacity to generate revenue to the company's stakeholders. When that capacity was put out of circulation through a kidnapping event that physically removed Mr. Smith's body and mind from the operations, it had to be repaired. This capacity to repair circulation is precisely what the reparational role of K&R insurance is about. Insurance enhances circulation by repairing the potentiality that makes it possible.<sup>7</sup>

The reparational form of security, however, operates once the event has taken place. The circulation it is called to repair, however, is intrinsically linked to the ways in which the individual is being speciated and his/her form of life. This is of course in relation to its economical, social, marital, or any other capacities that derive from the ways in which the human is classified usually in relation to the roles it is expected or expects to fulfil. What the instrument repairs then is the way of life, described as species-life that has been disrupted. The insurance policy, once a claim is made, enables the possibility for the victim to recover its capacity to be a parent, a friend, an employee, a citizen; the policy facilitates putting the victim back into circulation, a circulation of species-life which proceeds through the complex networks and technologies through which and in which the individual 'exists'. By providing an instrument by which circulation can be repaired, K&R insurance becomes a security instrument premised upon the enhancement of possibilities. Rather than concerning itself with protecting a present actual body, it is concerned with promoting a form of life

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<sup>7</sup> An argument is made by Dillon and Lobo-Guerrero in which circulation, connectivity, and complexity have become the quasi-transcendentals of contingency that determine the biopolitical imaginary of species being. (Dillon and Lobo-Guerrero, forthcoming 2007)

and exploiting its plural potentialities. In sum, the reparational role of insurance is an expression of a form of security that, operating over the ways in which the human is being speciated, promotes its form of life: a biopolitics of security.

This reparational capacity is however embedded within a market economy and this is where the crucial aspect of the secrecy of K&R policies lies. The existence of a K&R policy, if made public, would motivate a demand inspired by the profit that could result from a kidnapping event. The secrecy element prevents the policy from entering a market for which a demand has been created. Tom Hargrove referred to this in his kidnap diary towards the end of his retention: '*[k]idnapping [is] the deliberate creation and marketing of human grief, anguish and despair*'.<sup>8</sup> If the policy is disclosed the reparational role of the K&R policy would not operate inasmuch as the insurer could always argue that the terms and conditions of the policy had been breached rendering the contract invalid. A dramatic example of what happens when information on K&R insurance holders is disclosed was provided by Leon Valencia<sup>9</sup> to An Vranckx in 1999: between 1984 and 1989 forty members of the Colombian Jewish community which held K&R insurance policies were kidnapped after factions of that country's guerrillas managed to infiltrate an agent amongst the insurance file-keepers (Vranckx, 2001: 12). The security problematic for which this security dispositif was developed acquires a new dimension when the policy loses its capacity to repair circulation. A new dispositif will then be required in which the risk management strategies will perhaps be circumscribed to the victim's and family/relatives' financial capacity.

A second kind of security is produced within this security dispositif, this time a form that emerges from the underwriting process: a preventive security that effects

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<sup>8</sup> 'Tom Hargrove's improvised kidnap diary, day 325 of 334, 1994, somewhere in Colombia'. Cited by (Kroll, 2006) Emphasis added.

<sup>9</sup> Leon Valencia is at the time of writing an analyst for the Colombian NGO 'Corporación Nuevo Arco Iris'.

anticipatory action and strategies through what will be described as the ‘security audit’. The security audit is the process described in the previous section whereby companies are examined in their capacity to assess and manage risks at the accepted industry standards. Companies have to display their capacity and responsibility in implementing the known risk management strategies which become part of their social corporate responsibility. The requirement to disclose the past five years’ security records becomes like a catholic confession, not to redeem the soul, but rather to condemn it should it not show remorse and commitment to modify the conduct in accordance to prescribed knowledge. The close collaboration between insurers and private security providers ensures that security practices that deviate from accepted industrial standards identified by the insurer during the underwriting process can be remedied by hiring the consulting services of such companies. Consultancies can then put the client at ‘insurability level’ by assessing their security management techniques and providing their specialist risk knowledge for the client to develop its own capacity. In so doing consultancies become part of the process through which knowledge is brokered and companies are enabled to access the exclusive club of K&R insurance.

This preventive form of security is however, not an exclusive feature of K&R policies. Indeed, when an individual is offered a lower premium for a life policy while being a non-smoker, the insurer is already conducting a security audit over the way in which the client manages his/her health risks. The client is encouraged by the payment of a lower premium to observe certain behaviours and habits. This is what the contributors to the edited volume ‘Risk and Morality’ have described as moral economies (Ericson and Doyle, 2003). What makes the preventive form of security relevant to this study is however, that it becomes a fundamental part of the security dispositif of kidnap risk in the sense that it promotes a particular form of circulation

which will be underwritten as good circulation by the insurer if it complies with the established records. The moral economy that derives from this form of security is crucial in providing access to sanctioned forms of circulation. As a biopolitical security technology that insurance is, good circulation is made to live; bad circulation is left to die (c.f. Foucault, 2003: lecture 11).

The security dispositif of kidnap risk is therefore not the product of chance but the development of a complex ensemble of knowledge and practices. Kidnapping prospects are constituted in the process of devising technologies by which their capacity to circulate can be promoted and protected. K&R insurance is an instrument tailored to the specific characteristics of a species, the kidnapping prospect, which can only be protected through K&R insurance. When the conditions of operability of K&R policies are affected, for example through disclosure of existence of the policy, the condition of possibility of the policy repairing the capacity to circulate is compromised. Therefore, changes in the conditions of operability of this technology modify the security dispositif and demand either an adaptation of the mechanisms or a new re-problematisation.

### **Conclusion: the biopolitical security analytic**

The 'security' offered by this biopolitical security technology is conceptually as well as substantively very different from that which preoccupies traditional political as well as some contemporary sociological accounts of security. This biopolitical security technology provides a personalised form of security although it does not offer to preserve life or property. Nor is it a security based on an identity discourse, albeit it does produce certain distinctive kinds of security subjects. It is based on understanding security in terms of special risks, those that require a specialist kind of underwriting in

order to provide a specialist kind of security. It derives from a tacit public/private partnership in as much as it requires contract law in order to operate. It is also a technical apparatus – what Foucault calls a ‘dispositif’ - rather than a cultural or political discourse, in that it is comprised of distinctive kinds of calculative rather than cultural or political practices. In this respect it is also epistemically distinct. Unlike realism and neo-realism, for example, it does not proclaim the operation of deterministic universal laws. Premised upon statistical probabilities rather than universal certainties, it works by exploiting contingency and uncertainty rather than by trying to assume them away. Nor does it promise to prevent the loss of life, identity or property, as traditional geopolitical security practices claim to do. It merely promises, instead, to compensate for loss of circulation; a compensation that enables putting the victim back into circulation when a kidnap event takes place.

A Foucauldian understanding of power is at the centre of this analysis. Power is located and exercised at the level of life (Foucault, 1994) rather than over people, but the life to which he refers is not taken for granted. It is rather the result of analysing the ‘accidents, infirmities, and various anomalies’ that keep individuals out of ‘the field of capacity, of activity’ (2003: 244). Foucault’s research was focused on the seventeenth and eighteenth centuries, period during which the modern mechanisms that deal with these phenomena were created by encompassing the latest observations and scientific developments of the then nascent life sciences. In the process of doing a genealogy of the forms of power that he saw operating over phenomena such as sexuality, health, scarcity, and the town, he noted that there were particular features of a distinctive form of power that were no longer directed at the people, as subjects of right, but rather to the human as a living being. This form of power, rather than operating over the conduct of individuals and collectivities by means of sovereign forms that involved a contracting

individual and a social body, the individual was being considered, shaped and promoted by technologies aimed at its own particularities. In the third lecture of the series *Society, Territory, Population*, Foucault summed up this process by the phrase: ‘man is to population what the subject of right was to the sovereign’ (2007: 113).

As a form of power that ‘deals with the population, with the population as political problem, as a problem that is at once scientific and political, as a biological problem and as power’s problem’ (Foucault, 2003: 245) is, as shown here and elsewhere (c.f. Dillon, forthcoming 2006, 2005; Rabinow and Rose, 2006; Campbell, 2005), not restricted to the period of analysis covered by Foucault.<sup>10</sup> As illustrated in this paper biopower is focused on the individual’s particular forms of circulation and uses technologies of risk in the process of promoting the individual’s existence. The history of modern insurance is precisely a history of the evolution of a biopolitical technology that does exactly this. Beginning with the use of probabilities as a form of accounting for risks in the early eighteenth century (Poitras, 2000; Hacking, 1975; Daston, 1988), all the way to novel approaches to ‘real-time underwriting’ currently under experimentation in the British motor industry (Norwich-Union, 2006), the history of probabilistic insurance illustrates the evolution of a form of power desperate to know more about the specificities of the lives of individuals in order to operate over their potential (to circulate). The underwriting of life, health, critical illness, income protection, motor, travel, and other forms of insurance is an active process of speciating people in terms of levels of risk with the objective of profiting from the promotion and enhancement of their forms of life. Levels of risk are of course the result of complex

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<sup>10</sup> Different approaches to biopower and biopolitics have emerged in the last years with the work of Giorgio Agamben, Paul Virno, and Antonio Negri. This paper differs from their approaches and circumscribes to a notion of biopower premised upon the promotion, enhancement, and protection of forms of life rather than the subordination of the concept to sovereign forms of power or to class systems. An elaboration over this point would require an independent article.

biopolitical processes themselves in which criteria according to which something is to be treated as ‘risk’ are determined through sanctioned forms of knowledge aided by actuarial science and the newly emergent science of risk management (c.f. Hacking, 2003: 30; Power, 2003).

The use of biopower for security analysis is therefore referred to its potential in explaining problematics that are not circumscribed to a fixed referent object, or to an immediate present, nor rely strictly on an interpretation of a past. It allows for an understanding of emergent features related to the changing character of the human being whose potential is sought to be promoted, enhanced, and in the process, protected.

The analysis presented in this article suggests that security phenomena should be analysed in terms of the problematisations through which they are being expressed. The case in point has analysed kidnapping within the problematic of kidnap risk taking into consideration the existence of a very intriguing security technology, that of K&R insurance. However, a biopolitics of security perspective can also be employed when analysing problematisations of security posed in terms of threats and danger by for example analysing security technologies such as diplomacy and peace-building. Once a problematic has been identified it is possible to embark on the analysis of the security dispositif. It is suggested in this paper that a way of doing so is to begin by analysing how populations are produced (i.e. how individuals are being speciated) within the security dispositif; second, to analyse the practices through which such populations are created and managed (c.f. Hacking, 1986); and third, by analysing the forms of security that emerge in the process.

It is important to note that there is no beginning nor end for biopolitical analyses of security since the referent object is under constant change. Likewise, there are no levels of analysis since phenomena on the making cannot be split into sectors or

dimensions that add up into a coherent whole. It rather needs to be approached as a complex emerging ensemble with salient features (e.g. the making of populations). This form of approaching the study of security cannot make any claims for grand-theory when its referent object is specific. If forms of power can be theorised in their generalities, for example sovereign power and biopower, such generalities can only be understood whilst analysing the micro-practices through which they proceed. The added value of biopolitical research for security studies is that it provides analytical tools to understand reality under constant making rather than reality shaped through the lens of a given paradigm.

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