

# **Information regarding Malicious Acts Insurance Policy (MAIP)**

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*This summary of coverage terms, benefit determination and claims process is issued for general information and does not contain complete policy terms.*

## **I. Background**

1. The UN Malicious Acts Insurance Policy (MAIP) has been in place since 1990. Over time, it has been expanded and developed to include additional countries, categories of staff and benefits.
2. Initially, coverage under the policy was limited to those duty stations classified as hazardous by UNSECOORD (currently DSS). On 1 January 2004 coverage was expanded to include all countries, except the 10 countries where the participating organizations have their HQ's (Austria, Canada, France, Germany, Italy, Japan, Netherlands, Switzerland, UK and USA). Effective 1 January 2006 coverage was expanded to these 10 countries as well, so coverage is now worldwide.
3. For the policy year 2008, the UN and more than 20 other UN Participating Organizations participate in the MAIP. Participation in the UN MAIP is voluntary for the various UN organizations. Some UN organizations that do not participate, maintain similar programs.
4. MAIP is currently insured by Zurich, through insurance broker Willis. The named insured is "United Nations and its Specialized Agencies, Programmes and Funds, and other bodies who have elected to subscribe to the policy." The policy is administered by the Insurance and Disbursement Service (IDS) in the Accounts Division, Office of Programme Planning, Budget and Accounts (OPPBA), United Nations.

## **II. Definition**

1. A Malicious Act is defined as hostilities, revolution, rebellion, insurrection, riots or civil commotion, sabotage, explosion of war weapons, terrorism, murder or assault or an attempt thereat.
2. War is defined as armed conflict between nations, invasion, act of foreign enemy, civil war, military and usurped power.

## **III. Coverage**

1. MAIP covers **death or permanent disability** (total or partial) caused directly or indirectly by War or a Malicious Act. Since 2006, permanent disabilities brought about by chronic Post Traumatic Stress Disorder (PTSD), caused directly or indirectly by War or a Malicious Act, are also covered.
2. MAIP also covers medical expenses up to a value of 10% of the benefit for death or permanent disability, subject to maximum of \$10,000 for Category 1-3, \$500 for Category 4 and \$1,000 for Category 5. To the extent that Appendix D, or comparable compensation schemes, already fully cover medical expenses resulting from service incurred injury, any MAIP proceeds for medical expenses will be used to offset those costs. Medical expenses reimbursements will not be duplicated between Appendix D and MAIP.

**3. MAIP applies on a 24 hours basis, worldwide for the staff and other eligible individuals of the UN and UN Participating Organizations.**

4. It is a condition precedent under the MAIP that a claimant must be in compliance with the UN's prevailing security guidelines and procedures (established by DSS) or where the claimant was not in such compliance, that non-compliance was inadvertent. (For security guidelines and procedures please refer to DSS website or consult your security focal point). Certification by DSS that claimant was compliant with prevailing security guidelines and procedures will be required for each claim.

5. Coverage for death or disability under the MAIP is in addition to compensation that may be payable under Appendix D to the Staff Rules or comparable compensation schemes.

6. MAIP coverage includes air travel on civilian aircraft, including chartered aircraft. As for UN military aircraft, coverage applies when military aircraft is used for **civilian purposes only**. Advance notification must be made to IDS when more than thirty eligible individuals intend to travel on any one military aircraft, so that IDS can discuss with MAIP insurers. In view of special circumstances, MAIP coverage has been extended to eligible individuals traveling as passengers in military aircraft considered by insurers as used for military purposes, for flights beginning and ending in Iraq, and for flight between Amman or Kuwait and Iraq (referred to as MNF flights).

7. MAIP provides Nuclear, Chemical and Biological Terrorism coverage.

8. Individual coverage under the policy is described under Section V on Benefits. The policy maximum limit is \$50,000,000 for any one event for all countries except for Geneva and New York where limits per any event are \$100,000,000 and \$150,000,000 respectively. However, the coverage limit per any MNF flight \$7,500,000.

**IV. Eligibility**

1. MAIP is an inter-agency policy. The number and categories of individuals covered are determined by the Participating Organizations. Typically, the Participating Organizations cover the following categories of personnel under the MAIP ("Insured Persons"):

**Category of Insured Person 1: Professional Category**

(a) International and locally recruited professional staff including

- 1) Permanent; Indefinite; Continuing Appointments
- 2) Fixed Term Appointments
- 3) Temporary Fixed Term Appointment
- 4) Agreements of Limited Duration (ALD)
- 5) Short-Term Appointments
- 6) Junior Professional Officers and Associate professional Officers

- 7) USD 1 a year appointments
- Other members of the workforce international recruited;
- 8) Consultants
- 9) Individuals on Service Contracts
- 10) Individuals on Special Service Agreements or similar class of contract

(b) Other:

- 1) Individuals on reimbursable or non-reimbursable loan to the organization and assigned to the duty station
- 2) Staff on Secondment from Government

**Category of Insured Person 2: General Service staff, Field Service and National Professional Officer**

(a) International and locally recruited General Service Staff, Field Service and National Professional Officer including

- 1) Permanent; Indefinite; Continuing Appointments
- 2) Fixed- Term Appointments
- 3) Temporary Fixed Term Appointments
- 4) Agreements of Limited Duration (ALD)
- 5) Short- Term Appointments

(b) Other members of the workforce locally recruited including

- 1) Consultants
- 2) Individuals on Service Contracts
- 3) Individuals on Special Service Agreements or similar class of contract

**Category of Insured Person 3: Non-Staff Persons whilst on mission/Travel/Daily subsistence allowance status including:**

- (a) Official visitors including external auditors
- (b) Special Guests

**Category of Insured Person 4: Casual Daily Workers**

**Category of Insured Person 5: Interns**

**2. Since each Participating Organization determines the eligibility of the number and category of Insured Persons, all personnel are urged to verify their eligibility for MAIP coverage with relevant Human Resources or Administrative office of their parent UN Organization.**

3. No forms need to be completed for enrolment by staff members or other covered individuals as coverage is automatic for eligible individuals. Coverage under MAIP is at no cost to eligible individuals.

## **V. Benefit**

1. The maximum compensation payable per person under category 1-3 is \$500,000 while the minimum compensation payable under category 1-3 is \$50,000 (effective 1 January 2009).
2. The maximum compensation payable per person under category 4 is \$10,000 while the maximum compensation payable under category 5 is \$50,000.

### 1) Compensation for death and permanent total disability

- a) \$500,000 for Category of Insured Person 1- Professional Category (see list of contract types above) and Category of Insured Person 3 (non-staff)
- b) Ten times the net annual salary for Category of Insured Person 2 – General service staff, Field and National Officers, **subject to a maximum of \$500,000 and a minimum of \$50,000.**  
**Net annual salary** means net salary for the level and step in the published salary scale at the duty station applicable at the time of injury or death. If remuneration is paid on a daily, weekly or monthly basis, annual salary will be derived on a pro-rata basis.
- c) **\$10,000 for Category of Insured Person 4 in the case of death & Permanent total disability.**
- d) **\$50,000 for Category of Insured Person 5 in the case of death & Permanent total disability.**

### ***Examples:***

*Scenario 1 - An internationally recruited PS staff whose annual salary, less staff assessment is \$100,000 will receive \$500,000.*

*Scenario 2 – A GS staff whose annual salary, less staff assessment is \$20,000 will receive \$200,000, as follows:*

$$10 \times \$20,000 = \$200,000$$

*Scenario 3 – A National Officer staff whose annual salary less, staff assessment is \$51,000 will receive \$500,000 as follows:*

$$10 \times \$51,000 = \$510,000. \text{ The maximum benefit per person is } \$500,000.$$

*Scenario \$ - A GS staff whose annual salary, less staff assessment is \$4,000 will receive \$50,000, as follows:*

*10 X \$4,000 = \$40,000. The minimum benefit per person is \$50,000.*

2) Compensation for Permanent Partial Disability.

Compensation will be a percentage of maximum benefit for applicable category times the degree of disability as shown in Permanent Disability Scale, as follows.

a) For Category of Insured Person 1 - Professional Category and Category of Insured Person 3

\$500,000 x degree of disability per Permanent Disability Scale

b) For Category of Insured Person 2 – General Service staff, Field and National Officers:

(10 x net annual salary, max \$500,000 or min \$50,000) x degree of disability per Permanent Disability Scale

c) For Category of Insured Person 4 - Casual Daily workers:

\$10,000 x degree of disability per Permanent Disability Scale

d) For Category of Insured Person 5 – Interns:

\$50,000 x degree of disability per Permanent Disability Scale

2. Permanent Disability generally means that disability has lasted for at least twelve (12) calendar months, is without expectation of recovery in the opinion of MAIP insurers and shall in all probability continue for the remainder of the Insured Person's life, and results in their inability, entirely or partially, to perform business or occupation for which the individual is reasonably suited by training, education or experience. Disability (which includes PTSD-related disability), generally entails permanent loss of function.

3. For PTSD coverage, it is a condition that the insured person was present and experienced, witnessed or was confronted, with a traumatic event that involved actual or threatened death or serious injury.

4. For disappearances, if an insured person disappears and after a suitable period of time it is reasonable for the Police or registration authorities to believe that such Insured Person has died as a result of injury, the Death Benefit shall become payable subject to a signed undertaking given by the Insured that if the belief is subsequently found to be wrong such Death Benefit shall be refunded to Insurers.

5. Level of disability i.e., loss of function, in accordance with the Permanent Disability Scale, will in first instance be established through medical assessment by the UN Medical Service (or the medical section of the relevant UN Participating Organization). Criteria is comparable (but not always identical) to that used for Appendix D assessments.

6. The insurer's claims adjuster will review the claim and medical assessment and determine level of disability in accordance with the terms of the policy.

***Examples:***

*Scenario 1 - An internationally recruited Professional staff whose annual salary, less staff assessment is \$100,000 and level of disability is 50% will receive \$250,000, as follows.*

$$\$500,000. \times 50\% = \$250,000$$

*Scenario 2 – A General Service staff whose annual salary, less staff assessment is \$20,000 and level of disability is 20% will receive \$40,000, as follows:*

$$10 \times \$20,000 \times 20\% = \$40,000$$

*Scenario 3 – A National Officer staff whose annual salary less, staff assessment is \$51,000 and level of disability is 10% will receive \$50,000 as follows:*

$$(10 \times \$51,000 \text{ maximum } \$500,000) \times 10\% = \$50,000.$$

*Scenario 4– A GS staff whose annual salary less, staff assessment is \$4,000 and level of disability is 10% will receive \$5,000 as follows:*

$$(10 \times \$4,000 \text{ minimum } \$50,000) \times 10\% = \$5,000.$$

*Scenario 5 – A National Officer staff whose annual salary less, staff assessment is \$51,000 and level of disability is 100% will receive \$500,000 as follows:*

$$(10 \times \$51,000 \text{ maximum } \$500,000) \times 100\% = \$500,000.$$

**VI. Policy exclusions**

The main exclusions under MAIP are as follows:

1. Willful misconduct of an Insured Person or an Insured Person's willful intent to harm himself/herself or another person.
2. Stress: This includes neuroses, psychoneuroses, psychopathies or psychoses, anxiety, stress, fatigue, or mental or emotional diseases or disorders of any type (**except PTSD coverage provided in the MAIP**).
3. The insured being a member of the armed forces.
4. War whether declared or not, between any of the current Permanent Members of the UN Security Council (i.e., China, France, United Kingdom, Russia and USA).

5. War in Europe, whether declared or not, in which any of the countries stated in 4 above or any armed forces thereof are engaged, other than;

- a) Civil war
- b) Any enforcement action by or on behalf of the UN

## **VII. Beneficiaries**

1. Payment of insurance proceeds under MAIP for the UN Secretariat is governed by ST/SGB/2004/11 dated 9 August 2004. Beneficiaries are defined as follows:

- i) The proceeds of the MAIP shall be paid to the staff member when he or she is covered under the MAIP and suffers an injury or illness resulting in permanent disability, whether total or partial, as a result of an incident covered by the policy.
- ii) Should a staff member covered under the MAIP die as a result of an incident covered by the policy, the proceeds shall be paid as follows:
  - (a) If the staff member has a surviving spouse and/or a dependent child or children at the time of death, the proceeds shall be paid to the spouse and any dependent children, in equal shares, as is done for the “death benefit” under staff rules 109.10 (a) (vi), 209.11 (a) (v), and 309.6 (a).
  - (b) If the staff member does not have a surviving spouse and/or a dependent child or children at the time of death, the proceeds shall be paid to the beneficiaries designated by the staff member under staff rules 112.5, 212.4 or 312.4. Each beneficiary shall receive the share of the proceeds indicated by the staff member. In the absence of any instructions given by the staff member as to the share of each beneficiary, the proceeds shall be paid in equal shares to all designated beneficiaries who survive the staff member.
  - (c) If there is no designated beneficiary at the time of death, the proceeds shall be paid to the estate of the staff member.

2. Non-Secretariat UN Participating Organizations typically follow similar procedures. In the event of a claim the responsible Human Resources or Administrative office must verify and advise IDS about who the policy beneficiary is prior to any payment of proceeds.

3. Therefore, it is important that staff members and other eligible individuals ensure that their current designation of beneficiaries are provided to their HR or Administrative office, especially if they have no spouse or dependent children.

4. As stated in section III 2) above, to the extent that Appendix D, or comparable compensation schemes, already fully covers medical expenses resulting from service incurred injuries, any MAIP proceeds for medical expenses will be used to offset those costs.

## **VIII. Claims Process**



1. All incidents potentially leading to UN Malicious Acts Insurance Policy (MAIP) claims must be immediately reported to the UN Insurance and Disbursement Service, Accounts Division (IDS) as well as to the Department of Safety and Security (DSS) by the substantive Human Resources or Administrative Office. The **initial notification** of the incident should include as much of the claims information requested below as available at that point. However, lack of details should not prevent or delay the notification process, and additional claims information may be furnished later.

2. Staff members, their beneficiaries, and other compensation-eligible individuals should coordinate submission of claim documents with their Human Resources or Administrative Offices for onward submission to IDS. The claims information should be provided to IDS by the Human Resources or Administrative Office and must include:

1. Date of Incident
2. Circumstances of the Incident
3. Description of loss (injuries or death)
4. Name and index number of staff member(s)
5. Date of Birth of staff member(s)
6. Level/grade of staff member(s)
7. Copy of staff member's contract
8. Copy of latest personnel action indicating net basic salary
9. Security report and police report if applicable
10. For death cases only:
  - death certificate and post mortem report (if available)
  - beneficiary designation
11. For medical expenses claims
  - receipted medical invoices to substantiate the claim
  - the invoices and costs must be certified as necessary and validated by the pertinent UN Medical Officer

Additional information may be required by the insurers during their claim review.

3. All MAIP claims are subject to certification by DSS that the victim was in compliance with prevailing security guidelines and procedures. IDS will seek such confirmation from DSS for reported claims when necessary.

4. With regard to **disability cases**, all Organizations that participate in the UN Appendix D programme, must submit the pertinent medical information through the responsible Human Resources or Administrative Office, or by the claimant directly to the **UN ABCC Secretariat**. The **ABCC Secretariat** will forward that information to the **UN Medical Service**. For **Organizations** that do not participate in the UN Appendix D programme, the pertinent medical information must be submitted through the responsible Human Resources or Administrative Office, or by claimant directly to the **Medical Office of that participating Organization**. If Organizations do not have a Medical

Office, the pertinent medical information from a **Qualified Medical Practitioner** should be communicated directly to the claims adjuster or IDS. The UN Medical Service, Medical Office of other participating Organizations, or Qualified Medical Practitioner will communicate directly with the claims adjuster regarding medical evaluations and any disability assessments.

In the case of medical **expenses claims**, medical invoices must be certified by the **UN Medical Service** or the **Medical Office** of other participating organizations. When the services of a **Qualified Medical Practitioner** are used, the medical invoices must be submitted directly to the Claims Adjuster.

5. It generally takes a longer time to finalize injury claims than death claims because of the requirement to determine the extent of permanent disability sustained by the individual claimants.

6. After the MAIP insurer's claims adjuster has reviewed each claim, the adjuster will either approve the reimbursement amount payable in accordance with the terms of the policy, or deny the claim if deemed not to be covered by the policy. IDS and the Medical Service, if necessary, will verify the reimbursement amount. The claims adjuster will then transfer the funds to the UN account.

7. Upon receipt of the funds from the MAIP claims adjuster, IDS will arrange for disbursement of claim proceeds to beneficiaries in cases involving UN beneficiaries. When the beneficiaries from other policy participants (funds, agencies and programs) are involved, IDS will generally transfer funds to the policy participant (fund, agency or programme) who will then be responsible for the disbursement of the proceeds to the beneficiary.

8. Prior to any disbursement of MAIP proceeds, IDS will verify the claim amount and beneficiary/payee information with relevant Human Resources or Administrative Office. Unless beneficiaries are on the UN Secretariat payroll, payees will have to provide their banking information to the relevant Human Resources or Administrative Office of their parent UN Organization to enable payment of the insurance proceeds.

9. In accordance with ST/SGB/2004/11 which governs payment of insurance proceeds for the MAIP for the UN Secretariat, prior to the disbursement of MAIP proceeds by the UN, beneficiaries will be required to complete a **Release from Liability** form affording the UN a complete release from all further liability in connection with the MAIP. Non-Secretariat UN Participating Organizations typically follow similar procedures.