Are YOU Playing a Dangerous Game?

The shifting profile of the playing fraternity within English football means that clubs are now exposed to a whole range of risks they have never seen before. Over the last decade the face of English Premier League (EPL) football has changed almost beyond recognition, with nearly 50% of players being made up of footballing stars from overseas. This raises two major problems – both of which have been highlighted by recent events.

The first is the consequences of clubs releasing their players for international duty and the second is an increasing tendency for members of players’ families to be kidnapped and used for economic gain. Should physical harm be done to these players – or their extended families – the result can cause serious harm to a club’s finances, and with clubs (both large and small) facing increasing economic difficulties, no board or management should be treating these possible risks lightly. In fact failure to address these issues could see Directors and Officers of football clubs coming under fire from disgruntled shareholders or investors.

Who pays if a player is hurt?

Last year the deadly ambush of the Togo team bus in the run up to the African Cup of Nations threw into sharp focus a problem that has been simmering for some time. Prior to Togo’s withdrawal, 21 players from 11 out of the 20 Premier League clubs were due to be involved in the tournament – an exposure that would have been even greater if Senegal had qualified with their eight players from the English top teams. It is thought that few of those clubs had decided to insure their players against the threat of injury sustained during the competition and, unlike some of the European Football Associations, none of their African counterparts has a personal accident policy in place to compensate clubs in case their players are injured on international duty.

Many players could be uninsured for the period of time they are away from their club. Increasingly footballers injured on international duty return to their clubs with little or no compensation to the clubs themselves. Those clubs are then obliged to continue paying a player’s wages and rehabilitation costs, even though that player might be out of action for some time. Michael Essien’s injury playing for Ghana whilst preparing for the Africa Cup of Nations for example saw him on the sidelines leaving Chelsea to pick up the bill.

Sadly the issue is not new and first came to light more than five years ago when Abdelmajid Oulmers was injured playing for Morocco in November, 2004 – he spent the next 18 months on the sidelines. Friendly matches are not immune to the problem either. Arsenal lost Robin Van Persie to ligament damage resulting in him possibly being out of action for most of last season.

At present clubs cannot prevent a player from joining up with his international team for qualifying matches and tournaments, but this may become more of an issue when it comes to friendly matches if these exposures are not addressed. But the critical point to make, particularly in this era of high wages and costs for employing a top international footballer, is that clubs and national associations can buy insurance cover to provide compensation in the event of an injury.

For more information, please contact:
Michael Owen at Lockton on 020 7933 2108 or e-mail michael.owen@uk.lockton.com
Economic ransoms

The idea of taking a hostage in return for payment is nothing new, and the trend for economic kidnapping has seen a sharp increase in a number of locations around the world. In the Horn of Africa it is the ships and their crews, in Nigeria it is oil workers and in other developing countries it is the families of football players. The high profile kidnapping in 2004 of Brazilian striker Robinho’s mother focused the world’s attention on this disturbing new trend. Other high profile victims include Everton player Joseph Yobo who saw his brother kidnapped in 2008, and Wilson Palacios now at Tottenham Hotspur whose brother was kidnapped and killed in 2009 resulting in the player missing the last month of the season. Clearly a whole new area of risk has firmly arrived at football’s door.

Guillaume Bonnissent, who as an underwriter for specialist insurer Hiscox, provides kidnap and ransom [K&R] insurance said; “Our traditional K&R client is either based or regularly travels to higher risk areas such as Latin America or Africa. They may have high personal wealth or work for an international company either of which will mark them out as a good target by a potential kidnapper.” The increasing globalisation of football however is putting many more players, and their families, in the high risk category when it comes to K&R.

Prevention and cure

Bonnissent added: “Most clubs from the top European leagues have players from all around the world with many coming from countries, particularly in Latin America and Africa, where the kidnap and ransom threat is very real. The players themselves are at risk, but given that their families often remain living in poor areas where security is limited, it is more likely to be a member of their family who is kidnapped with a view to demanding money from the player.

“Good risk management should focus on preventing a kidnap situation in the first place – providing security advice to players with families abroad to help them understand the risk. Where possible, appropriate security should be provided and putting in place simple measures such as advising players and their families to vary their daily routines is very important.”

However, buying specialised K&R cover is increasingly an option to provide a safety net should the worst happen. K&R cover for football clubs can provide crucial peace of mind. Insurance policies will generally cover the cost of a ransom (reimbursed to the club or player) and the costs of highly trained security consultants who will manage the situation to try and ensure a successful outcome.

The costs to the club however are more than those that are immediately obvious. The player involved will need to be released to deal with the crisis, a club employee may be assigned to handle the incident and the club may even need to bring in a replacement player. The insurance also covers many other additional costs including fees for public relations consultants to deal with the media. Personal accident cover is also included and will pay out a lump sum if a player or someone in their family is injured or killed as a result of the incident.

For more information, please contact
Larry Spurgeon at Lockton on
020 7933 2144 or e-mail
larry.spurgeon@uk.lockton.com

Risks and rewards

Insurance can do nothing to prevent that penalty miss or goalkeeping howler but, with financial resources stretched to their limits, it can protect a club’s balance sheet from a fatal own goal. Had Emmanuel Adebayor, the Manchester City striker and Togo captain, been seriously injured in the attack in Angola and been out of the game for six months, the cost to his club would have topped £3,000,000 – a price very few businesses could afford.

The important thing to realise is that there is a great deal that both clubs and their playing associations can do to cover themselves against the unexpected. Insurance can provide the security and financial protection required by the demands of the modern game.

For more information, please contact
Stephen Akers at Lockton on
020 7933 2144 or e-mail
stephen.akers@uk.lockton.com

www.locktonsport.com