

MULTINATIONAL KIDNAP AND RANSOM COVERAGE FORM

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is or is not covered.

Throughout this coverage form the words “you” and “your” refer to the Named Insured shown in the Declarations, any other person or organization qualifying as a Named Insured under this coverage form. The words “we”, “us” and “our” refers to the company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGE

We will indemnify you for the following losses resulting directly from an “insured event” that takes place in the “coverage territory” during the policy period:

A. Ransom

“Ransom” that has been surrendered.

B. Ransom Lost In Transit

The loss of “ransom” resulting directly from actual damage, destruction, disappearance, confiscation or wrongful abstraction while being transported to a person making the demand by a person authorized by you or a “covered person” to deliver the ransom.

C. Additional Expenses

“Additional expenses” paid by you.

D. Legal Liability

Those sums that you become legally obligated to pay as damages to a “covered person” because of an “insured event” as a result of a judgment, or a settlement made with our prior written approval. We will also indemnify you for the defense costs incurred in a “suit” seeking those damages, as well as all costs levied against you in the “suit”.

E. Personal Accident

“Personal accident”. As a condition of reimbursement for any “personal accident”, the injured person must submit to examination, at our expense, by physicians of our choice as often as we reasonably require.

F. Consultant Expenses

Reasonable and necessary consultant expenses and fees of a “designated vendor” for responding to an “insured event”.

You must reimburse us for any payments we make that are ultimately determined not to be covered by this insurance because of any exclusion, condition or other reason.

SECTION II – EXCLUSIONS

This insurance does not apply to any losses arising out of:

- A. Any fraudulent or dishonest act committed by you, a “covered person” or any person you authorized to have custody of “ransom”.
- B. The surrender of “ransom” in any face-to-face encounter involving the use or threat of force or violence, unless the person in possession of the “ransom” surrenders the “ransom” for the sole purpose of conveying it to pay a previously communicated “ransom” demand.
- C. The surrender of “ransom” at the location where the “kidnap”, “detention” or “hijack” occurs, or the “extortion” is first made, unless the “ransom” is brought to that location for the sole purpose of paying a previously communicated “ransom” demand.
- D. Any “detention”:
 - 1. For a period of less than 24 hours;
 - 2. For any actual or alleged violation of the laws of the country of residence or where a “covered person” is traveling, unless we determine that an alleged violation of the law was intentionally false, fraudulent or malicious and made solely to achieve a political, propaganda or coercive effect upon, or at the expense of, you or the “detention” victim; or

3. Failure by you or a “covered person” to properly procure or maintain immigration, work, residence or similar visas, permits or other documentation.

SECTION III – LIMITS OF INSURANCE

The Multinational Kidnap and Ransom Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of “covered persons”, claims made or “suits” brought, persons or organizations making claims or bringing “suits”.

- A. The Ransom Limit shown in the Declarations is the most we will reimburse you for all “ransom”, other than “ransom” lost in transit, resulting from any one “insured event.”
- B. The Transit Limit shown in the Declarations is the most we will reimburse you for all “ransom” lost in transit resulting from any one “insured event.”
- C. The Expenses Limit shown in the Declaration is the most we will reimburse you for all “additional expenses” resulting from any one “insured event.”
- D. The Legal Liability Limit shown in the Declaration is the most we will reimburse you for all damages, defense costs and costs levied against you in a “suit” resulting from any one “insured event.”
- E. Personal Accident
 1. The Personal Accident Limit – Per Insured Event shown in the Declaration is the most we will reimburse you for all “personal accidents” resulting from any one “insured event.”
 2. The Personal Accident Limit – Annual Aggregate is the most we will reimburse you for “personal accidents” during the policy period.
- F. The Consultant Expenses Limit shown in the Declarations is the most we will reimburse for reasonable and necessary consultant expenses and fees of a “designated vendor” for responding to an “insured event”. If Unlimited is shown in the Declarations, there is no limit to the amount that we will pay for those expenses and fees.

SECTION IV – CONDITIONS

A. Confidentiality

You and all “covered persons” must make a reasonable effort not to disclose the existence of this insurance.

B. Due Diligence

You must exercise reasonable due diligence in doing all things to avoid or reduce any loss under this insurance.

C. Your Duties If An Insured Event Occurs

1. In the event of an “insured event”, and prior to the payment of any “ransom,” you must:
 - a. Provide immediate notice to us and our designated “designated vendor”;
 - b. Provide all information relevant to the “insured event” as soon as practicable;
 - c. Inform, or allow the “designated vendor” to inform, as soon as practicable the appropriate authorities responsible for the law enforcement in the country where the “ransom” demand is made or the “insured event” occurred or is believed to have occurred; and
 - d. Make every reasonable effort to:
 - (1) Determine that the “insured event” has actually occurred; and
 - (2) Ensure that a senior official of yours agrees to the payment of the “ransom”.
2. When requesting reimbursement of a “ransom”, you must provide evidence that the “ransom” was surrendered under duress.

D. Representations

By accepting this Coverage Form, you agree:

1. The statements in the application are accurate and complete;
2. Those statements are based upon representation you made to us; and
3. We have issued this Coverage Form in reliance upon your representations.

E. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form unless:

1. There has been full compliance with all of the terms of this Coverage Form; and
2. The legal action must be brought within two years after the “insured event” has occurred.

F. Appraisal

If we and you disagree on the amount of the loss, either may make a written demand, within 60 days from the time we receive your proof of loss, for an appraisal of the loss. Each of us will then select an appraiser and notify the other of that choice within 20 days of the initial demand. The appraisers will select an impartial umpire. If they cannot agree on an umpire within 15 days, either you or we may request that an umpire be appointed by a judge of a court in the jurisdiction in which the appraisal is pending. The appraisers will state the amount of loss. If they fail to agree, they will submit any differences to the umpire. An agreement in writing by any two of these three will determine the amount of loss.

Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

G. Transfer of Rights of Recovery Against Others To Us

If you or any “covered person” to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us to the extent of our payment. You and any “covered person” must do everything necessary to secure our rights and must do nothing after the loss to impair them. All recoveries, less the actual cost to us of recovery, will be distributed first to us for all amounts paid by us under this Coverage Form and any remainder will be paid to you.

H. Other Insurance

This insurance is excess over any other collectible insurance available to you or any “covered person” for any loss we cover under this Coverage Form, whether primary, excess, contingent or on any other basis.

I. Non Accumulation of Limits

If this Coverage Form and any other Coverage Form or policy issued to you by us or any affiliated company apply to the same loss, the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy.

J. Statement of Loss

You must file a detailed, sworn statement of loss with us as soon as practicable after an “insured event” occurs.

K. Non-Assignment

This Coverage Form may not be assigned or transferred without our written consent.

L. Authorization

By accepting this Coverage Form, you agree that the first Named Insured has the right to act on behalf of you or any “covered person” with respect to making, adjusting, receiving or enforcing payment of any loss.

M. Merger or Consolidation

1. Any newly acquired subsidiary whose market values at the date of acquisition is less than 10% of your market value will be deemed a Named Insured for the remainder of the policy period, provided that with respect to the new acquisition there are no “insured events” ongoing at the time of acquisition.
2. Any newly acquired subsidiary whose market values at the date of acquisition is greater than 10% of your market value will be deemed a Named Insured for a period of 30 days from the date of acquisition, provided that with respect to the new acquisition there are no “insured events” ongoing at the time of acquisition and that you give us notice of the acquisition within the 30 day period.

N. Cooperation and Assistance

You and any “covered person” must cooperate with us in all matters relating to this insurance. This may include securing and giving evidence, attending hearings and trials, obtaining the attendance of witnesses and in conducting litigation, arbitration or other proceedings.

O. Legal Jurisdiction

The construction, validity and performance of this Coverage Form will be governed by the laws of the United States of America. We and you hereby expressly agree that all claims and disputes will be brought for adjudication in the United States of America.

P. When We Do Not Renew

If we decide not to renew this Coverage Form, we will mail or deliver to the first Named Insured shown in the Declarations written notice of nonrenewal at least 30 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

- A. "Additional expenses" means the following reasonable and necessary amounts incurred by you or a "covered person" resulting directly from an "insured event":
1. Fees and expenses of:
 - a. An independent negotiator secured by you with our prior written authorization to resolve an "insured event"; or
 - b. An independent public relations consultant, product recall consultant or qualified interpreter;
 2. Costs for travel and accommodations incurred by:
 - a. You or a "covered person" for resolution of an "insured event";
 - b. A "kidnap", "detention" or "hijack" victim and their family to return to the country where the victim is a national; or
 - c. A replacement "employee" and their family to the country in which the "kidnap", "detention" or "hijack" occurred;
 3. Fees for independent psychiatric care, medical care or legal advice incurred prior to the release and for 36 months following the "insured event";
 4. A reward paid by you or a "covered person" to a person providing information that leads to the arrest and conviction of the individual responsible for the "insured event";
 5. Costs incurred during the physical inability of a "covered person" to attend to personal financial matters while a victim of an "insured event";
 6. The gross salary, including bonuses, commissions, cost of living adjustments, foreign tax reimbursements, pension contributions and welfare contributions and allowances that were contractually due or could be reasonably expected based on past performance from the time the "kidnap", "detention," or "hijack" occurs until 60 days following the victim's release for:
 - a. A "covered person" who is a "kidnap", "detention" or "hijack" victim;
 - b. A relative of a "covered person" who is a "kidnap", "detention" or "hijack" victim;
 - c. A temporary replacement "employee" for a "covered person" who is a "kidnap", "detention" or "hijack" victim;
 7. The salary, and other itemized and documented necessary expenses, of any "employee" specifically designated to assist in the negotiation of an "insured event", not to exceed the "employee's" base rate of pay as of the date of the "insured event";
 8. The interest owed on any loan from a financial institution for use to pay "ransom" payments from the time the loan is taken out until seven days after you receive reimbursement from us;
 9. Costs, fees and expenses of temporary security measures recommended by a "designated vendor" to protect a "covered person" or "property" located in the country where an "insured event" has occurred;
 10. Costs of communications equipment, recording equipment and advertising for purposes of obtaining the release of a "covered person" who is a victim of "kidnap", "detention" or "hijack";
 11. Expenses for rest and rehabilitation, including meals and recreation, incurred by the "kidnap", "detention" or "hijack" victim and the victim's spouse and children incurred within six months following the release of the "kidnap", "detention" or "hijack" victim;
 12. Costs of cosmetic or plastic surgery required to correct any permanent disfigurement sustained by a "covered person" as a result of a "kidnap", "detention" or "hijack";

13. Costs for job retraining for the “kidnap”, “detention” or “hijack” victim, including salary while being retrained; and
14. Such other expenses approved by us as necessary to respond to an “insured event”.
- B.** “Covered person” means:
1. Your officers, directors or “employees”;
 2. A spouse, child, (including step, adopted or foster child), parent (including stepfather or stepmother), or lineal dependent or living ancestor of your officer, director or “employee”;
 3. Any person visiting the home of, normally a resident of or employed in the home of your officer, director or “employee”;
 4. Any customer of yours while on your premises or while traveling with any officer, director or “employee”; and
 5. Any person authorized by you and directly involved in the handling or negotiation of the “insured event”.
- C.** “Coverage territory” means anywhere other than:
1. Afghanistan, Algeria, Chad, Gaza Strip, Haiti, Iran, Iraq, Kenya, Libya, Mali, Niger, Nigeria, Pakistan, Philippines, Somalia, South Sudan, Sudan, Syria and Yemen; and
 2. A country or jurisdiction that is subject to trade or other economic sanctions or embargo by the United States of America.
- D.** “Designated vendor” means a vendor selected and approved in writing by us to provide services to the insured.
- E.** “Detention” means the holding of a “covered person” under duress for whatever reasons whether by local government authorities in the place of custody or by others.
- F.** “Employee” includes a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. “Employee” does not include a person who is furnished to you to substitute for a permanent “employee” on leave or to meet seasonal or short-term workload conditions.
- G.** “Extortion” means making illegal threats either directly or indirectly to you or a “covered person” to:
1. “Kidnap”;
 2. Cause physical injury or death or loss of or damage to “property”;
 3. Contaminate, pollute, or render harmful or unfit for use the products or goods manufactured, handled or distributed by you or to create publicity implying such; or
 4. Disclose any proprietary information that you or a “covered person” maintain as a trade secret, including any methods, processes, devices, and techniques particular to the conduct of your business;
- for the purpose of demanding “ransom” as a condition not to carry out the threats described in paragraphs 1. through 4. above.
- H.** “Hijack” means the illegal holding under duress of a “covered person”, for a period of more than six hours, while traveling in or on any aircraft, motor vehicle, railroad train, waterborne vessel or any other form of public or private transportation.
- I.** “Insured event” means “kidnap”, “extortion”, “detention” or “hijack”, or a series of such acts, that first occurs during the policy period. If any “insured event” is carried out in furtherance of another “insured event”, all such “insured events” will be deemed a single “insured event”.
- J.** “Kidnap” means the illegal actual or alleged abduction and holding captive of a “covered person” by someone who demands a “ransom” from your or a “covered person” as a condition of release of the captive “covered person”.
- K.** “Personal accident” means the following loss sustained by a “covered person” directly as the result of an actual or attempted “insured event” occurring within 12 months of the “insured event”:
1. Death;
 2. Permanent total disablement that is certified by two qualified medical practitioners approved by us;
 3. Complete and permanent loss of sight in one or both eyes;

4. The loss by separation or the total and irrecoverable loss of use of a hand at or above the wrist or foot at or above the ankle; or
 5. The permanent physical separation or the total and irrecoverable loss of use of a finger, toe, ear, nose, genital organ or part thereof by deliberate mutilation.
- L. "Property" means any building and its contents or equipment, whether fixed or mobile, including electronic data, that is owned, controlled or leased by you or a "covered person" and for which you or a "covered person" is legally liable.
- M. "Ransom" means cash, securities, "property", monetary instruments or the actual cash value of marketable goods or services surrendered or to be surrendered by a "covered person" to meet a demand for an "insured event".
- N. "Suit" means a civil proceeding in which damages to which this insurance applies are alleged. "Suit" includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent, and any other alternative dispute resolution proceeding alleging such damages to which you submit with our consent.