



Kidnap and Ransom Insurance

ILLUSTRATIVE COVERAGE EXAMPLES FOR CORPORATE CLIENTS

Disclaimer

These examples are for illustrative purposes only and in no way imply that Travelers will offer coverage or agree claims. In addition, these examples are not intended in any way to provide any legal or other advice. Please speak to your broker for advice about coverage.

Insured Event: **Kidnap**

1. Covered persons working for a mining company are abducted by an armed gang while travelling to a mine in Latin America. A ransom demand is made to the insured as a condition of their release. One of the victims is killed whilst in captivity. The case lasts for 18 months before it is resolved.
2. The wife of an employee working in Central America is forced into a car at gunpoint while driving her children to school and a ransom demand is made to her husband as a condition of her release. The case lasts for 3 days before it is resolved.
3. Two engineers are abducted by tribesmen in the Middle East and a demand is made for a well to be built in the area as a condition of their release. The case lasts for two months before it is resolved.



Coverage under the policy may include the following:

- Reimbursement of ransom actually paid by the insured
- Protection of ransom while in transit
- Fees and expenses of the response consultant
- Additional expenses (including but not limited to) psychiatric, medical and dental care, salary costs for the covered persons and or their replacements, public relations costs, rest and rehabilitation costs, travel and accommodation costs and cost of communication equipment
- Personal Accident Cover for the person killed or injured while in captivity
- Legal Liability as the result of an insured event

Insured Event: **Detention**

1. A covered person working for a UK technology company is detained for spying in a country in Asia. The person has been detained as the result of taking some photographs of various buildings in a public area and accessing some public records. He is detained for eight months in total before the company is able to secure his release with the help of specialist legal firm and negotiations with other local authorities.
2. Two local managers of a European hotel chain have been detained in an African country by the local police. They had dismissed a local employee for theft and used all correct procedures in the dismal process. The local employee had a friend in local government who had the two managers arrested and detained for “defamation of character”. They are detained for two weeks in total.
3. Ten employees working for an oil company in the Middle East are abducted while in transit from the airport. A demand is made to both their respective families and to the local company office to cease operations in the area as a condition of their release. The case is resolved within three weeks.



Expenses covered may include the following:

- Fees and expenses of the response consultant
- Additional expenses (including but not limited to) legal fees, psychiatric, medical and dental care, salary costs for the covered persons and or their replacements, public relation costs, rest and rehabilitation costs, travel and accommodation costs and cost of communication equipment.



Insured Event: **Extortion**

1. A manufacturing company has received a threat to cause physical harm to a number of staff based in Eastern Europe and additional threats to damage property. There has been a demand for a payment of EUR 5,000 per month to keep the staff and property “protected”.



2. A hospital based in the USA is approached and told that a memory stick has been found in the back of a taxi containing very confidential and sensitive data. A “reward” is demanded for the return of the memory stick or it may “fall into the wrong hands”.

3. A construction company based in the Asia Pacific region receives a threat to harm the Chairman and his family. This threat initially has no ransom demand attached to it, but after some weeks have elapsed, further contact is made and a ransom is demanded as a condition of not carrying out the threats. The Chairman and his family receive extremely upsetting images which are left in an envelope at their weekend retreat and various suspicious and worrying telephone calls are received. There are additional threats made to harm staff and, as a result, a construction project has to be halted for 48 hours.

Expenses covered may include the following:

- Reimbursement of ransom
- Ransom while in transit
- Fees and expenses of the response consultant Additional expenses (including but not limited to) temporary security costs to protect the covered persons and property being threatened, psychiatric medical and dental care, salary costs for the covered persons and or their replacements, public relation costs, rest and rehabilitation costs, travel and accommodation costs and cost of communication equipment

Insured Event: **Computer Virus Extortion**

1. An insurance company based in Ireland had contact from a group claiming to have hacked into the company’s computer system and obtained sensitive data which they would distribute unless a ransom demand was met.



Expenses covered may include the following:

- Reimbursement of ransom
- Ransom while in transit
- Fees and expenses of the response consultant
- Additional expenses (including but not limited to) public relation costs and cost of communication equipment.

Insured Event: **Products Extortion**

1. A food and drinks manufacturer in Germany has contact from an individual who says that they have contaminated a batch of chocolate and demand a ransom for divulging the location of the contaminated product.



Expenses covered may include the following:

- Reimbursement of ransom
- Ransom while in transit
- Fees and expenses of the response consultant
- Additional expenses (including but not limited to) public relation costs, costs of communication equipment, cost of forensic analysts

Insured Event: **Hijack**

1. Six covered employees are passengers on an aircraft travelling from Africa to a European city. The aircraft is hijacked by a group of individuals who wish to claim political asylum in Europe. The aircraft is held on the runway for 48 hours after which the hijackers surrender to the authorities.



2. Two covered employees are travelling on a bus in a Latin American country when it is hijacked by a group of armed men. The passengers are held for 9 hours. The armed men select ten of the passengers to be driven away in another vehicle. The remainder of the passengers, including the covered employees, are released unharmed and are able to make their way safely to the nearest town.

Coverage under the policy may include the following:

- Fees and expenses of the response consultant
- Additional expenses including (including but not limited to) psychiatric, medical and dental care, salary costs for the covered persons or their replacements, public relations costs, rest and rehabilitation costs, travel and accommodation costs and cost of communication equipment.
- Personal accident cover for the person killed or injured while in captivity
- Legal liability as the result of an insured event

For further information, please do not hesitate to contact us.

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