

Kidnap & Ransom/Extortion Insurance

From Chubb Executive Protection

CHUBB®



Protecting Employees and Corporate Assets is Serious Business

Operating managers in any corporation face the daunting challenge of protecting valued employees and corporate assets. In most organizations, few people fully understand exposures such as kidnapping and extortion. But 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.

Economic Globalization Equals Unprecedented Kidnapping and Extortion Risks

Although unprecedented global integration has created tremendous business opportunities for corporations, it is tempered by unprecedented increases in crime, including kidnapping and extortion. According to experts, two new kidnappings occur somewhere in the world every hour. Likewise, multinational corporations report - far too frequently - threats against employees from political terrorists and other groups. Corporate

security directors are revisiting as never before the level of physical security they provide in the United States.

Like kidnapping and political threats, extortion risks such as these are all too real:

- **Threat by a criminal** to harm employees unless an extortion payment is received.
- **Threat by a terrorist** to poison a food or drug product unless extortion payments are made.
- **Threat by a hacker** to destroy electronic data unless a sizeable sum of money is paid.

As an industry leader in kidnap/ransom and extortion insurance, Chubb believes the best risk management strategy for these risks includes quality insurance coverage, sound risk management procedures and protocols, and expert advice.

In addition to insurance coverage, Chubb offers customers access to the crisis management expertise of The Ackerman Group, Inc., which specializes in dealing with kidnapping and extortion threats and also offers essential information

services for global business travelers. Customers gain access to The Ackerman Group's RiskNet™ database, an on-line service maintained by The Ackerman Group that provides travel security developments and analyzes terrorism and political stability concerns around the globe. Chubb encourages insureds to use this valuable risk management tool when making travel plans or business decisions.

Chubb Kidnap/Ransom and Extortion Insurance Protection Features Include:

- **Kidnap/ransom coverage** - We reimburse clients for property or other consideration surrendered as a kidnapping ransom payment. In addition, a ransom demand can trigger the expense coverage section of our policy to assist in dealing with the kidnapping.
- **Extortion coverage** - Chubb reimburses clients if they make an extortion payment to mitigate or remove a threat. Our policy is triggered by an extortion threat to:
 - Damage or destroy any premises or tangible property located on the customer's premises. Contaminate raw materials or products of the customer.
 - Abduct, detain, or harm a customer's employees or their relatives.
 - Disseminate, divulge, or utilize any proprietary information of the customer.
- **Cyber extortion coverage** - Chubb reimburses clients for an extortion payment made for cyber threats that threaten to:
 - Disseminate, divulge, or utilize a client record held by the customer.
 - Alter, damage, destroy, or render unusable data owned by the customer.
- **Political threat coverage** - Chubb also provides insurance for politically motivated threats to harm a customer's employees or their relatives by a person or group:
 - Acting as an agent of, or with approval from, any government or government entity.
 - Acting, or purporting to act, on behalf of any political terrorist or insurgent party.

- **Ransom delivery coverage** - Chubb's policy insures the money or other consideration used to pay a ransom or extortion demand while it is being delivered.
- **Expenses coverage** - Our policy indemnifies the client for additional reasonable expenses incurred in connection with a kidnapping, an extortion threat, a hijacking, a political threat, or wrongful detention including:
 - Fees of an independent negotiator.
 - Fees of an independent public relations firm.
 - Interest incurred for a loan taken for a ransom or an extortion payment.
 - Reward payment to an informant.
 - Salary of the abducted employee.
 - Salary of temporary replacement worker.
 - Consequential personal financial loss.
 - Reasonable medical, cosmetic, psychiatric, and dental expenses incurred following the release of the abducted employee.
 - Reasonable rest and rehabilitation costs following release.
 - Independent security guard services.
- **Legal liability coverage** - Our policy provides defence and indemnity in the event of a lawsuit alleging negligence on the part of our customer in a hostage retrieval operation or in the prevention of a kidnapping.
- **Accidental death and dismemberment** - Our policy includes a life benefit in the event that an insured employee or relative dies during a kidnapping, hijacking, or wrongful detention or a payment in the event of mutilation or loss of sight, hearing, or use of limb.
- **Product recall expenses** - We also provide insurance for the reasonable expenses involved in transporting merchandise that must be withdrawn from the market, physically inspected, or destroyed due to an extortion threat to contaminate such merchandise.
- **Professional crisis management** - Chubb's customer is never alone in a crisis situation. We help provide clients access to the professional services of The Ackerman Group or another security consultant of the customer's choice.

- Policy limits up to \$25 million are available.
- **Worldwide coverage** - Chubb's policy reimburses covered losses that occur anywhere in the world.

In the event of a kidnapping or an extortion threat, Chubb customers have immediate access to the talents and resources of The Ackerman Group, one of the world's preeminent independent international security consulting firms specializing in handling kidnapping and extortion crises.

The Ackerman Group can handle all aspects of a hostage recovery, including negotiations, liaison with law enforcement agencies, briefing of hostage families, and conversion, protection, and delivery of ransom funds. The Ackerman Group responds to a crisis immediately, providing expert advice and recommendations while working closely with the insured's crisis management team.

The Ackerman Group's experience in handling crises and providing specialized corporate international travel services is unparalleled in the insurance industry. Chubb has partnered successfully with The Ackerman Group for nearly 25 years.

The Chubb Advantage

Chubb has earned its leadership position in the kidnap/ransom and extortion insurance marketplace by consistently providing broad coverage, superior service, outstanding expertise, and unflinching commitment to helping companies solve their executive protection problems. In particular, we stand apart from other insurers in several key areas:

- **Financial stability** - Our financial stability and ability to pay claims rate among the best in the insurance industry, as attested by Standard and Poor's and A.M. Best Company, two of the leading insurance rating agencies. Agents, brokers, and prospective customers often seek out our services because our reputation in the market is well known.

- **Experience and expertise** - We have more than 25 years of experience insuring companies and their executives against dangerous kidnapping and extortion risks. No one is better able to handle these crises as professionally as we are.
- **Innovation** - We're not afraid to tailor our product to meet a customer's specific needs. Typically, our insurance products include enhancements and specific coverages that are missing or even excluded from other policies in the industry.
- **Commitment to safety** - We designed our Kidnap/Ransom and Extortion Insurance policy with the well-being of employees and their loved ones in mind. Our priority is the safe return of the hostage or the satisfactory resolution of a crisis - a goal from which we do not deviate.

Don't Take a Chance

Nothing can prepare a company for negotiating with kidnappers or extortionists. But should the unthinkable happen, a targeted company must be ready to respond.

Don't take any chances. Turn to Chubb, your trusted executive protection ally.

Chubb. Insured.SM

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