



In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Part, the Company and the Insureds agree as follows:

I. INSURING CLAUSES

Insuring Clause (A): Kidnapping, Extortion Threat and Express Kidnap Coverage

- (A) The Company shall reimburse the **Parent Organization** for loss of property or other consideration surrendered as payment by or on behalf of an **Organization** resulting from **Kidnapping, Extortion Threat or Express Kidnap**.

Insuring Clause (B): Custody Coverage

- (B) The Company shall reimburse the **Parent Organization** for loss caused by actual destruction, disappearance, confiscation or unlawful taking of property or other consideration, which is intended as payment for a covered **Kidnapping** or **Extortion Threat** while being held or conveyed by a person authorized by an **Organization**.

Insuring Clause (C): Expense Coverage

- (C) The Company shall reimburse the **Parent Organization** for **Expenses** paid by an **Insured** resulting from a covered **Kidnapping** or **Extortion Threat**, or resulting from a **Hijacking, Political Threat or Wrongful Detention**.

Insuring Clause (D): Accidental Loss Coverage

- (D) The Company shall pay the applicable Benefit Amount set forth in Item 2(D) of the KR&E Declarations for **Accidental Loss** from a covered **Kidnapping**, or resulting from a **Hijacking, Political Threat, Wrongful Detention, Express Kidnap, or Hostage Crisis**.

Insuring Clause (E): Legal Liability Costs Coverage

- (E) The Company shall reimburse the **Parent Organization** for **Legal Liability Costs**.

Insuring Clause (F): Emergency Political Repatriation Expense Coverage

- (F) The Company shall reimburse the **Parent Organization** for **Repatriation Expenses** incurred by an **Organization** resulting from **Emergency Political Repatriation** in the amount set forth in Item 2(F), Emergency Political Repatriation Expense Coverage, of the KR&E Declarations, which amount is part of and not in addition to the Limit of Liability set forth in Item 2(C), Expense Coverage, of the KR&E Declarations.

Insuring Clause (G): Disappearance Investigation Expense Coverage

- (G) The Company shall reimburse the **Parent Organization** for **Expenses** paid by an **Insured** resulting from a covered **Disappearance** in the amount set forth in Item 2(G), Disappearance Investigation Expense Coverage, of the KR&E Declarations, which amount is part of and not in addition to the Limit of Liability set forth in Item 2(C), Expense Coverage, of the KR&E Declarations.

Insuring Clause (H): Express Kidnap Costs Coverage

- (H) The Company shall reimburse the **Parent Organization** for **Express Kidnap Costs**.

Insuring Clause (I): Hostage Crisis Costs Coverage

- (I) The Company shall reimburse the **Parent Organization** for **Hostage Crisis Costs**.



II. DEFINITIONS

For purposes of this Coverage Part:

Accidental Loss means **Loss of Life, Loss of Use, Loss of Sight, Loss of Speech and/or Hearing, or Mutilation** of an **Insured Person** when such **Accidental Loss**:

- (A) is sudden, unforeseen, unexpected and independent of any illness, disease or other bodily malfunction of such **Insured Person**; and
- (B) happens by chance and arises from a source external to such **Insured Person**.

Computer System means any computer or network of computers of an **Organization** including its input, output, processing, storage and communication facilities, and shall include off-line media libraries.

Computer Violation means an unauthorized:

- (A) entry into or deletion of data from a **Computer System**;
- (B) change to data elements or program logic of a **Computer System**, which is kept in machine readable format; or
- (C) introduction of instructions, programmatic or otherwise, which propagate themselves through a **Computer System**,

directed solely against any **Organization**.

Contaminate means to introduce a foreign material or substance, which would render any tangible property unfit for use or sale.

Disappearance means the unexplained vanishing by an **Insured Person** for a period of longer than thirty-six (36) hours (other than a **Hijacking, Wrongful Detention, Express Kidnap, or Hostage Crisis**), provided the vanishing has been reported to the local authorities, and a ransom demand has not been made in connection therewith. The **Disappearance** of two or more **Insured Persons** last seen or reported together shall be treated as one **Disappearance**.

Disappearance Investigation means an investigation launched by an **Organization** as the direct result of a **Disappearance**.

Emergency Political Repatriation means the return of an **Insured Person**, who is a temporary resident or temporary business traveler in another country, to his or her **Resident Country** necessitated by:

- (A) an official of the **Resident Country** or the **Temporary Resident Country** issuing, for reasons other than medical, a recommendation that categories of persons which include the **Insured Person** should leave such **Temporary Resident Country**;
- (B) an **Insured Person** being expelled or declared *persona non grata* on the written authority of the recognized government of the **Temporary Resident Country**; or
- (C) wholesale seizure, confiscation or expropriation of the property, plant and equipment of an **Organization**.

Employee means any natural person in the regular service of an **Organization** in the ordinary course of such **Organization's** business, whom such **Organization** governs and directs in the performance of such service, including any **Executive**, a part-time, seasonal, leased and temporary employee, intern or volunteer; or an **Independent Contractor**, while acting within the scope of his or her duties as an **Independent Contractor**.

Event Benefit Amount means the amount set forth in Item 2(D)(ii) of the KR&E Declarations.

Executive means any natural person specified below:

- (A) a duly elected or appointed director, officer, trustee, in-house general counsel or duly constituted committee member of any **Organization** incorporated in the United States of America;



- (B) a duly elected or appointed: (1) manager or member of the Board of Managers or equivalent position; (2) duly constituted committee member; (3) in-house general counsel; or (4) trustee, of any **Organization** formed as a limited liability company in the United States of America; or
- (C) a holder of an equivalent position to those described in Subsections (A) or (B) above in any **Organization** incorporated, formed or organized anywhere in the world.

Expenses means:

- (A) in connection with **Kidnapping, Extortion Threat, Political Threat, Hijacking, Wrongful Detention or Disappearance Investigation** only the reasonable fees and expenses for, or cost of:
 - (1) an independent security consultant;
 - (2) an independent public relations consultant;
 - (3) travel and accommodations of an **Insured Person**;
 - (4) independent legal advice (other than those described in Insuring Clause (E), Legal Liability Costs Coverage);
 - (5) temporary independent security measures set up solely for protecting an **Insured Person**, or property, in the country where the **Kidnapping, Extortion Threat, Political Threat, Hijacking, Wrongful Detention or Disappearance** has occurred, at the specific direction of The Ackerman Group or any other security consultant, incurred with the Company's prior written approval;
 - (6) independent security guard services for up to ninety (90) days;
 - (7) advertising, communications and recording equipment;
 - (8) an independent forensic analyst;
 - (9) assessment of an **Extortion Threat** or **Political Threat** by an independent security consultant;
 - (10) interest for a loan taken by an **Insured** for property or other consideration surrendered as payment under Insuring Clause (A), Kidnapping, Extortion Threat and Express Kidnap Coverage;
 - (11) a reward paid by an **Organization** to a natural person who provides information leading to the arrest and conviction of the person(s) responsible for **Kidnapping, Extortion Threat, Wrongful Detention, Hijacking or Disappearance**;
 - (12) the **Salary** which an **Organization** continues to pay an **Employee** following the **Kidnapping, Wrongful Detention, Hijacking or Disappearance** of such **Employee**; such coverage shall apply to the **Salary** in effect at the time of such **Kidnapping, Wrongful Detention, Hijacking or Disappearance** and will end ninety (90) days after such **Employee** is released or suffers **Loss of Life**, or solely with respect to **Wrongful Detention or Hijacking**, for sixty (60) months thereafter; whichever is more recent;
 - (13) the **Salary** or wages which an **Organization** pays a newly hired natural person to conduct the duties of an **Employee** following the **Kidnapping, Wrongful Detention, Hijacking or Disappearance** of such **Employee**; such coverage shall apply to such **Salary** in effect at the time of such **Kidnapping, Wrongful Detention, Hijacking, or Disappearance** and will end ninety (90) days after such **Employee** is released or suffers **Loss of Life**, or solely with respect to **Wrongful Detention or Hijacking**, for sixty (60) months thereafter; whichever is more recent;
 - (14) the **Salary** which an **Organization** pays an **Employee** or the amount paid by an **Organization** to a **Relative** equal to the salary or wages of such **Relative**, who assists in negotiations and rehabilitation of the victim during and following an incident of **Kidnapping, Wrongful Detention, Hijacking or Disappearance** not to exceed a period of ninety (90) days following the end of the **Kidnapping, Wrongful Detention, Hijacking or Disappearance** incident, provided that the **Insured** submits a written account of such **Employee's** or **Relative's** involvement in the negotiation and rehabilitation process, and such **Employee's** or **Relative's** specific compensable services and expenses;



- (15) reasonable fees and expenses for, or cost of retraining, an **Employee** after his or her release from a covered **Kidnapping, Wrongful Detention, Hijacking or Disappearance** including the **Salary** that an **Organization** continues to pay such **Employee** while being retrained, and the reasonable fees and expenses for the cost of external training courses;
 - (16) consequential personal financial loss which an **Insured Person** suffers as the result of such **Insured Person's** inability to attend to personal financial matters;
 - (17) reasonable medical, mental health, dental and cosmetic expenses, including the cost of plastic surgery, incurred following an **Insured Person's** release;
 - (18) reasonable expenses of rest and rehabilitation, including meals and recreation, for up to ninety (90) days when such expenses are incurred within twelve (12) months following an **Insured Person's** release; and
- (B) in connection with an **Extortion Threat to Contaminate Merchandise, Recall Expenses**; and
- (C) other reasonable expenses incurred by an **Organization**, subject to the Company's prior written approval.

Express Kidnap means the unlawful detention of an **Insured Person** (other than a **Kidnapping, Hijacking, Hostage Crisis or Wrongful Detention**) that:

- (A) lasts for less than six (6) hours;
- (B) is carried out by violence or threat of violence by a person or group;
- (C) commences while the **Insured Person** is traveling in or entering/exiting a motor vehicle; and
- (D) involves the perpetrator(s)' demand of property or other consideration as a condition of that **Insured Person's** release.

Express Kidnap Costs means, in connection with an **Express Kidnap**, only the reasonable fees and expenses for, or cost of:

- (A) an independent security consultant, independent public relations consultant and an independent forensic analyst;
- (B) travel and accommodations of an **Insured Person**;
- (C) independent legal advice (other than those described in Insuring Clause (E), Legal Liability Costs Coverage) and reasonable medical, mental health, dental and cosmetic expenses, including the cost of plastic surgery, incurred following an **Insured Person's** release;
- (D) consequential personal financial loss which an **Insured Person** suffers as the result of such **Insured Person's** inability to attend to personal financial matters;
- (E) reasonable expenses of rest and rehabilitation, including meals and recreation, for up to ninety (90) days when such expenses are incurred within twelve (12) months following an **Insured Person's** release; and
- (F) the **Salary** or wages which an **Organization** pays a natural person temporarily hired to conduct the duties of an **Employee** following the **Express Kidnap** of such **Employee**; such coverage shall apply to such **Salary** or wages in effect at the time of such **Express Kidnap** and will end 180 days after such **Employee** is released or suffers **Loss of Life**.

Extortion Threat means a threat or threats against an **Insured** to:

- (A) commit a **Kidnapping** of, do bodily harm to, wrongfully abduct or detain any **Insured Person**;
- (B) damage, destroy or **Contaminate** an **Organization's Property**;
- (C) disseminate, divulge or utilize **Proprietary Information**;
- (D) disseminate or make public negative information regarding **Merchandise**; or



(E) adulterate or destroy any **Computer System** by a **Computer Violation**,

made by a person or group, whether acting alone or in collusion with others, demanding payment or a series of payments in exchange for the mitigation or removal of such threats. All such threats:

- (1) related by a common committed, attempted or threatened wrongful act; or
- (2) made contemporaneously against the same **Insured**,

shall be deemed to constitute a single **Extortion Threat**.

Hijacking means the unlawful detention of an **Insured Person** (other than a **Kidnapping, Wrongful Detention, Disappearance, Express Kidnap** or **Hostage Crisis**) by violence or threat of violence by a person or group, where such unlawful detention occurs while traveling on or in an aircraft, watercraft, railroad car or motor vehicle.

Hostage Crisis means an actual wrongful abduction and holding of an **Insured Person** under duress (other than a **Kidnapping, Hijacking, Wrongful Detention, Disappearance** or **Express Kidnap**) by one party in a conflict with another party, where the holding party demands from the other party satisfaction of specified terms in exchange for the release of such **Insured Person**, and the person from whom such satisfaction of specified terms is demanded is within hearing or sight distance of the **Insured Person**.

Hostage Crisis Costs means:

(A) in connection with a **Hostage Crisis**, only the reasonable fees and expenses for, or cost of:

- (1) an independent security consultant and independent public relations consultant;
- (2) travel and accommodations of an **Insured Person**;
- (3) independent legal advice (other than those described in Insuring Clause (E), Legal Liability Costs Coverage);
- (4) temporary independent security measures set up solely for protecting an **Insured Person**, or property, in the country where the **Hostage Crisis** has occurred, at the specific direction of The Ackerman Group or any other security consultant, incurred with the Company's prior written approval;
- (5) independent security guard services for up to ninety (90) days;
- (6) the **Salary** which an **Organization** continues to pay an **Employee** following the **Hostage Crisis** of such **Employee**; such coverage shall apply to the **Salary** in effect at the time of such **Hostage Crisis** and will end ninety (90) days after such **Employee** is released or suffers **Loss of Life**;
- (7) the **Salary** or wages which an **Organization** pays a newly hired natural person to conduct the duties of an **Employee** following the **Hostage Crisis** of such **Employee**; such coverage shall apply to such **Salary** in effect at the time of such **Hostage Crisis** and will end ninety (90) days after such **Employee** is released or suffers **Loss of Life**;
- (8) the **Salary** which an **Organization** pays an **Employee** or the amount paid by an **Organization** to a **Relative** equal to the salary or wages of such **Relative**, who assists in negotiations and rehabilitation of the victim during and following an incident of **Hostage Crisis** not to exceed a period of ninety (90) days following the end of the **Hostage Crisis** incident, provided that the **Insured** submits a written account of such **Employee's** or **Relative's** involvement in the negotiation and rehabilitation process, and such **Employee's** or **Relative's** specific compensable services and expenses;
- (9) reasonable medical, mental health, dental and cosmetic expenses, including the cost of plastic surgery, incurred following such **Insured Person's** release; and

(B) other reasonable expenses incurred by an **Organization**, subject to the Company's prior written approval.



Independent Contractor means any natural person independent contractor while in the regular service of an **Organization** in the ordinary course of such **Organization's** business, pursuant to a written contract for services between such **Organization** and either (A) such natural person independent contractor or (B) any other entity acting on behalf of such natural person independent contractor, provided that coverage for such **Independent Contractor** is not provided by any other policy of insurance. **Independent Contractor** shall not include any person other than the person who performs the services for the **Organization**, nor shall it include family members or guests or any other individuals in similar relationships to, any **Independent Contractor**.

Insured means any **Organization** and any **Insured Person**.

Insured Event means **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap or Hostage Crisis**.

Insured Person means any :

- (A) **Employee**;
- (B) **Relative** of an **Employee**;
- (C) natural person who is employed in the household of an **Employee** while in the home of such **Employee**;
- (D) natural person who is a normal resident or a guest while in the home of an **Employee**;
- (E) customer or guest of an **Organization** while on the **Premises**;
- (F) guest of an **Employee**, or customer or guest of an **Organization**, while traveling with an **Employee**; or
- (G) natural person who is temporarily retained by any **Insured** or an independent security consultant to deliver a ransom or extortion payment.

Kidnapping means an actual or alleged wrongful abduction, and holding under duress or by fraudulent means (other than a **Hijacking, Hostage Crisis** or an **Express Kidnap**), of an **Insured Person**, by a person or a group, whether acting alone or in collusion with others which includes a demand or a series of demands for payment or a series of payments by an **Insured**, in exchange for the release of such **Insured Person**.

Legal Liability Costs means the reasonable defense costs incurred by an **Organization** and damages which such **Organization** becomes legally obligated to pay as a result of a judgment or settlement in any suit brought by an **Insured Person** (or the estate, heirs or legal representatives of such **Insured Person**) alleging negligence or legal incompetence:

- (A) in the hostage retrieval operations or negotiations in a covered **Kidnapping, Hijacking, Political Threat, Wrongful Detention, Express Kidnap or Hostage Crisis** or a covered event as described in Subsection (A) of the definition of **Extortion Threat** of such **Insured Person**; or
- (B) in the prevention of a covered **Kidnapping, Hijacking, Political Threat, Wrongful Detention, Express Kidnap or Hostage Crisis** or a covered event as described in Subsection (A) of the definition of **Extortion Threat** of such **Insured Person**,

provided that the **Organization** agrees as a condition precedent to coverage hereunder to cooperate with the Company in conducting the defense or in negotiating the settlement of such suit.

Loss of Life means:

- (A) death, including clinical death, determined by a medical examiner or similar local governing medical authority; or
- (B) the absence of communication from an **Insured Person** or those responsible for the **Kidnapping, Hijacking, Wrongful Detention, Express Kidnap or Hostage Crisis** of such **Insured Person** for a period of two (2) years following the later of:
 - (1) such **Kidnapping, Hijacking, Wrongful Detention, Express Kidnap or Hostage Crisis**;



- (2) the last communication from such **Insured Person**; or
- (3) the last communication from those responsible for such **Kidnapping, Hijacking, Wrongful Detention, Express Kidnap or Hostage Crisis**.

Loss of Life Benefit Amount means that amount set forth in Item 2(D)(i) of the KR&E Declarations.

Loss of Sight means legal blindness or the permanent total loss of sight.

Loss of Speech and/or Hearing means the permanent total loss of the capability of speech and/or hearing.

Loss of Use means the permanent total loss of function of a foot, hand or both thumb and index finger.

Merchandise means an **Organization's** inventory, raw materials, work in progress or products manufactured or distributed by an **Organization**.

Mutilation means the permanent total loss of an entire finger, toe, ear, nose or genital organ.

Organization's Property means all **Premises** and **Merchandise** of an **Organization** and any other real or tangible personal property, owned by or leased by an **Organization**, for which an **Organization** is legally liable, or located on such **Premises** or on any land adjacent to or occupied by an **Organization** in conducting its business.

Political Threat means the threat to do bodily harm to any **Insured Person** by a person or group:

- (A) acting as an agent of, or with tacit approval of, any government or governmental entity; or
- (B) acting or purporting to act on behalf of any political terrorist or insurgent party, organization or group.

Premises means buildings, facilities or properties occupied by an **Organization** in conducting its business.

Proprietary Information means any confidential, private or secret information unique to the **Organization's** business including client lists, drawings, negatives, microfilm, tapes, transparencies, manuscripts, prints, computer discs or other records of a similar nature which are protected by physical or electronic control or other reasonable efforts to maintain nondisclosure of such information.

Recall Expenses means only the reasonable fees and expenses for, or the costs of:

- (A) transportation; and
- (B) other reasonable expenses, subject to the Company's prior written approval,

incurred by an **Organization** in the withdrawal, physical inspection or destruction of **Merchandise**.

Relative means spouse, domestic partner, siblings, spouse's siblings, ancestors, spouse's ancestors, lineal descendants or lineal descendants' spouses. Lineal descendants include adopted children, foster children and stepchildren. Ancestors include adoptive parents and stepparents.

Repatriation Expenses means only the following reasonable fees and expenses incurred by any **Insured Person** who is a temporary resident or temporary business traveler:

- (A) for travel to the nearest place of safety or to his or her **Resident Country**;
- (B) for accommodations for a maximum of seven (7) days;
- (C) the **Salary** which an **Organization** continues to pay an **Employee** who is the subject of an **Emergency Political Repatriation**; provided that such coverage shall apply to the **Salary** in effect at the time of the **Emergency Political Repatriation** and shall end on the earlier of 120 days thereafter, or the date of the return of the **Employee** to his or her **Resident Country**; and
- (D) other reasonable fees and expenses incurred with the Company's prior written approval,

resulting from an **Emergency Political Repatriation** of an **Insured Person**.



Resident Country means, for the purposes of:

- (A) an **Emergency Political Repatriation**, the country of which the **Insured Person** is a national; or
- (B) a **Wrongful Detention**, the country of which the **Insured Person** is a national or the country where an **Organization** is headquartered.

Salary means compensation an **Organization** pays an **Employee**, including bonus, commission, incentive payments and the cost of health, welfare and pension benefits.

Temporary Resident Country means the country in which the **Insured Person** is a temporary resident.

Wrongful Detention means wrongful involuntary confinement of an **Insured Person** (other than **Kidnapping, Hijacking, Express Kidnap** or **Hostage Crisis**) for a period of not less than four (4) hours by others.

III. EXCLUSIONS

(A) No coverage will be available for:

(1) Fraudulent or Dishonest Acts

(a) loss due to any fraudulent, dishonest or criminal acts of an identifiable **Employee** of an **Organization** acting alone or in collusion with others, unless the loss is in excess of the amount available to the **Organization**, whether collectible or not, under any other bond, insurance or indemnity which would cover the loss in whole or in part, in which case this Coverage Part shall cover only such excess; or

(b) loss sustained by one **Insured** to the advantage of any other **Insured**;

(2) Reasonable Efforts

loss resulting from fraud by an **Insured Person** allegedly the subject of a **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap** or **Hostage Crisis**, if an **Organization** had not made reasonable efforts to determine that such a **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap** or **Hostage Crisis** was genuine;

(3) Personal Assets

loss of property or other consideration surrendered or intended to be surrendered as payment by or on behalf of an **Insured Person** unless an **Organization** agrees that such payment is on behalf of such **Organization**;

(4) Business Income

loss of income not realized by an **Organization** as the result of a covered loss;

(5) Recall Expenses

Recall Expenses caused by:

(a) refunds for, the value of or the cost of replacing any withdrawn, damaged or destroyed **Merchandise**; or

(b) any loss, fees or expenses incurred for any known or suspected defect, deficiency or use of substandard or flawed materials necessitating the withdrawal, physical inspection or destruction of **Merchandise** in the absence of an **Extortion Threat** against such **Merchandise**;

(6) Violation of Law or Regulation

loss from **Wrongful Detention** or **Political Threat** caused by:

(a) any violation of criminal law by an **Insured** if such violation would be considered a criminal violation in such **Insured's Resident Country**, unless it is determined by the Company that such allegations are fraudulent and politically motivated; or



- (b) failure of an **Organization** or an **Insured Person** to procure or maintain proper immigration, work, residence or similar visas, permits or other documentation;
- (7) Emergency Political Repatriation
loss from **Emergency Political Repatriation** caused by:
- (a) violation by an **Organization** or an **Insured Person** of the laws or regulations of the country from which the **Insured Person** is repatriated;
- (b) an **Organization** or an **Insured Person** failing to procure or maintain proper immigration, work, residence or similar visas, permits or other documentation;
- (c) a debt, insolvency, commercial failure, repossession of any property by a title holder or any other financial cause;
- (d) an **Insured's** failure to honor any contractual obligation or bond or to obey any conditions in a license;
- (e) any natural disasters, including any earthquake, flood, fire, famine, volcanic eruption or windstorm;
- (f) ionizing radiations or contamination by radioactivity from any irradiated nuclear fuel or nuclear waste; or the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof; or
- (g) the relocation of any **Insured Person** from their **Resident Country**;
- (8) Accidental Loss Fraud
loss resulting from fraud by an **Insured Person** allegedly the subject of an **Accidental Loss**; or
- (9) Notice
loss, unless the **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap or Hostage Crisis** occurs or is directly or indirectly communicated to any **Insured** prior to:
- (a) termination of this Coverage Part as to such **Insured** and is discovered and communicated in writing to the Company within one (1) year following the effective date of such termination;
- (b) termination of any Insuring Clause or termination of any particular coverage offered under any Insuring Clause and is discovered and communicated in writing to the Company within one (1) year following the effective date of such termination;
- (c) termination in its entirety of this Coverage Part and is discovered and communicated in writing to the Company within one (1) year following the effective date of such termination, if this Coverage Part is not renewed with the Company;
- (d) termination in its entirety of this Coverage Part and is discovered and communicated in writing to the Company prior to such termination, if this Coverage Part is renewed with the Company.
- (B) In addition to the Exclusions in Subsection (A) above, no coverage will be available under:
- (1) Non-Aggregation
Insuring Clauses (B), Custody Coverage; (C), Expense Coverage; (D), Accidental Loss Coverage; (E), Legal Liability Costs Coverage; (F) Emergency Political Repatriation Expense Coverage; (G), Disappearance Investigation Expense Coverage; (H), Express Kidnap Costs Coverage and (I), Hostage Crisis Costs Coverage, for loss of property and other consideration actually surrendered as a ransom or extortion payment covered under Insuring Clause (A), Kidnapping, Extortion Threat and Express Kidnap Coverage;



- (2) Robbery
Insuring Clause (A), Kidnapping, Extortion Threat and Express Kidnap Coverage, for loss of property or other consideration surrendered away from any **Premises** in any face to face encounter involving the use or threat of force or violence unless surrendered by a person in possession of such property or other consideration at the time of such surrender for the sole purpose of conveying it to pay a previously communicated ransom or extortion demand and unless actually surrendered to those responsible for such demand or their designee, provided that this Exclusion (B)(2) shall not apply to loss resulting from **Express Kidnap**;
- (3) Burglary or Armed Robbery
Insuring Clause (A), Kidnapping, Extortion Threat and Express Kidnap Coverage, for loss of property or other consideration surrendered on any **Premises** unless brought onto the **Premises** after receipt of the ransom or extortion demand for the purpose of paying such demand, provided that this Exclusion (B)(3) shall not apply to loss resulting from **Express Kidnap**; or
- (4) Voluntary Disappearance, Natural Disaster, Unsafe Area
Insuring Clause (G), Disappearance Investigation Expense Coverage, for **Expenses** or **Legal Liability Costs** resulting from **Disappearance Investigation** if:
- (a) an **Insured Person** disappears of his or her own volition, provided that any amounts paid to the **Parent Organization** in connection with such voluntary **Disappearance** shall be refunded by the **Parent Organization** to the Company in the event the **Disappearance** is determined to be voluntary;
 - (b) the **Disappearance** occurs within twenty-four hours of a natural disaster which is reported by local or global media; or
 - (c) the **Disappearance** occurs while an **Insured Person** is located in an area declared unsafe or uninhabitable by a local government.

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IV. PERSONAL ASSETS

In the event of a ransom or extortion demand directed against an **Insured Person** rather than against an **Organization**, property or other consideration surrendered or intended to be surrendered by or on behalf of such **Insured Person** and only the:

- (A) **Expenses** set forth in Paragraphs II(A)(1) through (A)(11) and (A)(16) through (A)(18) of the definition of **Expenses**; and
- (B) **Express Kidnap Costs** set forth in Paragraphs II(A) through (E) of the definition of **Express Kidnap Costs**,

incurred by or on behalf of such **Insured Person** shall, at the option of the **Organization**, be considered property or other consideration surrendered or intended to be surrendered on behalf of an **Organization** and **Expenses** incurred by an **Organization**.



V. PROOF OF LOSS AND LEGAL PROCEEDINGS

- (A) Knowledge possessed by, or discovery by, an **Insured** shall be deemed knowledge possessed by, or discovery by, all **Insureds**.
- (B) It is a condition precedent to coverage that at the earliest practicable moment after the occurrence of any loss hereunder the **Parent Organization** shall give the Company written notice thereof and shall furnish to the Company affirmative proof of loss with full particulars.
- (C) No **Insured** shall institute legal proceedings against the Company after the expiration of a period of two (2) years immediately following the time such loss was sustained.

VI. LIMITS OF LIABILITY

- (A) The Company's maximum liability for each loss shall not exceed the applicable Limits of Liability set forth in Item 2 in the KR&E Declarations, regardless of the number of **Insureds** sustaining the loss.
- (B) The payment of loss under this Coverage Part shall not reduce the liability of the Company for other losses, provided that the maximum liability of the Company will not exceed the dollar amount set forth in Item 2 in the KR&E Declarations:
 - (1) applicable to Insuring Clause (A), Kidnapping, Extortion Threat and Express Kidnap Coverage: for all loss of property and other consideration actually surrendered as ransom and extortion payments arising from one **Extortion Threat, Kidnapping or Express Kidnapping** or a series of related **Extortion Threats, Kidnappings or Express Kidnappings**;
 - (2) applicable to Insuring Clause (B), Custody Coverage: for all loss of property and other consideration intended as ransom and extortion payments arising from one **Extortion Threat or Kidnapping** or a series of related **Extortion Threats or Kidnappings**;
 - (3) applicable to Insuring Clause (C), Expense Coverage: for all **Expenses** arising from one **Kidnapping, Extortion Threat, Political Threat, Hijacking or Wrongful Detention** or a series of related **Kidnappings, Extortion Threats, Political Threats, Hijackings or Wrongful Detentions**;
 - (4) applicable to Insuring Clause (D), Accidental Loss Coverage:
 - (a) if an **Insured Person** suffers a covered **Mutilation**, the Company's maximum liability for such **Mutilation** shall be the amount equal to the percentage set forth in Item 2(D)(iii) of the KR&E Declarations of the **Loss of Life Benefit Amount**;
 - (b) if an **Insured Person** suffers a covered **Accidental Loss** (other than **Mutilation** or **Loss of Life**) the Company's maximum liability for such **Accidental Loss** shall be the amount equal to the percentage set forth in Item 2(D)(iv) of the KR&E Declarations of the **Loss of Life Benefit Amount**;
 - (c) if an **Insured Person** suffers a covered **Loss of Life** the Company's maximum liability for such **Loss of Life** shall be the **Loss of Life Benefit Amount**;
 - (d) if an **Insured Person** suffers more than one covered **Accidental Loss** the Company's maximum liability for all such **Accidental Loss** shall be calculated based on Subparagraph (a), (b) and (c) above, provided that in no event shall the Company's maximum liability for all such **Accidental Loss** exceed the **Loss of Life Benefit Amount**; or
 - (e) if more than one **Insured Person** suffers covered **Accidental Loss** resulting from the same **Kidnapping, Wrongful Detention, Extortion Threat, Political Threat or Hijacking**, the Company's maximum liability for all such **Accidental Loss** shall be calculated based on Subparagraphs (a), (b), (c) and (d) above, provided that in no event



shall the Company's maximum liability for all such **Accidental Loss** exceed the **Event Benefit Amount**;

- (5) applicable to Insuring Clause (E), Legal Liability Costs Coverage: for all **Legal Liability Costs** arising from one **Kidnapping, Hijacking, Political Threat, Wrongful Detention, Hostage Crisis** or **Express Kidnap** or one event described in Subsection (A) of the definition of **Extortion Threat** or a series of related **Kidnappings, Hijackings, Political Threats, Wrongful Detentions, Hostage Crises** or **Express Kidnaps** or a series of related events as described in Subparagraph (A) of the definition of **Extortion Threat**;
 - (6) applicable to Insuring Clause (F), Emergency Political Repatriation Expense Coverage: for all **Repatriation Expenses** arising from one **Emergency Political Repatriation** or a series of related **Emergency Political Repatriations**;
 - (7) applicable to Insuring Clause (G), Disappearance Investigation Expense Coverage: for all **Expenses** for **Disappearance Investigation** arising from one **Disappearance** or a series of related **Disappearances**;
 - (8) applicable to Insuring Clause (H): for all **Express Kidnap Costs** arising from one **Express Kidnap** or a series of related **Express Kidnaps**; or
 - (9) applicable to Insuring Clause (I), Hostage Crisis Costs Coverage: for all **Hostage Crisis Costs** arising from one **Hostage Crisis** situation or a series of related **Hostage Crisis** situations.
- (C) For all covered **Recall Expenses** occurring during the **Policy Year**, the Company's maximum liability shall be twenty-five percent (25%) of the Limit of Liability set forth in Item 2(C), Expense Coverage, of the KR&E Declarations, up to a maximum limit of liability of one million dollars (\$1,000,000), which amount is part of, and not in addition to, the Limits of Liability set forth in Item 2(C), Expense Coverage, of the KR&E Declarations.
- (D) For all covered rest and rehabilitation expenses incurred during the **Policy Year**, the Company's maximum liability shall be one hundred thousand dollars (\$100,000), which amount is part of, and not in addition to, the Limits of Liability set forth in Item 2(C), Expense Coverage, of the KR&E Declarations.

VII. LIABILITY FOR PRIOR LOSSES

- (A) Coverage shall be available for loss as a result of a **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap** or **Hostage Crisis** which occurred or was communicated to the **Organization**, prior to the inception date of this Policy, prior to the effective date of coverage for any additional **Insureds** or prior to the effective date of any coverage added by endorsement, if:
- (1) an **Organization** or some predecessor in interest of such **Organization** carried a prior policy, which at the time such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap** or **Hostage Crisis** occurred or was communicated, afforded some or all of the coverage of an Insuring Clause under this Coverage Part applicable to such prior loss;
 - (2) such coverage continued without interruption from the time such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap** or **Hostage Crisis** occurred or was communicated, until the inception date or effective date(s) as described above; and
 - (3) such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap** or **Hostage Crisis** was first discovered by an **Organization** after the time allowed for discovery under the last such policy.



- (B) If such prior policy carried by an **Organization** or predecessor in interest of such **Organization** was issued by the Company or any subsidiary or affiliate of The Chubb Corporation, such prior policy shall terminate as of the inception of this Policy and such prior policy shall not cover any loss not discovered and noticed to the Company prior to the inception of this Policy.
- (C) The **Insured** will neither be entitled to a separate recovery under each policy in force at the time the **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap** or **Hostage Crisis** occurred or was communicated, sustained or discovered, nor will the **Insured** be entitled to recover the sum of the limits of liability of any such policies. The Company's maximum liability shall not exceed the lesser of the limit of liability of the policy in force at the time such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat, Hijacking, Disappearance, Express Kidnap** or **Hostage Crisis** occurred or was communicated, or the applicable Limit of Liability set forth in Item 2 of the KR&E Declarations.

VIII. BENEFICIARY

- (A) The **Loss of Life Benefit Amount** for **Loss of Life** shall be paid to an **Insured Person's** designated beneficiary. The Benefit Amount set forth in Item 2(D) of the KR&E Declarations for all other **Accidental Loss** shall be paid to the **Insured Person**, unless otherwise directed by the **Insured Person**.
- (B) If an **Insured Person** suffers **Loss of Life** and has not designated a beneficiary, or if the designated beneficiary is not alive, the Company shall pay covered loss in the following order:
 - (1) to the spouse or domestic partner;
 - (2) in equal shares to the surviving children;
 - (3) in equal shares to the surviving parents;
 - (4) in equal shares to the surviving brothers and sisters; or
 - (5) to the estate,of the **Insured Person**.

IX. NON-ACCUMULATION OF LIABILITY

- (A) When there is more than one **Insured**, the maximum liability of the Company for loss sustained by one or all **Insureds** shall not exceed the amount for which the Company would be liable if all losses were sustained by any one **Insured**.
- (B) Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, the limit of liability of the Company with respect to any loss shall not be cumulative from **Policy Year** to **Policy Year** or from **Policy Period** to **Policy Period**.

X. LOSS SUSTAINED

A loss shall be deemed to have been sustained under:

- (A) Insuring Clause (A), Kidnapping, Extortion Threat and Express Kidnap Coverage, at the time of surrender of the ransom or extortion payment;
- (B) Insuring Clause (B), Custody Coverage, at the time of actual destruction, disappearance, confiscation or wrongful abstraction of the property or other consideration;
- (C) Insuring Clause (C), Expense Coverage, at the time of payment of incurred **Expenses** by an **Organization**;



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- (D) Insuring Clause (D), Accidental Loss Coverage, at the time of **Accidental Loss**;
 - (E) Insuring Clause (E), Legal Liability Costs Coverage, at the time an **Organization** has made payment for any incurred expense, judgment or settlement;
 - (F) Insuring Clause (F), Emergency Political Repatriation Expense Coverage, at the time of payment of incurred **Repatriation Expenses** by an **Organization**;
 - (G) Insuring Clause (G), Disappearance Investigation Expense Coverage, at the time of payment of incurred **Disappearance Investigation Expenses** by an **Organization**;
 - (H) Insuring Clause (H), Express Kidnap Costs Coverage, at the time of payment of incurred **Express Kidnap Costs** by an **Organization**; or
 - (I) Insuring Clause (I), Hostage Crisis Costs Coverage, at the time of payment of incurred **Hostage Crisis Costs** by an **Organization**.
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XI. OTHER INSURANCE

- (A) If any loss under this Coverage Part is insured under any other valid and collectible insurance policy (other than a policy that is issued specifically as excess of the insurance afforded by this Coverage Part), this Coverage Part shall be excess of and shall not contribute with such other insurance, regardless of whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.
 - (B) The Company's liability under this Coverage Part for any loss of personal assets under Section IV, Personal Assets, other than a loss sustained by an **Employee**, shall be reduced by any amount paid or payable on account of such loss under such other insurance issued by the Company or any subsidiary or affiliate of The Chubb Corporation.
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XII. VALUATION AND FOREIGN CURRENCY

The Company shall pay:

- (A) the least of:
 - (1) the actual market value of lost, damaged or destroyed securities at the closing price of such securities on the business day immediately preceding the day on which a loss is discovered;
 - (2) the cost of replacing securities; or
 - (3) the cost to post a Lost Instrument Bond,such cost shall be paid by the Company on behalf of an **Organization**; or
 - (B) the cost of blank books, pages or tapes or other blank materials to replace lost or damaged books of account or other records; or
 - (C) the least of:
 - (1) the actual cash value of any other property or other consideration at the time of loss; or
 - (2) the actual cost to repair or replace such other property or consideration with that of similar quality and value; or
 - (D) the United States of America dollar value of foreign currency based on the rate of exchange published in *The Wall Street Journal* on the day loss involving foreign currency is discovered.
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