



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 Section, the Company and the Insureds agree as follows:

I. INSURING CLAUSES

(A) Kidnapping and Extortion Threat Coverage

The **Company** shall reimburse the **Parent Corporation** for loss of property or other consideration surrendered as payment by or on behalf of an **Insured Organization** resulting from **Kidnapping** or **Extortion Threat**.

(B) Custody Coverage

The **Company** shall reimburse the **Parent Corporation** 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 **Insured Organization**.

(C) Expense Coverage

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

(D) Accidental Loss Coverage

The **Company** shall pay the **Benefit Amount** for **Accidental Loss** from a covered **Kidnapping**, or resulting from a **Hijacking**, **Political Threat** or **Wrongful Detention**.

(E) Legal Liability Costs Coverage

The **Company** shall reimburse the **Parent Corporation** for **Legal Liability Costs**.

(F) Emergency Political Repatriation Expense Coverage

If Emergency Political Repatriation Expense Coverage has been purchased, as set forth in Item 7 of the Declarations, the **Company** shall reimburse the **Parent Corporation** for **Repatriation Expenses** incurred by an **Insured Organization** resulting from **Emergency Political Repatriation** in the amount set forth in Item 7 of the Declarations. Such amount shall be part of and not in addition to the Limit of Liability for Kidnap/Ransom and Extortion Coverage Section, Insuring Clause (C), Expense Coverage, as set forth in Item 6 of the Declarations.



II. DEFINITIONS

For the purposes of this Coverage Section:

- (A) **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**:
- (1) is sudden, unforeseen, unexpected and independent of any illness, disease or other bodily malfunction of such **Insured Person**; and
 - (2) happens by chance and arises from a source external to such **Insured Person**.
- (B) **Benefit Amount** means that amount set forth in Item 6 of the Declarations.
- (C) **Computer System** means any computer or network of computers of the **Insured Organization** including its input, output, processing, storage and communication facilities, and shall include off-line media libraries.
- (D) **Computer Violation** means an unauthorized:
- (1) entry into or deletion of data from a **Computer System**;
 - (2) change to data elements or program logic of a **Computer System**, which is kept in machine readable format; or
 - (3) introduction of instructions, programmatic or otherwise, which propagate themselves through a **Computer System**;
- directed solely against any **Insured Organization**.
- (E) **Contaminate** means to introduce a foreign material or substance, which would render any tangible property unfit for use or sale.
- (F) **Emergency Political Repatriation** means the return of any **Insured Person** to the **Resident Country** necessitated by:
- (1) 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**;
 - (2) an **Insured Person** being expelled or declared *persona non grata* on the written authority of the recognized government of the **Temporary Resident Country**; or
 - (3) the wholesale seizure, confiscation or expropriation of the property, plant and equipment of an **Insured Organization**.
- (G) **Employee** means any natural person in the regular service of an **Insured Organization** in the ordinary course of such **Insured Organization's** business, whom such **Insured Organization** governs and directs in the performance of such service, including any **Executive**, and any part-time, seasonal, leased and temporary employees as well as volunteers. Employee shall not mean independent contractor.



- (H) **Executive** means any natural person specified below:
- (1) duly elected or appointed directors, officers, members of the Board of Managers or management committee members of any **Insured Organization** incorporated in the United States of America;
 - (2) in-house general counsel of any **Insured Organization** incorporated in the United States of America; or
 - (3) equivalent positions of (1) or (2) above in any **Insured Organization** chartered in any other jurisdiction anywhere in the world.
- (I) **Expenses** means:
- (1) solely in connection with **Kidnapping, Extortion Threat, Political Threat, Hijacking** or **Wrongful Detention**, only the reasonable fees and expenses for, or cost of:
 - (a) an independent security consultant;
 - (b) an independent public relations consultant;
 - (c) travel and accommodations of an **Insured Person**;
 - (d) independent legal advice (other than those described in Legal Liability Costs Coverage Insuring Clause (E));
 - (e) independent security guard services for up to fifteen (15) days;
 - (f) advertising, communications and recording equipment;
 - (g) an independent forensic analyst;
 - (h) assessment of an **Extortion Threat** or **Political Threat** by an independent security consultant;
 - (i) interest for a loan taken by an **Insured** for property or other consideration surrendered as payment under Kidnapping and Extortion Threat Coverage Insuring Clause (A);
 - (j) a reward paid by an **Insured 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** or **Hijacking**;
 - (k) the **Salary** which an **Insured Organization** continues to pay an **Employee** following the **Kidnapping, Wrongful Detention** or **Hijacking** of such **Employee**. Such coverage shall apply to the **Salary** in effect at the time of such **Kidnapping, Wrongful Detention** or **Hijacking** and will end thirty (30) 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;
 - (l) the salary or wages which an **Insured Organization** pays a newly hired natural person to conduct the duties of an **Employee** following the **Kidnapping, Wrongful Detention, or Hijacking** of such **Employee**. Such coverage shall apply to such **Salary** in effect at the time of such **Kidnapping, Wrongful Detention, or Hijacking** and will end thirty (30) 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;



- (m) consequential personal financial loss which an **Insured Person** suffers as the result of such **Insured Person's** inability to attend to personal financial matters;
 - (n) reasonable medical, cosmetic, psychiatric and dental expenses incurred following the **Insured Person's** release;
 - (o) reasonable expenses of rest and rehabilitation, including meals and recreation, for up to thirty (30) days, when such expenses are incurred within twelve (12) months following an **Insured Person's** release;
 - (2) solely in connection with an **Extortion Threat to Contaminate Merchandise, Recall Expenses**; and
 - (3) other reasonable expenses incurred by an **Insured Organization**, subject to the **Company's** prior written approval.
- (J) **Extortion Threat** means a threat or threats against an **Insured** to:
- (1) commit a **Kidnapping** of, do bodily harm to, or wrongfully abduct or detain any **Insured Person**;
 - (2) damage, destroy or **Contaminate** any **Insured Organization's Property**;
 - (3) disseminate, divulge or utilize **Proprietary Information**;
 - (4) disseminate or make public negative information regarding **Merchandise**; or
 - (5) 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:
- (a) related by a common committed, attempted or threatened wrongful act; or
 - (b) made contemporaneously against the same **Insured**;
- will be deemed to constitute a single **Extortion Threat**.
- (K) **Hijacking** means the unlawful detention of an **Insured Person**, other than **Kidnapping**, for a period in excess of four (4) hours, while traveling on or in a vehicle.
- (L) **Insured** means the **Insured Organization** and any **Insured Person**.
- (M) **Insured Organization's Property** means all **Premises** and **Merchandise** of the **Insured Organization** and any other real or tangible personal property, owned by or leased by the **Insured Organization**, for which the **Insured Organization** is legally liable or located on such **Premises** or on any land adjacent thereto occupied by the **Insured Organization** in conducting its business.



- (N) **Insured Person** means:
- (1) any **Employee**;
 - (2) any **Relative** of an **Employee**;
 - (3) any natural person who is employed in the household of an **Employee** while in the home of such **Employee**;
 - (4) any natural person who is a normal resident or a guest in the home of an **Employee**;
 - (5) any customer or guest of an **Insured Organization** on the **Premises** of an **Insured Organization**;
 - (6) any customer of an **Insured Organization** or a guest traveling with an **Employee**; or
 - (7) any natural person who is temporarily retained by any **Insured** or an independent security consultant to deliver a ransom or extortion payment.
- (O) **Kidnapping** means an actual or alleged wrongful abduction, and holding under duress or by fraudulent means, 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**.
- (P) **Legal Liability Costs** means the reasonable defense costs incurred by an **Insured Organization** and damages which an **Insured 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 incompetence:
- (1) in the hostage retrieval operations or negotiations in a covered **Kidnapping, Hijacking, Political Threat** or **Wrongful Detention** or a covered event as described in **Extortion Threat (J)(1)** of such **Insured Person**; or
 - (2) in the prevention of a covered **Kidnapping, Hijacking, Political Threat** or **Wrongful Detention** or a covered event as described in **Extortion Threat (J)(1)** of such **Insured Person**;
- provided that the **Insured 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.
- (Q) **Loss of Life** means:
- (1) death, including clinical death, determined by a medical examiner or similar local governing medical authority; or
 - (2) the absence of communication from an **Insured Person** or those responsible for the **Kidnapping, Hijacking** or **Wrongful Detention** of such **Insured Person** for a period of two (2) years following the later of:
 - (a) such **Kidnapping, Hijacking** or **Wrongful Detention**;
 - (b) the last communication from such **Insured Person**; or



- (c) the last communication from those responsible for such **Kidnapping, Hijacking** or **Wrongful Detention**.
- (R) **Loss of Sight** means the permanent loss of sight to the extent of legal blindness.
- (S) **Loss of Speech and/or Hearing** means the permanent total loss of the capability of speech and/or hearing.
- (T) **Loss of Use** means the permanent total loss of function of a foot, hand, or thumb and index finger.
- (U) **Mutilation** means the permanent total loss of an entire finger, toe, ear, nose or genital organ.
- (V) **Merchandise** means an **Insured Organization's** inventory, raw materials, work in progress or products manufactured or distributed by an **Insured Organization**.
- (W) **Political Threat** means the threat to do bodily harm to any **Insured Person** by a person or group:
- (1) acting as an agent of or with tacit approval of any government or governmental entity; or
 - (2) acting or purporting to act on behalf of any political terrorist or insurgent party, organization or group.
- (X) **Premises** means buildings, facilities or properties occupied by an **Insured Organization** in conducting its business.
- (Y) **Proprietary Information** means any confidential, private or secret information unique to the **Insured Organization's** business including 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.
- (Z) **Recall Expenses** means only the reasonable fees and expenses for, or the costs of:
- (1) transportation; and
 - (2) other reasonable expenses, subject to the **Company's** prior written approval;
- incurred by an **Insured Organization** in the withdrawal, physical inspection or destruction of **Merchandise**.
- (AA) **Repatriation Expenses** means the following reasonable fees and expenses:
- (1) for travel to the nearest place of safety or to the **Resident Country**;
 - (2) for accommodations for a maximum of seven (7) days;
 - (3) the **Salary** which an **Insured 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: one hundred twenty (120) days thereafter; or upon the return of the **Employee** to the **Resident Country**; and



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- (4) other reasonable fees and expenses incurred with the **Company's** prior written approval; resulting from an **Emergency Political Repatriation** of an **Insured Person**.
- (BB) **Relative** means spouses, domestic partners, siblings, ancestors, spouses' ancestors, lineal descendants or lineal descendants' spouses. Lineal descendants include adopted children, foster children and stepchildren. Ancestors include adoptive parents and stepparents.
- (CC) **Resident Country** means for the purposes of:
- (1) an **Emergency Political Repatriation**, the country of which the **Insured Person** is a national; or
 - (2) a **Wrongful Detention**, the country of which the **Insured Person** is a national or the country where any **Insured Organization** is headquartered.
- (DD) **Salary** means compensation an **Insured Organization** pays an **Employee**, including but not limited to bonus, commission, incentive payments, and the cost of health, welfare and pension benefits.
- (EE) **Temporary Resident Country** means the country in which the **Insured Person** is a temporary resident.
- (FF) **Wrongful Detention** means wrongful involuntary confinement of an **Insured Person**, other than **Kidnapping**, for a period of not less than twenty-four (24) hours, by others.

III. EXCLUSIONS

- (A) No coverage will be available under this Coverage Section for:
- (1) loss due to any fraudulent, dishonest or criminal acts of an identifiable **Employee** of the **Insured Organization** acting alone or in collusion with others, unless the loss is in excess of the amount available to the **Insured 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 Section shall cover only such excess;
 - (2) loss resulting from fraud by an **Insured Person** allegedly the subject of a **Kidnapping, Extortion Threat, Wrongful Detention** or **Political Threat** or **Hijacking** if an **Insured Organization** had not, prior to payment, made reasonable efforts to determine that such **Kidnapping, Extortion Threat, Wrongful Detention** or **Political Threat** or **Hijacking** was genuine;
 - (3) loss of property or other consideration surrendered or intended to be surrendered as payment by or on behalf of an **Insured Person** unless an **Insured Organization** agrees that such payment is on behalf of such **Insured Organization**;
 - (4) loss of income not realized by an **Insured Organization** as the result of a covered loss;



- (5) **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) 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 **Insured Organization** or an **Insured Person** to procure or maintain proper immigration, work, residence or similar visas, permits or other documentation.
- (7) loss from **Emergency Political Repatriation** caused by:
- (a) violation by the **Insured Organization** or an **Insured Person** of the laws or regulations of the country from which the **Insured Person** is repatriated;
 - (b) the **Insured 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 without limitation any earthquake, flood, fire, famine, volcanic eruption or windstorm;
 - (f) ionizing radiations or contamination by radioactivity from any irradiated nuclear fuel or from any 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) loss sustained by one **Insured** to the advantage of any other **Insured**;
- (9) loss resulting from fraud by an **Insured Person** allegedly the subject of an **Accidental Loss**;



- (10) loss unless the **Kidnapping, Extortion Threat, Political Threat, Wrongful Detention, Hijacking** or **Emergency Political Repatriation** occurs or is directly or indirectly communicated to any **Insured**, prior to:
- (a) termination of this Coverage Section 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 Section and is discovered and communicated in writing to the **Company** within one (1) year following the effective date of such termination, if this Coverage Section is not renewed with the **Company**; or
 - (d) termination in its entirety of this Coverage Section and is discovered and communicated in writing to the **Company** prior to such termination, if this Coverage Section is renewed with the **Company**.
- (B) No Coverage will be available under Insuring Clauses (B), (C), (D), (E) and (F) for loss of property and other consideration actually surrendered as a ransom or extortion payment covered under Insuring Clause (A).
- (C) No coverage will be available under Insuring Clause (A) for:
- (1) loss of property or other consideration surrendered away from the **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; or
 - (2) loss of property or other consideration surrendered on the **Premises** unless brought onto the **Premises** after receipt of the ransom or extortion demand for the purpose of paying such demand.

IV. BENEFICIARY

- (A) The **Benefit Amount** for **Loss of Life** will be paid to the **Insured Person's** designated beneficiary. The **Benefit Amount** for all other **Accidental Loss** will 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** will 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**.

V. LIABILITY FOR PRIOR LOSSES

- (A) Coverage shall be available for loss as a result of a **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat or Hijacking** which occurred or was communicated to the **Insured Organization**, prior to the inception date of this Coverage Section, 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 **Insured Organization** or some predecessor in interest of such **Insured Organization** carried a prior bond or policy, which at the time such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat or Hijacking** occurred or was communicated, afforded some or all of the coverage of an Insuring Clause under this Coverage Section applicable to such prior loss;
 - (2) such coverage continued without interruption from the time such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat or Hijacking** occurred or was communicated, until the inception date or effective date(s) as described in paragraph (A) above; and
 - (3) such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat or Hijacking** was first discovered by an **Insured Organization** after the time allowed for discovery under the last such policy.
- (B) If such prior bond or policy carried by the **Insured** or predecessor in interest of such **Insured** was issued by the **Company** or its affiliates, such prior bond or policy shall terminate as of the inception of this Coverage Section and such prior bond or policy shall not cover any loss not discovered and noticed to the **Company** prior to the inception of this Coverage Section.
- (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 or Hijacking** 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 will not exceed the lesser of the limit of liability of the policy in force at the time of such **Kidnapping, Extortion Threat, Wrongful Detention, Political Threat or Hijacking** occurred or was communicated or the applicable Limit of Liability as set forth in Item 6 of the Declarations.

VI. LIMITS OF LIABILITY

- (A) The **Company's** maximum liability for each loss shall not exceed the applicable Limits of Liability as set forth in Item 6 in the Declarations, regardless of the number of **Insureds** sustaining the loss.



- (B) The payment of loss under this Coverage Section will not reduce the liability of the **Company** for other losses; provided that the maximum liability of the **Company** will not exceed the dollar amount as set forth in Item 6 in the Declarations:
- (1) Applicable to Insuring Clause (A): for all loss of property and other consideration actually surrendered as ransom and extortion payments arising from one **Extortion Threat** or **Kidnapping** or a series of related **Extortion Threats** or **Kidnappings**;
 - (2) Applicable to Insuring Clause (B): 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): for all **Expenses** arising from one **Extortion Threat, Kidnapping, Hijacking, Political Threat** or **Wrongful Detention** or a series of related **Extortion Threats, Kidnappings, Hijackings, Political Threats** or **Wrongful Detentions**;
 - (4) Applicable to Insuring Clause (D):
 - (a) If an **Insured Person** suffers more than one covered **Accidental Loss**, the **Company's** maximum liability for all such **Accidental Loss** shall be the **Loss of Life Benefit Amount** for **Accidental Loss** as set forth in Item 6 of the Declarations;
 - (b) 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 the **Loss of Life Benefit** for **Accident Loss** as set forth in Item 6 of the Declarations, which shall be divided proportionately among such **Insured Persons**;
 - (5) Applicable to Insuring Clause (E): for all **Legal Liability Costs** arising from one **Kidnapping, Hijacking, Political Threat** or **Wrongful Detention** or one event described in **Extortion Threat (J)(1)** or a series of related **Kidnappings, Hijackings, Political Threats** or **Wrongful Detentions** or a series of related events as described in **Extortion Threat (J)(1)**; or
 - (6) Applicable to Insuring Clause (F): for all **Repatriation Expenses** arising from one **Emergency Political Repatriation** or a series of related **Emergency Political Repatriations**.
- (C) For all covered **Recall Expenses** occurring during the **Policy Period**, the **Company's** maximum liability shall be twenty-five percent (25%) of the Limit of Liability for Kidnap/Ransom and Extortion Coverage Section, Insuring Clause (C), Expense Coverage, as set forth in Item 6 of the Declarations up to a maximum Limit of Liability of one million dollars (\$1,000,000). Such amount shall be part of, and not in addition to, the Limits of Liability as set forth in Item 6 of the Declarations.
- (D) For all covered rest and rehabilitation expenses incurred during the **Policy Period**, the **Company's** maximum liability shall be fifty thousand dollars (\$50,000). Such amount shall be part of, and not in addition to, the Limits of Liability for Kidnap/Ransom and Extortion Coverage Section, Insuring Clause (C), Expense Coverage, as set forth in Item 6 of the Declarations.



VII. 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 amount the **Company** shall pay for a loss shall not be cumulative from year to year or from **Policy Period** to **Policy Period**.

VIII. LOSS SUSTAINED

A loss shall be deemed to have been sustained under:

- (A) Insuring Clause (A), at the time of the surrender of the ransom or extortion payment;
- (B) Insuring Clause (B), at the time of the actual destruction, disappearance, confiscation or wrongful abstraction of the property or other consideration;
- (C) Insuring Clause (C), at the time of the payment of incurred **Expenses** by the **Insured Organization**;
- (D) Insuring Clause (D), at the time of the **Accidental Loss**;
- (E) Insuring Clause (E), at the time the **Insured Organization** has made payment for any incurred expense, judgment or settlement; or
- (F) Insuring Clause (F), at the time of the payment of incurred **Repatriation Expenses** by the **Insured Organization**.

IX. PERSONAL ASSETS

In the event of a ransom or extortion demand directed against any **Insured Person** rather than against the **Insured Organization**, property or other consideration surrendered or intended to be surrendered by or on behalf of such **Insured Person** and the following **Expenses**: (1)(a) through (1)(j) and (1)(m) through (1)(o); incurred by or on behalf of such **Insured Person** shall at the option of the **Insured Organization**, be considered property or other consideration surrendered or intended to be surrendered on behalf of the **Insured Organization** and **Expenses** incurred by the **Insured Organization**.

X. PROOF OF LOSS AND LEGAL PROCEEDINGS

- (A) Knowledge possessed by, or discovery by, any **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 **Insured 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** for recovery of any loss hereunder after the expiration of a period of two (2) years, or any minimum period of time required by law, immediately following the time such loss was sustained.
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XI. 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 **Insured 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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XII. OTHER INSURANCE

- (A) If any loss under this Coverage Section is insured under any other valid and collectible insurance policy(ies), prior or current, then this Coverage Section shall cover such loss, subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of such loss is in excess of the amount of such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this Coverage Section.
- (B) The **Company's** liability under this Coverage Section for any loss of personal assets under Section IX Personal Assets of this Coverage Section, 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 of its subsidiaries or affiliated companies.