

Why Buy Kidnap, Ransom & Extortion Insurance?



Fidelity / Crime Division



Americans with kidnap and ransom insurance are four times more likely to survive a kidnapping than non-insured travelers.¹

The Fidelity / Crime Division of Great American Insurance Group provides specialized protection against crimes of kidnap and extortion, when a demand for ransom is a condition of negotiation. We are pleased to offer limits up to \$65 million in our Kidnap, Ransom and Extortion coverage. Customized coverage can be written for corporations, individuals, academic institutions, hospitals, financial institutions and houses of worship.

Who Needs Coverage?

Although those involved with international travel and business dealings may have increased risk, no individual or organization is immune. A kidnapping may well be the most traumatic event in the lives of victims, their families and their friends. The costs – physical, emotional and economic – can be devastating.

- 70% of kidnaps are resolved through the payment of a ransom.²
- 42% of countries worldwide are considered to be medium to high-risk for kidnappings.²
- Global GDP from medium to high-risk countries has more than doubled from 16% to 39% in the last 10 years.²

Who's at Risk?

- Domestic firms with foreign travel patterns.
- Businesses manufacturing a product.
- Corporations with overseas operations or contract work.
- Students at schools and universities traveling abroad.
- Wealthy individuals and families.
- Hospitals and day care centers.
- Establishments dependent upon public access such as concert halls, casinos, shopping malls and amusement parks.
- Financial Institutions.
- Any domestic organization can also be at risk to extortion attempts or threats.
- Multinational expatriates with foreign operations.

Hot Spots

Top 10 countries for kidnap-for-ransom in absolute terms.²

1. Mexico
2. India
3. Nigeria
4. Iraq
5. Colombia
6. Brazil
7. Pakistan
8. Venezuela
9. Afghanistan
10. Argentina

70% of kidnaps are resolved through the payment of a ransom.²

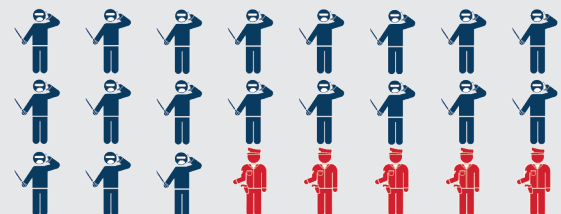
Kidnap Snapshot²



of kidnap victims are local nationals



of abductions happen when the victim is on a routine journey



80% of kidnaps-for-ransom are perpetrated by criminals

20% are perpetrated by militant groups

Foreign National Kidnap Victims by Region



Hot Topics

Political Elections

Consider upcoming elections or political issues when traveling abroad. Countries that are normally not considered risky may become more dangerous around elections as turmoil can quickly erupt. Political risk has risen every year since 2008, with 61% of countries currently rated at medium or high political risk.²

Express Kidnapping

Express kidnapping is a quick and violent kidnapping that occurs when a victim is forced to withdraw funds from an ATM. An express kidnap lasts for a period of less than 24 hours. With Great American's coverage, a demand for ransom is not necessary for the policy to respond and the policy will reimburse money and belongings taken from the Insured's possession.

Example: While walking down a street in Mexico, a man is grabbed by three men and thrown into a van. They take him to multiple ATMs over a four-hour period, demanding that he withdraw as much money as possible from each ATM. Once his funds are depleted, the criminals throw him out of the van and speed away.

Virtual Kidnapping

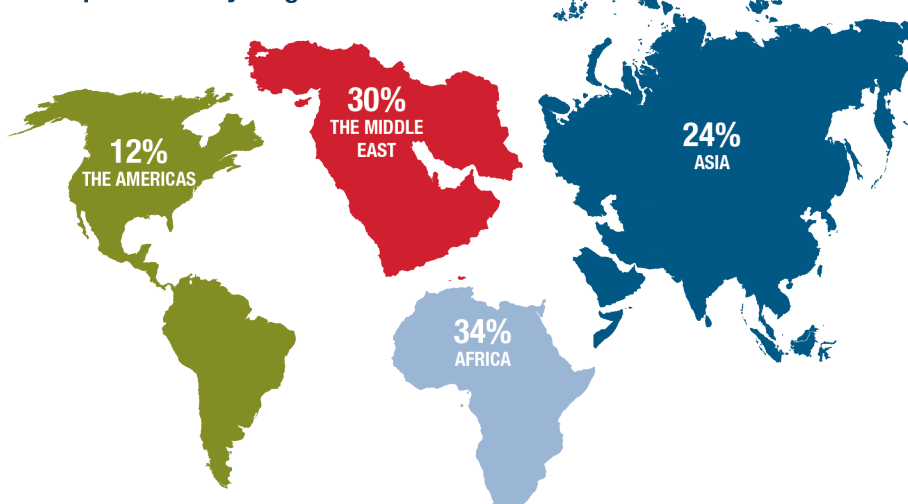
Virtual kidnapping is a telephone-based extortion. To carry out this crime, kidnappers only need limited resources such as a telephone number and some personal information about the victim. A virtual kidnap typically involves contacting a family and claiming to have abducted a loved one. The criminal threatens to harm or kill the victim and demands an immediate bank deposit or payoff. In reality, the supposed victim of a virtual kidnap is never actually held captive, but may have been persuaded to cooperate with the criminals or may be completely unaware of the incident. Although this is most common in Latin America, it has recently increased in the United States, Canada, the UK and Australia.³ Virtual kidnappings are covered under the Great American Kidnap, Ransom & Extortion Policy.

Example: A grandfather receives a phone call stating that his grandson is being held captive and will only be released upon payment of a ransom. Fake screaming is played in the background. A ransom payment is demanded with the threat that the grandson will be harmed if the money is not received within a short period of time. Meanwhile, the grandson is not actually in danger.

About Control Risks Included with the Great American Kidnap, Ransom & Extortion Policy[®]

Great American Insurance Group's Fidelity / Crime Division has secured the services of Control Risks, the industry's recognized leader and most experienced response team. Under the terms of a Great American Kidnap, Ransom & Extortion policy, Control Risks will provide the immediate support of a fully-trained, experienced consultant to assist claimants. Control Risks provides advisory services during crisis events and assists in negotiations with extortionists and kidnappers. Control Risks has 37 locations worldwide to serve our policyholders.

Kidnap Victims by Region



42% of countries worldwide are considered to be medium to high-risk for kidnappings.²

Why Buy a Great American Kidnap, Ransom & Extortion Policy?

Coverage highlights include

- We offer capacity up to \$65 million.
- Coverage is provided for worldwide territories.
- Includes unlimited fees and expenses for the services of Control Risks, one of the industry's most experienced crisis response teams.
- Broad definition of Insured with the ability to tailor coverage to meet the Insured's specific needs.
- \$0 deductible.
- Access to an exclusive website designed by Control Risks that provides access to worldwide risk insight, the latest news, risk ratings and preventative advice.
- Coverage extends beyond a traditional kidnapping to cover domestic exposures, such as threats, child abduction and extortion.

Overlooked Coverage

- Rest and Rehabilitation
- Medical Expenses
- Interest and Loans
- Salaries
- Travel Costs
- Extra Security
- Retraining/Replacement
- Psychiatric Care
- Legal Liability
- Prevention Services

Available endorsements

- Loss of Earnings
- Threat Expense
- Evacuation
- Disappearance Investigation
- Express Kidnap
- Child Abduction
- Hostage
- Products Loss
- Assault Expense

Our most experienced Claims and Underwriting staff average over 30 years in their respective fields. This experience, combined with our specialized products, has contributed to our consistent growth within the marketplace.

Additional endorsements are also available for consideration upon request. Great American's Fidelity / Crime Division has been providing Kidnap, Ransom, & Extortion coverage in the United States and internationally since 2004, as well as mono-line crime coverage since 1995. We offer \$65 million in capacity for Kidnap & Ransom coverage for corporations and individuals. We can tailor coverage for certain classes of business. Coverage can be customized for businesses including hospitals, academic institutions, banks and religious groups. We also offer \$50 million in capacity in mono-line crime coverage.

¹ <http://didyouknow.org/kidnappings/>

² Control Risks - 2018

³ Control Risks - 2019

The claims scenarios in this material are provided to illustrate possible exposures faced by your clients. The facts of any situation which may actually arise, and the terms, conditions, exclusions, and limitations in any policy in effect at that time, are unique. Thus, no representation is made that any specific insurance coverage applies to the above claims scenarios. Great American Insurance Group, 301 E Fourth Street, Cincinnati, OH 45202. Coverage description is summarized. Refer to the actual policy for a full description of applicable terms, conditions, limits and exclusions. In the U.S.: Policies are underwritten by Great American Insurance Company and Great American Spirit Insurance Company, authorized insurers in all 50 states and the DC. In Canada: All insurance products are subject to the limitations and conditions in the applicable policy or certificate of insurance in force at the time of purchase or enrolment and applicable legislation. Policies are underwritten by Great American Insurance Company, a foreign insurer authorized to insure risks in all Canadian Provinces and Territories. The Chief Agency of the Canadian Branch of Great American Insurance Company is located at Scotia Plaza, Suite 2100, 40 King Street West, Toronto, Ontario M5H 3C2. © 2018 Great American Insurance Company. All rights reserved. 3762-FIC (01/19)

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