

# Kidnap, Ransom & Extortion Highlights

*K&R Coverage Offered by Fidelity / Crime Division*

## Examples of coverage provided under the standard policy form

**Kidnap:** Illegal actual, alleged or attempted taking and holding captive of an Insured Person by people who demand a ransom as a condition of the release.

- While overseas for a sales meeting, an employee's wife is kidnapped.

**Ransom:** Cash or marketable securities, goods, property or services surrendered to meet a kidnap, extortion, hijack, cyber extortion, express kidnap or hostage crisis demand.

- An employee's wife is kidnapped and a ransom is demanded for her release.

**Wrongful Detention:** The holding under duress of an Insured Person.

- Employees detained a casino resort executive for half a day in a labor dispute over terms for laid-off staff.

**Hijack:** The attempted or actual illegal holding under duress of an Insured Person while traveling in a form of public or private transportation.

- While driving to a board meeting, a senior executive is hijacked and held for three hours.

**Extortion:** The making of illegal threats directly or indirectly.

- An executive received phone calls demanding money, or else his kids would become targets of a kidnap.

**Virtual Kidnapping:** A deceptive extortion that uses misinformation to trick victims into paying a ransom.

- A father receives a phone call saying his son has been kidnapped and will be hurt if a \$1,000 ransom is not paid within the next three hours. The son is not being held or in any danger.

**Express Kidnap:** Hijack or kidnap of an Insured Person for a period of less than 24 hours.

- An employee is forced out of his car by gunpoint, beaten and thrown in the back of a vehicle while on his way home from work. The kidnappers take his ATM card from his wallet, drive around withdrawing cash from his account, and then dump him on the side of the road, bruised and battered.

**Hostage Crisis:** The illegal holding of an Insured Person.

- Three armed men enter a convenience store, and take 10 victims hostage. While the victims are being held at gunpoint, a consultant negotiates with the hostage takers for five hours.

**Disappearance Investigation and Expense:** The unexplained vanishing of an Insured Person.

- A senior engineer executive scheduled to give a presentation out-of-town, fails to show. His wife calls stating she had not had contact with him since his plane landed. The hotel has no record of him checking in.

**Child Abduction:** The wrongful and illegal seizure of a Covered Child.

- A former nurse abducts a newborn from the hospital.

**Control Risks:** The Insured receives access to this crisis management response firm with unlimited fees for covered Insured events.

## Often overlooked coverage offered by Great American Insurance Group

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

## About Control Risks

Great American Insurance Group's Fidelity / Crime Division has secured the services of Control Risks, the industry's recognized leader and the 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 more than 35 locations worldwide to serve our policyholders.



## Claim examples for available endorsements

**Threat Response Expense** provides coverage for the services of Control Risks to assess a threat, and could pay for the cost of temporary security protection.

- A prospective student sends threatening emails to the Dean of a prestigious university, after being denied admittance to medical school. She promises vengeance for the decision, and “to sleep with one eye open.”

**Alternate Loss of Earnings** provides coverage for loss of earnings directly resulting from the closure of all or part of the Insured’s premises, or from the closure of an Insured’s business due to a threat from a neighboring business.

- A busy amusement park receives a threatening phone call alerting them there is a bomb on the premises. The caller demands a ransom in order to disclose where it is.

**Assault Expense** provides coverage for Additional Fees & Expenses, Personal Accident and Control Risks Fees to indemnify the Insured from a physical attack by a person armed with a weapon.

- A disgruntled ex-employee storms into their former place of employment yielding a weapon with the intention of causing serious injury and/or death to others.

**Enhanced Child Abduction** provides coverage for the abduction of a Covered Child. Coverage extends to abduction by a non-custodial parent.

- While awaiting the arrival of parents at a daycare, one child recognizes an older man. An employee of the daycare takes note of the recognition and allows the man to take the child home, not knowing he recently lost custody of the child. The mother, who has rightful custody, hasn’t been able to make contact with the child or father.

**Travel Security Evacuation** coverage pays for the costs associated with repatriation and travel expenses.

- A large IT company holds its annual marketing conference in Thailand. Three days into the weeklong conference, political turmoil erupts in the capital, with violence spilling out into the streets. The company is forced to cancel the conference early and evacuate employees to safety in Malaysia.

**Products Loss** provides coverage for the expenses incurred in the procedure of a recall, examination, destruction, and replacement of the Insured’s products. Coverage is also provided for the loss of value on, or the cost of making the product.

- A juice drink manufacturer receives an e-mail warning that a harmful pathogen is going to be leaked into one of its drinks if a ransom of \$3 million is not paid. The following week, a package of contaminated juice is sent to the production plant. The company pulls all juices from the shelves, erring on the side of caution with fears the pathogen is already in the drink.

## The Great American Advantage

- 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 threat, child abduction and extortion.

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Coverage description is summarized. Refer to the actual policy for a full description of applicable terms, conditions, limits and exclusions. In the US: Policies are underwritten by Great American Insurance Company, an authorized insurer in all 50 states and the D.C. In Canada: Policies are underwritten by Great American Insurance Company – Canadian Branch, 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. Great American Insurance Company is not responsible for any non-compliance with the applicable Insurance Act in your province or territory and any applicable marketing guidelines issued by a regulatory authority with jurisdiction. © 2024 Great American Insurance Company, 301 E. Fourth St., Cincinnati, OH 45202. All rights reserved. 5866-FIC-E (02/24)

