CONSIDERATION CLAUSE

IN CONSIDERATION of the payment of the premium, subject to the Declarations, and pursuant to all the terms, conditions, exclusions, and limitations of this **Kidnap and Ransom Policy**, the Company and the **Insured** agree as follows:

I. INSURING AGREEMENTS

The following Insuring Agreements apply to any **Insured Event** first occurring during the **Policy Period**. If ITEM 5 of the Declarations indicates that any Insuring Agreement is "*Not Covered*" or if no amount is shown for the Limit of Insurance for such Insuring Agreement, then such Insuring Agreement and any other reference thereto is deemed to be deleted from this **Kidnap and Ransom Policy**.

A. KIDNAP FOR RANSOM

The Company will indemnify the **Named Insured** for **Ransom**, paid or surrendered by an **Insured** or **Insured Person**, resulting from any **Kidnapping**.

B. EXTORTION FOR RANSOM

The Company will indemnify the **Named Insured** for **Ransom**, paid or surrendered by an **Insured** or **Insured Person**, resulting from:

1. **Bodily Injury Extortion**;
2. **Cyber Extortion**;
3. **Property Damage Extortion**;
4. **Products Extortion**; or
5. **Trade Secrets Extortion**.

C. LOSS OF RANSOM IN TRANSIT/DELIVERY

The Company will indemnify the **Named Insured** for loss of **Ransom** due to the actual damage or destruction, disappearance, confiscation, or wrongful appropriation of such **Ransom** while being delivered by anyone who is duly authorized by an **Insured** to have custody thereof to persons demanding such **Ransom**, provided that the **Kidnapping** or **Extortion** giving rise to the delivery is insured under this **Kidnap and Ransom Policy**.

D. COVERED EXPENSES FOR KIDNAP OR EXTORTION

The Company will indemnify the **Named Insured** for **Covered Expenses** resulting from a **Kidnapping** or **Extortion**.

E. COVERED EXPENSES FOR DETENTION OR HIJACK

The Company will indemnify the **Named Insured** for **Covered Expenses** resulting from a **Detention** or **Hijack**.

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F. REST AND REHABILITATION EXPENSES

The Company will indemnify the **Named Insured** for reasonable expenses incurred by an **Insured** or **Insured Person** for rest and rehabilitation, for a period of not more than 90 days, of any **Insured Person** and such **Insured Person's** spouse and children, following the:

1. release of such **Insured Person** from a **Kidnapping**, **Detention**, or **Hijack**; or

2. resolution of any **Extortion**;

provided that such expenses are incurred within 12 months following such release or resolution.

G. PERSONAL ACCIDENT

The Company will indemnify the **Named Insured** for loss due to **Personal Accident** resulting from a **Kidnapping**, **Extortion**, **Detention**, or **Hijack**, or the prevention thereof.

H. LEGAL LIABILITY

The Company will indemnify the **Named Insured** for loss due to awards or judgments, reasonable attorney's fees, court costs, and settlements made with the Company's prior written consent, imposed upon or paid by the **Insured** as a result of any action for damages brought by or on behalf of any **Insured Person** or such **Insured Person's** legal representatives, heirs, or estate, for any actual or alleged act, error, omission, misstatement, misleading statement, neglect, or breach of duty by the **Insured** resulting from a **Kidnap**, **Extortion**, **Detention**, or **Hijack**.

I. CRISIS RESPONSE FIRM FEES AND EXPENSES

The Company agrees to pay on behalf of the **Insured** the fees and expenses of the Crisis Response Firm set forth in ITEM 5 of the Declarations incurred as a result of an **Insured Event**.

II. GENERAL AGREEMENTS

A. JOINT INSURED

1. If the **Named Insured** consists of more than one entity, then the first entity named in ITEM 1 of the Declarations will act for itself and for every other **Insured** for the purposes of this **Kidnap and Ransom Policy**.

2. If any **Insured** has knowledge of any information relevant to this **Kidnap and Ransom Policy**, that knowledge is considered knowledge of every **Insured**.

3. The Company will not pay more for loss or expense sustained by more than one **Insured** than the amount the Company would pay if all loss or expenses had been sustained by one **Insured**.

4. Payment by the Company to the **Named Insured** for loss or expenses incurred by any **Insured** under this **Kidnap and Ransom Policy** will fully release the Company on account of such loss or expense.

B. ADDITIONAL OFFICES

If the **Insured** establishes any additional offices, other than by the consolidation with, merger with, purchase of, or acquisition of assets or liabilities of another organization while this **Kidnap and Ransom Policy** is in effect, this **Kidnap and Ransom Policy** will provide coverage for such offices from the date of such offices establishment through the remainder of the **Policy Period**, without the requirement of notice to the Company or the payment of additional premium.

C. CONSOLIDATION, MERGER, OR PURCHASE OF ASSETS

1. If, during the **Policy Period**, the **Insured** merges with, purchases, or acquires the assets or liabilities of another entity, this **Kidnap and Ransom Policy** will provide coverage for that merged, purchased, or

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acquired entity, subject to all other terms and conditions of this **Kidnap and Ransom Policy**, but only for loss or expenses due to any **Insured Event** first occurring after the effective date of such merger, purchase, or acquisition, provided that:

a. the Company receives written notice of such merger, purchase, or acquisition; and

b. a specific application has been submitted on the Company's form in use at the time, together with any other documentation and information that the Company may require;

within 90 days after the effective date of such merger, purchase, or acquisition.

2. Coverage for the merged, purchased, or acquired entity will not be afforded following such 90-day period unless the Company has agreed to provide such coverage, subject to any additional terms and conditions as the Company may require, and the **Named Insured** has paid to the Company any additional premium as may be required.

3. The 90-day notice requirement and the 90-day limitation of coverage will not apply if: (i) the assets of the merged, purchased, or acquired entity do not exceed 30% of the total assets of the **Insured** as reflected in the **Insured's** most recent fiscal year-end financial statement; or (ii) the merger, purchase, or acquisition occurs less than 90 days prior to the end of the **Policy Period**.

D. ACQUISITIONS

1. If, during the **Policy Period**, the **Insured** acquires or forms a **Subsidiary**, this **Kidnap and Ransom Policy** will provide coverage for such **Subsidiary** and its respective **Insured Persons**, subject to all other terms and conditions of this **Kidnap and Ransom Policy**, but only for loss or expenses due to any **Insured Event** first occurring after the effective date of such acquisition or formation, provided that:

a. the Company receives written notice of such acquisition or formation; and

b. a specific application has been submitted on the Company's form in use at the time, together with any other documentation and information that the Company may require;

within 90 days after the effective date of such acquisition or formation.

2. Coverage for such **Subsidiary** will not be afforded following such 90-day period unless the Company has agreed to provide such coverage, subject to any additional terms and conditions as the Company may require, and the **Named Insured** has paid the Company any additional premium as may be required.

3. The 90-day notice requirement and the 90-day limitation of coverage will not apply if: (i) the assets of the acquired or formed **Subsidiary** do not exceed 30% of the total assets of the **Insured** as reflected in the **Insured's** most recent fiscal year-end financial statement; or (ii) the acquisition or formation occurs less than 90 days prior to the end of the **Policy Period**.

E. CHANGE OF CONTROL

If, during the **Policy Period**:

1. all, or substantially all, of the assets of the **Named Insured** are acquired by another entity;

2. the **Named Insured** merges or consolidates with another entity, and the **Named Insured** is not the surviving entity; or

3. any natural person, entity, or affiliated group of natural persons or entities obtains the right to elect, appoint, or designate more than 50% of the board of directors, board of trustees, or board of managers, or obtains the right to exercise a majority control of the board of directors, board of trustees, or board of managers of the **Named Insured**;

this **Kidnap and Ransom Policy** will not apply to an **Insured Event** first occurring after such acquisition, merger, consolidation, or change of control takes place.

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In the event of such acquisition, merger, consolidation, or change of control of the **Named Insured**, the Company will refund any unearned premium computed on a pro rata basis.

F. REPRESENTATION OF INSURED

No statement made by, or on behalf of, the **Insured**, whether contained in the application, underwriting information, or otherwise, will be deemed to be a warranty of anything except that it is true to the best of the knowledge and belief of the person making the statement.

III. DEFINITIONS

Wherever appearing in this **Kidnap and Ransom Policy**, the following words and phrases appearing in bold type will have the meanings set forth in this section III. DEFINITIONS:

A. ***Bodily Injury Extortion*** means a threat, communicated to an **Insured** or **Insured Person**, to kill, physically injure, or **Kidnap** any **Insured Person**, where such threat is made for the purpose of demanding **Ransom** from the assets of an **Insured** or **Insured Person** as a condition of not carrying out such threat.

B. ***Computer System*** means any:

1. computer;

2. input, output, processing, storage, or communication device, or any related network, operating system or application software, that is connected to, or used in connection with, such computer; or

3. off-line media library;

that is rented by, owned by, leased by, licensed to, or under the direct operational control of an **Insured**.

C. ***Computer Virus*** means any malicious code that could destroy, alter, contaminate, or degrade the integrity, quality, or performance of:

1. electronic data used, or stored, in any **Computer System** or network; or

2. a computer network, computer application software, computer operating system, or related network.

D. ***Covered Expenses*** means any of the following amounts directly incurred or paid by an **Insured** or **Insured Person**:

1. reasonable fees, costs, or expenses for:

   a. independent negotiators engaged by the **Insured**;

   b. independent public relations consultants or interpreters;

   c. legal services necessary to secure the release of an **Insured Person**;

   d. independent forensic analysts engaged by the **Insured**;

   e. communication or recording equipment;

   f. advertising solely and directly to obtain the release of an **Insured Person** as a result of a **Kidnapping**, **Detention**, or **Hijack**;

   g. security guards temporarily retained solely and directly for the purpose of protecting an **Insured Person** or property during an **Insured Event**, subject to the specific recommendation of the Crisis Response Firm designated in ITEM 5 of the Declarations;

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h. necessary medical services or psychiatric care for an **Insured Person**, or cosmetic or plastic surgery medically necessary to correct any permanent disfigurement sustained by an **Insured Person**, solely and directly as a result of a **Kidnapping**, **Detention**, or **Hijack**, provided that such services, care, or surgery are provided to or performed for such **Insured Person** within 36 months following such **Insured Person's** release from the **Kidnapping**, **Detention**, or **Hijack**;

i. electronic sweeps for bugs or other electronic listening devices on any **Premises**;

j. required occupational job re-training of an **Insured Person** who is the victim of a **Kidnapping**, **Detention** or **Hijack**;

2. **Reward**;

3. interest on a loan made to the **Insured** for the sole purpose of paying **Ransom**, at an interest rate applicable during the period of the loan not to exceed the discount rate of the Federal Reserve Bank of New York by more than two percentage points, provided that the loan is taken out not more than 30 days before the payment of **Ransom** and repaid within 30 days of the **Insured** receiving reimbursement from the Company of the amount of the **Ransom** within the applicable limit of insurance;

4. reasonable costs of travel and accommodations, including:

a. the costs to return an **Insured Person** and such **Insured Person's** family to the country of which the **Insured Person** is a national or resident alien upon the **Insured Person's** release from a **Kidnapping**, **Detention**, or **Hijack** or the resolution of an **Extortion**; and

b. the costs to relocate an **Employee** and such **Employee's** family for the purposes of replacing such **Insured Person**, provided that these costs will apply only once per **Insured Person** per **Insured Event**;

5. **Salary**;

6. costs incurred by the **Insured** for the compensation of an **Employee** specifically designated to assist in negotiations associated with a **Kidnapping**, **Detention**, or **Hijack**, not to exceed the **Employee's** base rate of pay and all other reasonable expenses solely and directly incurred in connection with such negotiations, provided that the **Insured** forwards an itemized accounting of the **Employee's** time, services, and expenses to the Company;

7. personal financial loss suffered by an **Insured Person** solely and directly as a result of the physical inability of a victim of a **Kidnap**, **Extortion**, **Detention**, or **Hijack** to attend to personal financial matters, including the renewal of insurance contracts, exercise of stock options, and response to margin or loan calls by financial institutions; or

8. other reasonable expenses incurred solely and directly as a result of a **Kidnapping**, **Detention**, or **Hijack**, provided that such expenses are incurred after the **Insured Person's** release from the **Kidnapping**, **Detention**, or **Hijack** with the prior written consent of the Company and within 36 months following the release.

E. ***Cyber Extortion*** means a threat, communicated to an **Insured** or **Insured Person** by an individual other than an identifiable **Employee**, expressing an intention to:

1. cause the **Insured** to transfer, pay, or deliver funds or property using a **Computer System** without the permission, authorization, and consent of the **Insured**;

2. sell or disclose information about a customer of the **Insured** that is unique to the relationship of the customer and the **Insured** and is not otherwise publicly available, provided that such information is stored in an electronic medium in a **Computer System** and is retrievable in a perceivable form;

3. alter, damage, or destroy any computer program, software, or other electronic data that is stored within a **Computer System**;

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4. maliciously or fraudulently introduce a **Computer Virus** into a **Computer System** when such threat is premised upon actual or alleged unauthorized access to the **Computer System**;

5. maliciously or fraudulently introduce malware into a **Computer System**; or

6. initiate an intentional attack on a **Computer System** that depletes system resources or impedes system access available through the Internet to authorized external users of the **Computer System**,

where such threat is made for the purpose of demanding **Ransom** from the assets of an **Insured** or **Insured Person** as a condition of not carrying out such threats.

F. ***Detention*** means the holding under duress of an **Insured Person**, for a period in excess of four hours, for a reason other than **Kidnapping**, and whether by authorities legally constituted in the place of custody or by others.

G. ***Employee*** means a natural person whose labor or service is engaged by and directed by the **Insured** and who is:

1. on the payroll of the **Insured**;

2. temporarily furnished to the **Insured** to substitute for a natural person described in 1. above on leave or to meet seasonal or short-term workload conditions;

3. leased to the **Insured** under a written agreement between the **Insured** and a labor leasing firm;

4. a partner, proprietor, member of the board of directors, officer, member of the board of trustees, member of the board of managers, or functional equivalent, of the **Insured** or in such capacity while acting as a member of any elected or appointed committee of the **Insured**;

5. a former employee, partner, proprietor, member of the board of directors, officer, member of the board of trustees, member of the board of managers, or functional equivalent, of the **Insured** and who is retained as a consultant for the **Insured**;

6. a guest student or intern pursuing studies or duties in any office of the **Insured**; or

7. specifically scheduled by endorsement to this **Kidnap and Ransom Policy**.

Employee does not include any agent, broker, factor, commission merchant, consignee, independent contractor or representative of any **Insured**, not specified in 1. through 7. above.

H. ***Extortion*** means **Bodily Injury Extortion**, **Property Damage Extortion**, **Products Extortion**, **Trade Secrets Extortion**, or **Cyber Extortion**.

I. ***Guest*** means a natural person who is: (i) visiting any **Premises**, or traveling with an **Employee** of the **Insured**, for social or business purposes; or (ii) traveling in a motor vehicle, aircraft or waterborne vessel owned, rented or leased by the **Insured**.

J. ***Hijack*** means illegal holding under duress, for any reason other than **Kidnapping**, of an **Insured Person**, for a period in excess of four hours, while such **Insured Person** is traveling in or on a motor vehicle, aircraft, train, waterborne vessel, or any form of public or private transportation, whether by authorities legally constituted in the place of custody or by others.

K. ***Informant*** means a natural person, other than an **Insured Person**, providing information not otherwise obtainable, solely in return for a **Reward** offered by the **Insured** or an **Insured Person**.

L. ***Insured*** means the **Named Insured** or any **Subsidiary**.

M. ***Insured Event*** means a singular act of **Kidnap**, **Extortion**, **Detention**, or **Hijack**, or a series of connected acts thereof. If multiple acts of **Kidnap**, **Extortion**, **Detention**, or **Hijack** are or were carried out in furtherance of another, or of a common scheme or plan, then all such acts will be deemed to be connected and to constitute a single **Insured Event**.

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N. ***Insured Person*** means an **Employee**, **Guest**, **Relative**, or resident or individual employed in the household of an **Employee**.

O. ***Kidnap* or *Kidnapping*** means an actual or alleged event, or connected series of events, of seizing, detaining, abducting, or carrying away by force or fraud, of an **Insured Person** (except a minor by a parent thereof) by one person or collaborating persons for the purpose of demanding a **Ransom** from the assets of an **Insured** or **Insured Person** as a condition of the release of such **Insured Person**.

P. ***Kidnap and Ransom Policy*** means, collectively, the Declarations, the application, this policy form, and any endorsements attached thereto.

Q. ***Loss of Extremity*** means the permanent physical separation, or the total and irrevocable loss of use, of a digit, ear, nose, or genital organ, or any part thereof.

R. ***Loss of Hearing*** means the loss of hearing of one or both ears that is certified as being entire and irrevocable by a qualified medical practitioner who specializes in hearing loss and is approved by the Company.

S. ***Loss of Limb*** means the separation, or the total and irrevocable loss of use, of a hand at or above the wrist, or a foot at or above the ankle.

T. ***Loss of Sight*** means the loss of sight in one or both eyes that is certified as being entire and irrevocable by a qualified medical practitioner who specializes in ophthalmology and is approved by the Company.

U. ***Loss of Speech*** means the loss of speech that is certified as being entire and irrevocable by a qualified medical practitioner who specializes in loss of speech and is approved by the Company.

V. ***Named Insured*** means the entity named in ITEM 1 of the Declarations.

W. ***Personal Accident*** means **Loss of Extremity**, **Loss of Hearing**, **Loss of Limb**, **Loss of Sight**, **Loss of Speech**, **Permanent Total Disablement**, or death, sustained by an **Insured Person** within 12 months from the date of the **Kidnapping**, **Extortion**, **Detention**, or **Hijack** and subject to the limitations set forth within the schedule below:

BENEFIT SCHEDULE			
Benefits per **Insured Person** expressed as a percentage of the Personal Accident Limit of Insurance set forth in ITEM 5 of the Declarations			
Death	100%	**Loss of Sight**	100%
Loss of Limb	100%	**Permanent Total Disablement**	100%
Loss of Hearing	100%	**Loss of Extremity**	50%
Loss of Speech	100%		

X. ***Permanent Total Disablement*** means disablement that necessarily and continuously disables an **Insured Person** from attending to every aspect of such **Insured Person's** normal business or occupation for a period of 12 months and, at the end of such period is certified as being beyond hope of improvement by two qualified medical practitioners who are approved by the Company. If the **Insured Person** has no business or occupation, the disablement must prevent such **Insured Person** from attending to his or her normal daily activities.

Y. ***Policy Period*** means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations. In no event will the **Policy Period** continue past the effective date of cancellation or termination of this **Kidnap and Ransom Policy**.

Z. ***Premises*** means that portion of any real property owned by or leased to the **Insured**, or a residence occupied by any **Employee**.

AA. ***Products Extortion*** means a threat, communicated to an **Insured** or **Insured Person**, that:

1. goods or products of the **Insured**, goods or products which are to be passed off as such, or goods or products which the **Insured** handles, will be or have been contaminated, polluted, or rendered substandard; or

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2. publicity has been created stating that goods or products of the **Insured**, goods or products which are to be passed off as such, or goods or products which the **Insured** handles have been contaminated, polluted, or rendered substandard;

where such threat is made for the purpose of demanding **Ransom** from the assets of an **Insured** or any **Insured Person** as a condition of not carrying out such threats.

BB. ***Property*** means any:

1. land, building, or structure;

2. fixture, fitting, machinery, or equipment (fixed or mobile), work of art or other property located in or on such land, building, or structure;

3. vessel or aircraft;

4. bloodstock or livestock; or

that is owned by or leased to the **Insured** or for which the **Insured** is legally liable.

CC. ***Property Damage Extortion*** means a threat, communicated to an **Insured** or **Insured Person**, to cause loss of, physically damage, contaminate, or pollute **Property**, where such threat is made for the purpose of demanding **Ransom** from the assets of an **Insured** or **Insured Person** as a condition of not carrying out such threats.

DD. ***Ransom*** means cash, monetary instruments, or bullion, or the fair market value of securities, property, or services paid or surrendered, or to be paid or surrendered, by or on behalf of an **Insured** or **Insured Person**, at the direction and demand of one or more persons committing or allegedly committing a **Kidnap** or **Extortion**. The value of **Ransom** will be determined as of the date such **Ransom** is paid or surrendered.

EE. ***Relative*** means a spouse, domestic partner, fiancé, fiancée, child, stepchild, adopted child, adopted stepchild, foster child, spouse of a married child, grandchild, sister, brother, parent, parent-in-law, step-parent, grandparent, grandparent-in-law, or any other lineal descendant or living ancestor of an **Employee**, or of a resident or individual employed in the household of an **Employee**.

FF. ***Reward*** means a reasonable amount paid by an **Insured** or **Insured Person** to an **Informant** for information that contributes to the return of an **Insured Person** or such **Insured Person's** remains or to the resolution of the **Insured Event**.

GG. ***Salary*** means:

1. the amount of compensation paid by the **Insured**, including hourly wages, bonuses, commissions, allowances, cost of living adjustments, foreign tax reimbursements, or health and welfare and pension benefits (at the level in effect on the commencement date of the **Kidnapping**, **Detention**, or **Hijack**) that the **Insured** pays to an **Insured Person** who is a victim of the **Kidnapping**, **Detention**, or **Hijack**. **Salary** will be paid under this paragraph until the earliest of:

   a. 60 days after the date of the release of, or escape by, the **Insured Person** from the kidnappers, detainers, or hijackers;

   b. the date of discovery of the death of the **Insured Person**;

   c. 120 days after the Company receives the last credible evidence that the **Insured Person** is still alive; or

   d. 72 months after the commencement date of the **Kidnapping**, **Detention**, or **Hijack**;

2. the amount of compensation paid by the **Insured**, including hourly wages, bonuses, commissions, allowances, cost of living adjustments, foreign tax reimbursements, or health and welfare and pension benefits, for a temporary replacement of an **Insured Person** for the duration of the **Kidnapping**, **Detention**, or **Hijack** and 60 days thereafter, up to but not exceeding the level of such **Insured Person**'s total amount of compensation in effect on the commencement date of the **Kidnapping**, **Detention**, or **Hijack**; or

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3. the amount of compensation, including hourly wages, bonuses, commissions, allowances, cost of living adjustments, foreign tax reimbursements, or health and welfare and pension benefits, of an **Insured Person's Relative** who leaves his or her employment in order to assist in the negotiations for the release of such **Insured Person** from a **Kidnapping**, **Detention**, or **Hijack**, for the duration of the **Kidnapping**, **Detention**, or **Hijack** and 60 days thereafter, up to but not exceeding the level of such **Relative's** total amount of compensation in effect on the commencement date of the **Kidnapping**, **Detention**, or **Hijack.**

HH. ***Subsidiary*** means:

1. any corporation, partnership, limited liability company, or other entity organized under the laws of any jurisdiction in which, on or before the Inception Date set forth in ITEM 2 of the Declarations, the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint, or exercise a majority control over such entity's board of directors, board of trustees, board of managers, natural person general partners, or functional equivalent; or

2. subject to the provisions set forth in section II. GENERAL AGREEMENTS D. ACQUISITIONS, any entity that the **Named Insured** acquires or forms during the **Policy Period** in which the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint, or exercise a majority control over such entity's board of directors, board of trustees, board of managers, natural person general partners, or functional equivalent.

II. ***Trade Secrets Extortion*** means a threat, communicated to an **Insured** or **Insured Person**, to disseminate, utilize, or divulge information, including any formula, pattern, compilation of data, program, device, method, technique, or process, or other confidential or proprietary information that is particular to the Insured in the conduct of business, provided that the **Insured** makes constant and conscious efforts not to disclose such information to any unauthorized third party, where such threat is made for the purpose of demanding **Ransom** from the assets of an **Insured** or **Insured Person** as a condition of not carrying out such threats.

IV. EXCLUSIONS

This **Kidnap and Ransom Policy** will not apply to:

A. **Ransom** paid or surrendered based upon or arising out of any fraudulent, dishonest, or criminal act of the **Insured**, an **Insured Person**, or any person authorized by the **Insured** to have custody of such **Ransom**;

B. **Ransom** surrendered in a face-to-face encounter involving the use or threat of force or violence, unless surrendered by a person who is in possession of such **Ransom** at the time of such surrender for the sole purpose of conveying it to pay a previously communicated demand for such **Ransom**;

C. **Ransom** paid or surrendered either at the location where the **Kidnap** of any **Insured Person** occurs or where the **Extortion** demand is first made, unless such **Ransom** is brought to such location after receipt of the **Ransom** demand for the sole purpose of paying such **Ransom** demand;

D. **Covered Expenses**, solely with respect to **Detention** under Insuring Agreement E, based upon or arising out of:

1. any act or alleged act of an **Insured** or **Insured Person** that, if committed by the same party in the country where the **Named Insured** is headquartered, or of which the **Insured Person** is a national, would be a criminal offense, unless the Company determines that the allegations were intentionally false, fraudulent, and malicious and made solely and directly to achieve a political, propaganda, or coercive effect upon, or to the detriment of the **Insured** or the **Insured Person** who was the subject of the **Detention**; or

2. the failure of an **Insured** or **Insured Person** to properly procure or maintain immigration, work, residence, or similar visas, permits, or other documentation.

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V. CONDITIONS

A. INSURED'S DUTIES

1. When an **Insured** first becomes aware of facts that would cause a reasonable person to assume an **Insured Event** has occurred or will occur, the **Insured** will:

   a. give oral or written notice as soon as practicable to the Crisis Response Firm and the Company at the addresses provided in ITEMS 5 and 3, respectively, of the Declarations;

   b. use all due diligence and do all things reasonably practicable to avoid or diminish any loss or expenses;

   c. use all reasonable efforts not to disclose the existence of this **Kidnap and Ransom Policy**; and

   d. give the Company assistance and cooperation as it may reasonably require.

2. Under Insuring Agreements A and B, and prior to the payment or surrender of any **Ransom**, the **Insured** will:

   a. make every reasonable effort to determine that the **Kidnapping** or **Extortion** has actually occurred and is not a hoax;

   b. have approved the payment of any **Ransom**; and

   c. make every reasonable effort to notify the Federal Bureau of Investigation, or other law enforcement agency having jurisdiction thereover, of the demand for **Ransom**, and comply with such agency's recommendations and instructions, or allow the Crisis Response Firm set forth in ITEM 5 of the Declarations to so notify, while having regard for the personal safety of any **Insured Person**.

3. Under Insuring Agreement H, the **Insured** will:

   a. not admit any liability for or settle any claim, or incur costs or expenses, without the prior written authorization of the Company;

   b. notify the Company of any suit or legal proceeding at the earliest practicable time, not to exceed 60 days after the **Insured's** receipt of notice thereof, and at the request of the Company promptly furnish it with copies of all pleadings and documentation associated with such suit or proceeding;

   c. defend any claim covered hereunder, provided that the Company will have no duty to defend any such claim and the Company will have the right to participate with the **Insured** in the investigation, defense, and settlement, including but not limited to the negotiation of a settlement of any claim that reasonably appears to be covered in whole or in part hereunder, and the selection of appropriate defense counsel; and

   d. provide the Company with written request prior to any advance of amounts for costs and expenses with respect to any claim covered hereunder. Such advanced payments by the Company will be repaid to the Company by the **Insured** in the event and to the extent that the **Insured** is not entitled to payments of such costs and expenses hereunder. As a condition of any payment of costs and expenses under this Condition A.3. d, the Company may require a written undertaking on terms and conditions satisfactory to the Company guaranteeing the repayment of any costs or expenses paid to or on behalf of the **Insured** if it is finally determined that any such claim, or portion of any claim, is not covered hereunder.

B. RETENTION

The Company will have no obligation to pay loss or expenses under this **Kidnap and Ransom Policy**, until the applicable Retention amount set forth in ITEM 5 of the Declarations has been paid by the **Insured**. The Company may, at its sole discretion, pay all or part of the Retention amount on behalf of the **Insured**, and in such event, the **Insured** agrees to repay the Company any amounts so paid.

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C. LIMIT OF INSURANCE

1. Policy Aggregate Limit of Insurance

   If ITEM 5 of the Declarations indicates that this **Kidnap and Ransom Policy** includes a Policy Aggregate Limit of Insurance, then the maximum limit of insurance under all applicable Insuring Agreements, with the exception of Insuring Agreement I, will not exceed such Policy Aggregate Limit of Insurance. The Policy Aggregate Limit of Insurance will be reduced by the amount of any payment made under the terms of this **Kidnap and Ransom Policy**. If the Policy Aggregate Limit of Insurance is exhausted by any payments made under this **Kidnap and Ransom Policy**, the Company will have no further liability for loss or expenses, except under Insuring Agreement I, regardless of when incurred and whether previously reported to the Company.

   If applicable, the Policy Aggregate Limit of Insurance will be reinstated to the extent of any net recovery pursuant to Condition E that is received by the Company during the **Policy Period** and before the Policy Aggregate Limit of Insurance is exhausted. Recovery from reinsurance or indemnity, or both, for the Company's benefit will not be deemed a recovery as used herein.

   If ITEM 5 of the Declarations indicates that this **Kidnap and Ransom Policy** does not include a Policy Aggregate Limit of Insurance, then, with the exception of Insuring Agreement G, payment of loss or expenses will not reduce any applicable Limit of Insurance available for other losses or expenses sustained during the **Policy Period**.

2. Limit of Insurance

   The maximum limit of insurance for each **Insured Event** under any applicable Insuring Agreement of this **Kidnap and Ransom Policy** will not exceed the Limit of Insurance for such applicable Insuring Agreement as set forth in ITEM 5 of the Declarations.

3. Personal Accident Aggregate Limit of Insurance

   The maximum limit of insurance for **Personal Accident** under Insuring Agreement G of this **Kidnap and Ransom Policy** as a result of all **Insured Events** will not exceed the Aggregate Limit of Insurance for Insuring Agreement G as set forth in ITEM 5 of the Declarations. Such Aggregate Limit of Insurance will be reduced by the amount of any payment for any **Personal Accident** as a result of an **Insured Event** first occurring during the **Policy Period**. Upon exhaustion of such Aggregate Limit of Insurance by such payments, the Company will have no further obligation under Insuring Agreement G.

4. Crisis Response Firm Fees and Expenses

   The fees and expenses of the Crisis Response Firm set forth in Insuring Agreement I ITEM 5 of the Declarations will not erode any Limit of Insurance under this **Kidnap and Ransom Policy** and will be borne by the Company.

D. ACTION AGAINST THE COMPANY

No suit, action, or proceeding for recovery of any claim for loss or expenses under this **Kidnap and Ransom Policy** will be brought in any court of law, equity, or other tribunal unless all the requirements of this **Kidnap and Ransom Policy** have been complied with and such suit, action, or proceeding has been commenced within 24 months after such claim for loss or expenses has been reported to the Company by the **Insured**.

If the period of limitation in this Condition D is deemed to be inconsistent with applicable state law, such period of limitation is amended so as to equal the minimum period of limitation provided by such law.

E. RECOVERIES

All recoveries for payments made under this **Kidnap and Ransom Policy** should be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

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1. first, to the **Insured** to reimburse the **Insured** for loss or expenses that would have been paid under this **Kidnap and Ransom Policy** but for the fact that it is in excess of the applicable Limit of Insurance;

2. second, to the Company in satisfaction of amounts paid or to be paid to the **Insured** in settlement of any covered claim;

3. third, to the **Insured** in satisfaction of any applicable Retention; and

4. fourth, to the **Insured** in satisfaction of any loss not covered under this **Kidnap and Ransom Policy**;

provided that recoveries do not include any recovery from insurance, suretyship, reinsurance, security, or indemnity taken for the Company's benefit.

F. LIBERALIZATION

If the Company adopts any revision to this **Kidnap and Ransom Policy** that would broaden coverage, and such revision does not require an additional premium or endorsement and is adopted within 45 days prior to or during the **Policy Period**, the broadened coverage will apply to this **Kidnap and Ransom Policy** as of the date the revision is approved for general use by the applicable department of insurance.

G. SUBROGATION

In the event of payment under this **Kidnap and Ransom Policy**, the Company will be subrogated to all of the **Insured's** rights of recovery against any person or organization to the extent of such payment, and the **Insured** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured will do nothing to prejudice such rights.

H. CANCELATION

The Company may cancel this **Kidnap and Ransom Policy** for failure to pay a premium when due in which case 20 days written notice will be given to the **Named Insured**, unless, payment in full is received within 20 days of the **Named Insured**'s receipt of such notice of cancellation. The Company has the right to the premium amount for the portion of the **Policy Period** during which the **Kidnap and Ransom Policy** was in effect.

The **Named Insured** may cancel this **Kidnap and Ransom Policy** by mailing the Company written notice stating when, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective. In the event the **Named Insured** cancels, the Company will return any unearned premium on a pro rata basis. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Company will not be required to renew this **Kidnap and Ransom Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Named Insured** written notice to that effect at least 30 days before the Expiration Date set forth in ITEM 2 of the Declarations.

I. OTHER INSURANCE

This **Kidnap and Ransom Policy** will apply only as excess insurance over, and will not contribute with:

1. any other valid and collectible insurance available to the **Insured**, unless such insurance is written specifically excess of this **Kidnap and Ransom Policy** by reference in such other policy to the Policy Number of this **Kidnap and Ransom Policy**; and

2. indemnification to which the **Insured** is entitled from any other entity.

As excess insurance, this **Kidnap and Ransom Policy** will not apply or contribute to the payment of any loss or expenses until the amount of such other insurance or indemnity has been exhausted by payment of loss or expenses covered thereunder. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of loss or expenses, this **Kidnap and Ransom Policy** will apply only to that part of loss or expenses that is not recoverable or recovered under the other insurance or indemnity. This **Kidnap and Ransom Policy** will not be subject to the terms of any other insurance.

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J. VALUATION

1. All premiums, limits of insurance, retentions, loss, expenses and other amounts under this **Kidnap and Ransom Policy** are expressed and payable in U.S. dollars.

2. In the case of marketable goods or services paid or surrendered as **Ransom**, the Company will pay the actual cash value thereof at the time of payment or surrender.

3. Any loss of cash or marketable goods or services in payment of a ransom demand will be paid, at the option of the **Insured**, in the money of the country in which the loss was sustained, or in the U.S. dollar equivalent determined at the rate of exchange published in *The Wall Street Journal* at the time of payment of such loss by the **Insured**.

K. CHANGES

Only the **Named Insured** is authorized to make changes in the terms of this **Kidnap and Ransom Policy** and solely with the Company's prior written consent. This **Kidnap and Ransom Policy's** terms can be changed, amended, or waived only by endorsement issued by the Company and made a part of this **Kidnap and Ransom Policy**. Notice to any representative of the **Insured**, or knowledge possessed by any agent or by any other natural person, will not effect a waiver or change to any part of this **Kidnap and Ransom Policy** or estop the Company from asserting any right under the terms, conditions, and limitations of this **Kidnap and Ransom Policy**; nor may the terms, conditions, and limitations hereunder be waived or changed, except by a written endorsement to this **Kidnap and Ransom Policy** issued by the Company.

L. ASSIGNMENT

This **Kidnap and Ransom Policy** may not be assigned or transferred, and any such attempted assignment or transfer will be void and without effect unless the Company has provided its prior written consent to such assignment or transfer.

M. ENTIRE AGREEMENT

This **Kidnap and Ransom Policy** constitutes the entire agreement between the Company and the **Insured**.

N. HEADINGS

The descriptions in the headings and sub-headings of this **Kidnap and Ransom Policy** are solely for convenience and form no part of the terms and conditions of coverage.

O. SANCTIONS

This **Kidnap and Ransom Policy** will provide coverage, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose the Company or any of its affiliated or parent companies to any trade or economic sanction under any law or regulation of the United States of America or any other applicable trade or economic sanction, prohibition, or restriction.

P. TERRITORY

This **Kidnap and Ransom Policy** applies to **Insured Events** that occur anywhere in the world.

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