

Kidnap, Ransom and Extortion Insurance: Questions & Answers



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Kidnap incidents happen all over the world. Apart from the danger and stress suffered by the victim(s), the financial and reputational impact to a company of a kidnap incident can be enormous. The handling of the incident is crucial.

This document outlines the key differences between coverage offered by a Corporate Travel Policy with a standard Kidnap Ransom & Extortion extension and the coverage offered by a stand-alone Kidnap, Ransom & Extortion Policy.

What are the Key Differences?

A Corporate Travel policy with a standard Kidnap, Ransom and Extortion extension typically only includes limited coverage and limits for employees traveling overseas compared to LIU's Kidnap, Ransom and Extortion policy (the KRE Policy).

Illustrated in the table below are some fundamental differences:

	Standard Extension	KRE Policy
Ransom Monies	✓	✓
Extra Expenses	✓	✓
Judgement, Settlement and Defence Costs	x	✓
Business Interruption	x	✓
Cyber Extortion	x	✓
Child Abduction Expenses	x	✓
Unlimited Consultant Costs	x	✓
Worldwide Cover	x	✓
Coverage for Expatriates and Local	x	✓

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Who does the KRE Policy cover?

The KRE Policy covers all directors, officers and employees of the Insured including immediate relatives, such as, spouse and children.

What countries are covered?

A Corporate Travel policy with a standard Kidnap, Ransom and Extortion extension can typically exclude cover to high risk areas such as South America, Middle East and Mexico – the exact places an Insured often requires this type of cover. LIU can consider travel to and employees residing in the majority of high risk countries.

Can LIU offer cover in excess of a Corporate Travel policy?

Yes, LIU can offer Difference in Conditions/Difference in Limits in excess of a Corporate Travel policy.

Who are LIU's consultants and how can they assist?

Utilising specialised world-leading security consultants, namely, red24 and Intelligent Risks, LIU can help clients identify and reduce risk through pre-deployment prevention training and contingency and continuity planning. Should the unthinkable occur, LIU and the security consultants will provide a response strategy, media relations policy, risk assessment and post incident advice/re- assessment.

There is no monetary sub-limit attached to consultants and advisor costs however costs are paid for 12 months from date of loss.

Target Market

The KRE Policy is suitable for clients of all sizes.

What is LIU's capacity?

LIU's capacity is A\$ 30m.

LIU offers a comprehensive Kidnap, Ransom & Extortion solution, encompassing risk mitigation, incident response and financial cover. This enables your client to reduce their exposure to kidnap risk and minimise the impact of any incident on staff and operations.

Want to Know More?

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