MULTINATIONAL CHOICE - KIDNAP, RANSOM OR EXTORTION COVERAGE FORM

A. INSURING AGREEMENTS

This Coverage Part applies to the "ransom monies", "expenses", and "personal incidental loss" as stated below that are paid by you at any time, provided, however, that such payments result from a covered "kidnapping", "extortion threat", "detention", or "hijacking" that occurs during the Policy Period and you discover such occurrence and make a claim for reimbursement under this Coverage Part, no later than twelve months after the expiration of the Policy Period.

1. Kidnap, Ransom or Extortion

We will reimburse "ransom monies" paid by you resulting from a covered "kidnapping" or "extortion threat".

2. Expenses

We will reimburse "expenses" paid by you resulting from a covered "kidnapping", "extortion threat", "detention" or "hijacking" of any "insured person".

3. Related Defense Expenses

We will reimburse "related defense expenses" paid by you resulting from a covered "kidnapping", "extortion threat", "detention" or "hijacking" of any "insured person"; provided, however, as additional conditions precedent to your liability for any "related defense expenses", you shall immediately notify us of any claim or suit generating such "related defense expenses" and you will not settle such claim or suit, or incur any related costs or "expenses", without our prior written authorization, nor will you admit liability in any such claim or suit. We shall have no duty to defend any such claim or suit, but will have the right to investigate, negotiate or settle any such claim or suit or to take over the conduct of the defense thereof.

Moreover, if, in our discretion, we advance payments for such suit, we may require a written undertaking, on its terms and conditions, guaranteeing the repayment of any cost or "expenses" we pay that are determined to be not covered hereunder.

4. Crisis Response Expenses

We will reimburse you for "crisis response expenses" resulting from a covered "kidnapping", "extortion threat", "detention" or "hijacking" of any "insured person".

5. Custody and Delivery

If, as a result of a covered "kidnapping" or "extortion threat", you sustain destruction, disappearance, confiscation or wrongful appropriation of "ransom monies", while they are being delivered to persons demanding such "ransom monies" by someone who is authorized by you to deliver them, we will reimburse you for such "ransom monies".

6. Personal Incidental Loss

We will reimburse you for payments made to an "insured person", or such person’s estate in the event of "loss of life", for the "personal incidental loss" sustained by such "insured person" from a covered "kidnapping", "detention" or "hijacking".

B. DEFINITIONS

The following terms, whether used in the singular or plural in this Coverage Part, shall have the meaning specified below:

1. "Bodily injury extortion" means any threat, communicated to you or an "insured person" for the purpose of demanding "ransom monies", to kill, physically injure or "kidnap" an "insured person".

2. "Crisis response expenses" means reasonable and customary fees and expenses of independent security consultant(s) or other independent specialist consultant(s) provided by us or retained by you for the exclusive function of responding to a covered "kidnapping", "extortion threat", "detention", or "hijacking", including but not limited to, public relations consultant(s) or private investigation consultant(s); provided that we have given our prior consent to the use of such consultant(s).

3. "Detention" means the involuntary confinement, or connected series of involuntary confinements, of you, for a period of not less than twenty-four (24) hours, for whatever reason other than "kidnapping".

4. "Electronic data" means information, facts or programs: stored as or on; created or used on: or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

5. "Employee" means any natural person while in your service:

   a. Who is compensated directly by salary, wages or commissions by you and who has the right to direct and control while performing services for you.

   b. Who is furnished temporarily to you by a temporary employment service firm to substitute for a permanent "employee" as defined in paragraph **5.a.** above, who is on leave, or to meet seasonal or short-term work load conditions and you have the right to direct and control the "employee" while performing services for you.

   c. Whether compensated or not, who is an officer, director, partner, "member", "manager", representative or trustee or functional equivalent thereof, of yours, in such capacity, or while acting as a "member" of any elected or appointed committee(s) of yours;

   d. Who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business;

   e. Who is a former "employee" while retained as a consultant for you; or .

   f. Who is a guest student or intern of yours while pursuing studies or duties with your guidance or direction.

   However, "employee" shall not mean any agent, broker, factor, commission merchant, consignee, independent contractor or other person of the same general character not specified herein.

6. "Expenses" means, solely as a direct result of any "kidnapping", "extortion threat", "detention" or "hijacking", the reasonable fees and "expenses" for, or cost of:

   a. An independent negotiator.

   b. Legal services necessary to secure the release of an "insured person".

   c. An independent forensic analyst.

   d. Communication equipment, recording equipment and advertising incurred solely and directly to obtain your release.

   e. A "reward".

   f. A "qualified salary".

   g. The interest for a loan taken by you from a financial institution for the purpose of paying "ransom monies" as payment under **A. Insuring Agreements**.

   h. Travel and accommodations incurred by you.

   i. Monetary loss suffered by an "insured person" due to the inability to attend to personal financial matters resulting directly from your involvement as a victim of a covered "kidnapping", "detention" or "hijacking".

   j. Independent security guard services for a period of up to thirty (30) days during a "kidnapping", "extortion threat", "detention" or "hijacking".

   k. Medical services, meaning reasonable and customary charges for medically necessary hospital, surgical, and other medical and dental treatment (including psychological and psychiatric care, and cosmetic, dental or plastic surgery required to correct any permanent disfigurement) incurred by the "insured person" directly as a result of a "kidnapping", "detention" or "hijacking" within twenty-four (24) months following his or her release. The most we will pay per "insured person", per covered incident. for Medical Services as described above is the applicable Medical Services Sub-Limit shown in the Declarations. This sub-limit is included in and not in addition to the limit of insurance applicable to Expenses.

   l. Rest and rehabilitation for the "insured person" and his/her spouse and children, incurred for a period of not more than thirty (30) days, following his or her release from a "kidnapping", "detention" or "hijacking", provided such "expenses" are incurred within six (6) months following his or her release. The most we will pay per "insured person", per covered incident for rest and rehabilitation as described above is the Rest and Rehabilitation Sub-Limit shown in the Declarations. This sub-limit is included in and not in addition to the limit of insurance applicable to Expenses.

m. Returning you and your family to their resident country (the country of which you are a national or resident alien) upon your release from a "kidnapping", "detention" or "hijack" event, and the reasonable travel costs for a replacement "employee" and his/her family; provided, however, that these costs shall apply only once per "insured person" per covered incident.

"Expenses" also means, in connection with any "kidnapping", "extortion threat", "detention" or "hijacking", other reasonable "expenses" incurred by us, subject to our prior written approval. "Expenses" does not include any "related defense expenses" or "crisis response expenses".

7. "Extortion threat" means "bodily injury extortion", "property damage extortion", or "products extortion". All such threats related by a common committed, attempted or threatened act, or made simultaneously against you, will be deemed to constitute a single "extortion threat".

8. **"**First named insured" means the "first named insured" as shown on the Common Declarations Page.

9. "Guest" means any natural person:

a. While visiting the "premises" as your guest.

b. While traveling with your "employee" as a guest.

c. While traveling in a motor vehicle, aircraft, or waterborne vessel owned, rented or leased by you as a "guest".

d. Who is employed in the household of an "employee", while in the home of such "employee".

10. "Hijack" or "hijacking" means the illegal holding, or connected series of holdings, under duress of an "Insured person" or "Insured persons", in excess of four hours, while traveling in any motor vehicle, aircraft, train or waterborne vessel for whatever reason other than "kidnapping".

11. "Informant" means any person, other than you, providing information not otherwise obtainable, solely in return for a "reward" offered by you.

12. "Insured" or "insureds" means Named Insured(s) and "insured person(s)".

13. "Insured person" means any:

a. "Employee".

b. "Relative".

c. "Guest".

d. Natural person who is temporarily retained by you or an independent security consultant to deliver a "Ransom monies" or "extortion threat" payment.

14. "Kidnap" or "kidnapping" means any event, or connected series of events, of seizing, detaining, abducting or carrying away by fraudulent means of one or more "insured persons", except a minor by a parent thereof (or by a person acting on behalf of a parent), for the purpose of demanding "Ransom monies".

15. "Loss of extremity" means the permanent physical separation or the irrecoverable total loss of function of a limb ,foot, hand , finger, toe, or part thereof, or the deliberate mutilation of an ear, nose or genital organ, which is so certified by a qualified medical practitioner specialist approved by us.

16. "Loss of life" means:

a. Death, including clinical death, determined by a medical examiner or similar local governing medical authority.

b. The lack of communication from you or those responsible for the "kidnapping", "detention" or "hijacking" of such "Insured person" for a period of one year following the later of:

(1) Such "kidnapping", "detention" or "hijacking";

(2) The last communication from such "insured person"; or

(3) The last communication from those responsible for such "kidnapping", "detention" or "hijacking".

17. "Loss of sight" means the "loss of sight" of one or both eyes that is certified as being entire and irrevocable to the extent of legal blindness by a qualified medical practitioner specializing in ophthalmology approved by us.

18. "Loss of speech and/or hearing" means the permanent total loss of the capability of speech and/or hearing that is certified by a qualified medical practitioner specialist approved by us.

19. "Manager" means a person serving in a directorial capacity for a limited liability company.

20. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

21. "Personal incidental loss" means any specified "loss of life", total permanent paralysis, "loss of sight", "loss of speech and/or hearing", or "loss of extremity" of an "insured person" when such "personal incidental loss":

    a. Is unanticipated and independent of any illness, disease or other bodily malfunction of such "Insured person"; and

    b. Arises from a source outside of such "Insured person".

22. "Premises" means buildings, facilities or properties occupied by you in conducting its business or a residence occupied by any "employee".

23. "Products extortion" means any threat, communicated to you for the purpose of demanding "ransom monies", that your products, or products that are to be passed off as such, or goods which you handle, will be contaminated, polluted or rendered substandard.

24. "Property damage extortion" means any threat, communicated to you for the purpose of demanding "ransom monies", to physically damage, contaminate or pollute any buildings or "premises", (including, furniture, fixtures, fittings, machinery or equipment [fixed or mobile]), works of art and other contents that constitute tangible property, bloodstock and livestock, owned or leased by you. "Electronic data", programs or software will not be considered tangible property. The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate, "electronic data" or the non-functionality of any computer processing equipment will not be considered physical damage.

25. "Ransom monies" means cash and/or marketable goods or services that you shall have surrendered to meet a "Kidnapping" or "extortion threat" demand.

26. "Related defense expenses" are expenses related to your defense and judgments or settlements which you become legally obligated to pay, as a result of any suit brought by an "insured person" (or the estate, heirs, or legal representatives) alleging negligence or incompetence:

    a. In the hostage retrieval operations or negotiations in a covered "kidnapping", "extortion threat", "detention" or "hijacking" of such "insured person"; or

    b. In the prevention of a covered "kidnapping", "extortion threat", "detention" or "hijacking" of such "insured person".

27. "Relative" means a spouse, domestic partner, child, step-child, adopted child, adopted stepchild, foster child, spouse of married children, grandchild, sister, brother, parent, parent-in-law, step-parent, grandparent, or grandparent-in-law of any "employee".

28. "Reward" means the amount paid by you to an "informant" for information which directly leads to the arrest and conviction of the individual(s) responsible for "kidnapping", "extortion threat", "detention" or "hijacking".

29. "Qualified salary" means the amounts of compensation paid by you at an annual rate, including bonuses, commissions, incentive payments, health and welfare and pension benefits (at the level in effect on the date of the "kidnapping", "detention" or "hijacking") which you continue to pay an "Insured person" who has been the subject of such "kidnapping", "detention" or "hijacking". Payment of "qualified salary" ends at the earliest of:

    a. Up to forty-five (45) days after such "insured person" is released, if the "insured person" is not yet back at work,

    b. When such "insured person" suffers "loss of life",

    c. One hundred and twenty days after the last credible evidence following abduction that the "Insured person" is still alive; or

    d. Sixty (60) months after the commencement of such "kidnapping" "detention" or "hijacking", whichever is more recent.

    "Qualified salary" shall include the amounts of compensation paid by you to a replacement "employee" to conduct the duties of the "insured person" following the "kidnapping", "detention" or "hijacking" of such "insured person". Such coverage shall apply to the "qualified salary" in effect at the time of such "kidnapping", "detention" or "hijacking" and will end forty-five days after such "insured person" is released or suffers "loss of life".

C. EXCLUSIONS

1. We will not pay any "ransom monies", "expenses", related "defense expenses", "crisis response expenses" and/or "personal incidental loss":

a. In connection with any claim for reimbursement hereunder, for, based upon, arising from or in any way related to any fraudulent, dishonest or criminal acts by you, any "Insured person" or any person authorized by you to have custody of "ransom monies".

b. Resulting from fraud by you allegedly the subject of a "kidnapping", "extortion threat", "detention" or "hijack" if you have not, prior to payment, made reasonable efforts to determine that such "kidnapping", "extortion threat", "detention" or "hijacking" was genuine.

c. Due to confiscation or expropriation of "reward" or "ransom monies" by any governmental authority.

d. Due to your failure to realize income.

e. Due to the surrender of "Ransom monies":

(1) In any 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 monies" at the time of such surrender for the sole purpose of conveying them to pay a previously communicated demand for "ransom monies";

(2) On any "premises" unless brought onto the "premises" after the receipt of the "kidnapping" or "extortion Threat" demand for the purpose of paying such demand.

2. We will not pay any loss under Custody and Delivery due to any act or alleged act by you or an "insured person" which would be a criminal offense if committed by the same party in a country where you are headquartered or of which the "insured person" is a national, unless we determine that such allegations were intentionally false, fraudulent and malicious and made solely and directly to achieve political, propaganda or coercive effect upon or at your or "insured person's" "expense" who was subject to the "detention" or "hijacking".

3. We will not pay any loss:

a. Due to your failure or an "insured person's" to properly procure or maintain immigration, work, travel, residence or similar visas, permits or other documentation.

b. Due to an "insured person" taking part in any political activity or the operations of any security or armed forces.

c. Due to an "insured person" traveling to or remaining in a country after the U.S. Government provides a directive to leave the country in question.

d. Resulting from fraud by an "insured person" allegedly the subject of a "personal incidental loss".

e. Due to any "kidnapping" and/or "extortion threat" that is part of a connected series of acts involving "kidnapping" and/or "extortion threat" beginning prior to the Policy Period, or prior to the acquisition, consolidation or purchase of assets of another entity.

f. Related to the recalling of a product.

g. In connection with any claim for reimbursement hereunder, for, based upon, arising from or in any way related to any loss sustained by one "insured person" or you to the advantage of another "insured person" or you.

h. In connection with a "kidnapping", "extortion threat", "detention", or "hijacking" that takes place in the United States of America, (including its territories and possessions), Puerto Rico, or Canada.

i. In connection with:

(1) A virus, malicious code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.

(2) Unauthorized viewing, copying, publication or use of:

(a) "electronic data," or

(b) any proprietary confidential information or

(c) intellectual property in any form.

(3) Manipulation of a computer system, including "electronic data",

(4) Interruption in normal computer function or network service or function due to insufficient capacity to process transactions or to an overload of activity on the system or network;

(5) A threat involving any of the foregoing.

D. GENERAL AGREEMENTS

1. Joint Named Insured

a. By acceptance of this Coverage Part, you agree that this Coverage Part embodies all agreements existing between themselves and us or any of our agents relating to this insurance. The "first named insured" will act for itself and for every other Named Insured with respect to all matters under this Coverage Part, including, without limitation, giving and receiving of notices regarding claims, cancellation, payment of premiums, receipt of any return premiums, and acceptance of any endorsements to this Coverage Part.

b. If you or any "insured person" has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Named Insured and "insured person".

c. Your "employee" is considered to be an "employee" of every Named Insured.

d. All reimbursement by you hereunder shall be payable to you at our election, and we shall not be responsible for the proper application of any payment made. If we agree to and make payment to you other than the "first named insured" or to any "insured person", such payment shall be treated as though made to the "first named insured".

e. We will not pay more for "ransom monies", "expense", and/or "personal incidental loss" sustained by you than the amount we would pay if all such loss had been sustained by one Named Insured.

2. Payment of "Personal Incidental Loss"

Where allowable by law, we may at our election, make payments for a covered "personal incidental loss" directly to an "insured person", or, in the event of "loss of life", to the estate of an "insured person".

E. CONDITIONS PRECEDENT TO LIABILITY

As conditions precedent to your liability to provide coverage hereunder prior to any payment:

1. You shall give oral or written notice of a "kidnapping", "extortion threat", "detention" or "hijacking" as soon as practicable to us and to the Independent Security Consultant named in the Declarations.

2. You shall make every reasonable effort to notify the Federal Bureau of Investigation or other law enforcement agency having jurisdiction there over of such occurrence and a demand for "ransom monies" and comply with such agencies' recommendations and instructions;

3. You shall determine, or aid in determining, that the "kidnapping", "extortion threat", "detention" or "hijacking" is genuine and has actually occurred,

4. You and "insured persons" shall use all reasonable efforts not to disclose the existence of this Coverage Part;

5. You and "insured persons" shall use all due diligence and do all things reasonably practicable to avoid or diminish any payment; and

6. You shall have approved the payment; and you shall furnish to us affirmative proof of payment with full particulars of loss sustained.

F. LIMITS OF INSURANCE

1. The most we will pay under Insuring Agreements A.1-A.5 is the limit of insurance in the Declarations applicable to:

a. Insuring Agreement **A.1.** for all "ransom monies" actually paid for a covered "kidnapping" or "extortion threat".

b. Insuring Agreement **A.2.** for all Expenses paid for a covered "kidnapping", "extortion threat", "detention" or "hijacking".

c. Insuring Agreement **A.3.** for all "related defense expenses" paid for a covered "kidnapping", "extortion threat", "detention" or "hijacking".

d. Insuring Agreement **A.4.** for all "crisis response expenses" paid for a covered "kidnapping", "extortion threat", "detention" or "hijacking".

e. Insuring Agreement **A.5.** for all actual loss of "ransom monies" intended to be paid for a covered "kidnapping" or "extortion threat".

2. The amount we will pay for a "personal incidental loss" for any one "insured person" is the Loss Limit stated in **A.6.** of the Declarations. In the event that one "insured person" suffers multiple specified "personal incidental losses" from a covered "kidnapping", "detention" or "hijacking", then, the most we will pay is the Maximum Limit stated in item **A.6.** of the Declarations.

3. All recoveries made by any "insured person" or you in connection with a covered "kidnapping", "extortion threat", "detention" or "hijacking" shall be factored into any determination of reimbursable payments hereunder.

4. In the event that any reported occurrence involves multiple Named Insureds or "insured persons", our maximum liability for covered payments made by one or all Named Insureds or "insured persons" shall not exceed the amount for which we would be liable if all such payments were made by one Named Insured or "insured person". The Limit of Insurance shall not be cumulative from Policy Period to Policy Period.

5. In the event that a Per Event Maximum Limit of Insurance is stated in the Declarations, such Limit is the most we will pay for all loss under this Coverage Part arising out of one event or one connected series of events.

6. In the event that an Annual Aggregate Limit of insurance is shown in the Declarations, such limit is most we will pay for all loss under this Coverage Part in any one Policy Period.

G. PERSONAL ASSETS

In the event that a demand for "ransom monies", "bodily injury extortion", or "property damage extortion" is directed against any "insured person" rather than against you, "ransom monies" surrendered, or intended to be surrendered, in response to such demand by or on behalf of such "insured person", and the resulting "expenses" incurred (other than "related defense expenses") by or on behalf of such "insured person", shall, at the option of such Named Insured, be considered "ransom monies" and/or "expenses" incurred by you provided such loss occurs directly as the result of the "insured person's" association with you and not as a result of such person's association or position with any other entity. You must approve the "ransom monies" payment made by the "insured person" in writing.

H. RECOVERIES

In the event of any payment under this Coverage Part, all recoveries, less the actual cost to of recovery to us, shall be distributed in the following manner:

a. You shall be reimbursed for any loss you paid which exceeded the amount of insurance provided by this Coverage Part.

b. If there is a balance after reimbursement pursuant to the above sub-paragraph **a.**, it shall be applied to reimbursement of us to the extent of our payment.

c. If there is a balance after reimbursement pursuant to the above sub-paragraph **b.**, any remainder shall be paid to you.

d. If there is no excess payment, any such recoveries shall be distributed first in reimbursement to us to the extent of our payment and any remainder paid to you.

I. VALUATION

We shall not be liable for more than the actual cash value of any "ransom monies" paid at the time of such payment, less any amounts which are recovered from the persons to whom the "ransom monies" were paid.

J. OTHER INSURANCE

1. Personal Incidental Loss

Coverage for "personal incidental loss" will be primary and will not be reduced by other insurance.

2. All Other Coverages

a. Except with respect to "personal incidental loss", if any loss is covered under this Coverage Part is covered under any other valid and collectible insurance, then this Coverage Part shall apply only in excess of the amount of any deductibles, retentions and limits of liability under such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically to apply in excess of this Coverage Part by reference in such other insurance to this Coverage Part.

b. Except with respect to coverage for "personal incidental loss" if there is other insurance covering the same loss, damage or expense under this policy or under another policy issued by us or any of our affiliated insurance companies, the most we will pay for the covered loss, damage, or expense is the highest limit of insurance that applies under this policy or any other policy issued by us or any of our affiliated insurance companies.

K. SUBROGATION

We shall be subrogated to all of your rights of recovery regarding any payment of loss by us under this Coverage Part. You shall execute all papers required and do everything necessary to secure and preserve such rights, including the execution of any documents necessary to enable us to effectively bring suit in your name. You shall do nothing to prejudice our position or any potential or actual rights of recovery.

L. ACTION AGAINST THE INSURER

No suit, action or proceeding for recovery of any claim under this Coverage Part shall be sustainable in any court of law, equity or other tribunal unless all the requirements of this Coverage Part shall have been complied with and the same be commenced within twenty-four (24) months after a claim for actual loss or "expenses" has been reported to us by you.

M. ASSIGNMENT

Assignment of interest under this Coverage Part shall not bind us without its consent as specified in a written endorsement issued by us to form a part of this Coverage Part.

N. BANKRUPTCY OR INSOLVENCY

Bankruptcy or insolvency of any "insureds" shall not relieve us of any of our obligations under this Policy.

O. AUTHORIZATION OF "FIRST NAMED INSURED"

The "first named insured" shall act on behalf of all "insureds" with respect to all matters under this Coverage Part, including, without limitation, giving and receiving of notices of claims payment of premiums, receipt of any return premiums, and acceptance of any endorsements to this Coverage Part.

P. CHANGES

This Policy shall not be changed or modified except in a written endorsement issued by us to form a part of this Coverage Part.

Q. NOTICE ADDRESSES

1. All notices to you shall be sent to the "first named insured" at the address specified in of the Common Declarations.

2. All notices to us shall be sent to the address specified in the Common Declarations. Any such notice shall be effective upon receipt by us at such address.