

KIDNAP, RANSOM AND EXTORTION INSURANCE

As business travel increases, threats to foreigners traveling abroad become more common. Read on to learn more about how you can protect yourself with insurance.

What is Kidnap, Ransom and Extortion Insurance?

Kidnap, Ransom and Extortion (K&R) Insurance is typically a stand-alone policy designed for those who travel internationally. It covers costs relating to events such as:

- **Kidnapping and Ransom** – Seizing an individual with the intent to demand money in return for the individual's safe return.
- **Wrongful Detention** – Confining an individual against his or her will for reasons other than kidnapping, often by a government or quasi-government entity for political aims.
- **Extortion** – Demanding money with the threat to injure or kill an individual, damage property or divulge trade secrets (applicable to business travel).
- **Hijacking** – Holding an individual for an extended period of time against his or her will on an airplane, motor vehicle or ship.

This coverage is particularly beneficial for those who travel to so-called high risk regions of the world, like Afghanistan, Brazil, Honduras, India, Mexico, Nigeria, Pakistan, Philippines, Somalia, Venezuela and South Africa.

Coverage Inclusions

Coverage typically includes the following:

- Ransom and extortion payments
- In-transit money delivery coverage
- Consultant costs
- Negotiation costs
- Public relations costs
- Interest fees coverage
- Judgment settlements
- Defense costs
- Harm to the captive individual and his/her family, including:
 - Death and dismemberment benefits
 - Medical costs for injuries
 - Psychiatric treatment after the individual is freed

Note: K&R insurance generally excludes war and terrorism, so for travel in places of civil unrest or war, it is important to ensure that you are covered with a **Personal Accident Policy**, which lacks the war and terrorism exclusion.

Face the Facts

Kidnapping is prevalent in areas of extreme poverty, as well as places where law enforcement turns a blind eye to guerrilla activity.

Typically, kidnapers take foreign travelers captive in order to make a profit, not with the specific intention of harming them. Having the right type of coverage will give you and your loved ones peace of mind with the knowledge that if disaster strikes you'll have the financial resources to get home safely.

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