



CEO's daughter kidnapped

COVERAGE SECTION	KIDNAP/RANSOM AND EXTORTION
Cause of action	Kidnapping
Company	Privately held
Number of employees	More than 150
Annual revenue	Less than \$25 million

DESCRIPTION OF EVENT

A company's CEO was contacted by the abductor of his daughter demanding payment of money if he "wanted to see her again." The CEO retained an independent consultant to advise him how to respond to the demand.

RESOLUTION

After negotiating for five months, a ransom of more than \$50,000 was paid, and the CEO's daughter was released unharmed. The company also paid more than \$65,000 in consultant fees and other expenses related to the episode.



Guerilla group makes demands

COVERAGE SECTION	KIDNAP/RANSOM AND EXTORTION
Cause of action	Extortion threat
Company	Privately held
Number of employees	More than 425
Annual revenue	More than \$75 million

DESCRIPTION OF EVENT

A company's director of commerce, located in Bogota, Colombia, received a threatening email message demanding that she ask for a subordinate's resignation and persuade him to join the guerilla organization mentioned in the message. If she refused, the message said, she would become a "military objective" of the organization. A second email warned, "If you fail, you know what the outcome will be."

RESOLUTION

The director of commerce's company hired an independent consultant to advise it concerning a response and investigation. Security at the facility and at the employee's home was increased and, eventually, the email messages stopped. The company paid more than \$20,000 in consulting and security expenses.





Former employee makes extortion threats

COVERAGE SECTION	KIDNAP/RANSOM AND EXTORTION
Cause of action	Extortion threat
Company	Privately held
Number of employees	More than 100
Annual revenue	More than \$50 million

DESCRIPTION OF EVENT

A CEO received a telephone call demanding a payment of \$100,000 or else he and his wife would be killed. The CEO delivered the money to the drop-off point designated by the caller, but the money was not picked up. A few months later, the CEO received another call demanding \$125,000 or else he and his wife would be killed. The CEO again delivered the money to the drop-off point, and again it was not picked up. Between the first and second threats, the CEO's company hired an independent consultant to investigate who may have been responsible for the threats.

RESOLUTION

The consultant determined that a former employee was involved. The police were notified, and the threats stopped. The company paid more than \$40,000 in consulting expenses.



Employee receives death threat

COVERAGE SECTION	KIDNAP/RANSOM AND EXTORTION
Cause of action	Death threat
Company	Privately held
Number of employees	More than 750
Annual revenue	More than \$125 million

DESCRIPTION OF EVENT

A U.S. company sent an employee to Mexico to manage a joint venture. The employee began receiving anonymous threats saying that if he did not leave the country he would be killed.

RESOLUTION

The company repatriated the employee to the United States and retained a consultant to investigate the threat and to give advice on how to respond. The company paid more than \$15,000 in consulting fees.



CEO of foreign subsidiary kidnapped

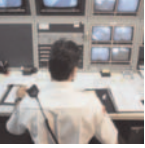
COVERAGE SECTION	KIDNAP/RANSOM AND EXTORTION
Cause of action	Kidnapping
Company	Privately held
Number of employees	More than 1,500
Annual revenue	More than \$275 million

DESCRIPTION OF EVENT

The president of the foreign subsidiary of a U.S. company located in South Asia was kidnapped. The kidnapers demanded a ransom from his family in return for his safe release. The victim's company retained a consultant to negotiate with the kidnapers for the president's release. During the crisis, the company continued to pay the president's salary to his family.

RESOLUTION

Over several months, the consultant negotiated a ransom payment as well as the president's safe release. The president was treated for several minor medical problems he developed while in the custody of the kidnapers. Total costs, including ransom payment and consultant and medical expenses, were more than \$1 million.



Vendor makes extortion threats

COVERAGE SECTION

KIDNAP/RANSOM AND EXTORTION

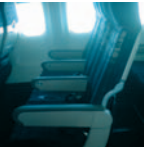
Cause of action	Extortion threat
Company	Privately held
Number of employees	Fewer than 50
Annual revenue	Less than \$20 million

DESCRIPTION OF EVENT

A disgruntled vendor, who had a history of violent behavior, demanded \$100,000 and threatened to damage the company's building and delivery vehicles if payment was not made. This verbal threat was followed by a series of threatening letters. The company called in a security consultant to deal with the extortionist.

RESOLUTION

The security consultant arranged a meeting between the vendor and two state police officers. The officers informed the man of the seriousness of his threats and their legal ramifications. As a result of the meeting, the vendor agreed to stop his activities. The company paid more than \$50,000 in security consultant expenses.



Kidnapped on business

COVERAGE SECTION

KIDNAP/RANSOM AND EXTORTION

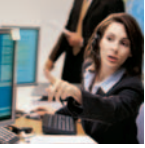
Cause of action	Kidnapping
Company	Privately held
Number of employees	More than 175
Annual revenue	Less than \$50 million

DESCRIPTION OF EVENT

Traveling overseas to visit a regional office, the owner of a family-run business was abducted. The kidnapers demanded a \$3 million ransom payment from the executive's company or else they would kill him. A security consulting firm was immediately called in to deal with the situation and the kidnapers.

RESOLUTION

Because of the consulting firm's experience and knowledge of the country, it successfully engaged the kidnapers. Over five months and after many contacts, the consultants negotiated a final ransom of more than \$600,000, delivered the payment, and recovered the victim unharmed. The executive's company paid more than \$50,000 in fees and expenses to the security consulting firm.



Family member kidnapped

COVERAGE SECTION	KIDNAP/RANSOM AND EXTORTION
Cause of action	Kidnapping
Company	Privately held
Number of employees	More than 20
Annual revenue	More than \$15 million

DESCRIPTION OF EVENT

The daughter of an executive living abroad was abducted from the family's home. The kidnapers contacted her father's company and demanded \$1 million for her return. The company immediately contacted a security consultant who specialized in handling kidnapping crises. Although the father, fearing for his daughter's safety, was willing to pay the full ransom amount, the consultant, who had knowledge of the country and kidnapers involved, persuaded the father to be patient until a safe release could be negotiated.

RESOLUTION

The consultant successfully negotiated the daughter's release after approximately one month, paying a ransom of \$250,000. The company paid \$40,000 in fees and expenses to the consultant, in addition to \$20,000 for psychiatric treatment following the daughter's release.



Extortion threat against employees

COVERAGE SECTION	KIDNAP/RANSOM AND EXTORTION
Cause of action	Extortion threat
Company	Privately held
Number of employees	More than 150
Annual revenue	Less than \$40 million

DESCRIPTION OF EVENT

A media company received a series of threats, including a photocopy of a gun, notes in which threats of violence were made against specific employees, and phone calls that included recordings of gunshot sounds. Demands for as much as \$50,000 had been made to remove the threats.

The company brought in the police to conduct an investigation. In addition, the company hired a private security consultant for two weeks to analyze the notes, protect the premises and the threatened individuals, and set up a drop site for the money demanded.

RESOLUTION

The cost of the private security firm's activities eventually reached almost \$10,000.



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Loss scenarios are hypothetical in nature and for illustrative purposes only. Whether or not or to what extent a particular loss is covered depends on the facts and circumstances of the loss and the terms, conditions, and endorsements of the policy as issued. It is impossible to state in the abstract whether the policy would necessarily provide coverage in any given situation. Consult your agent, broker, or other expert.

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