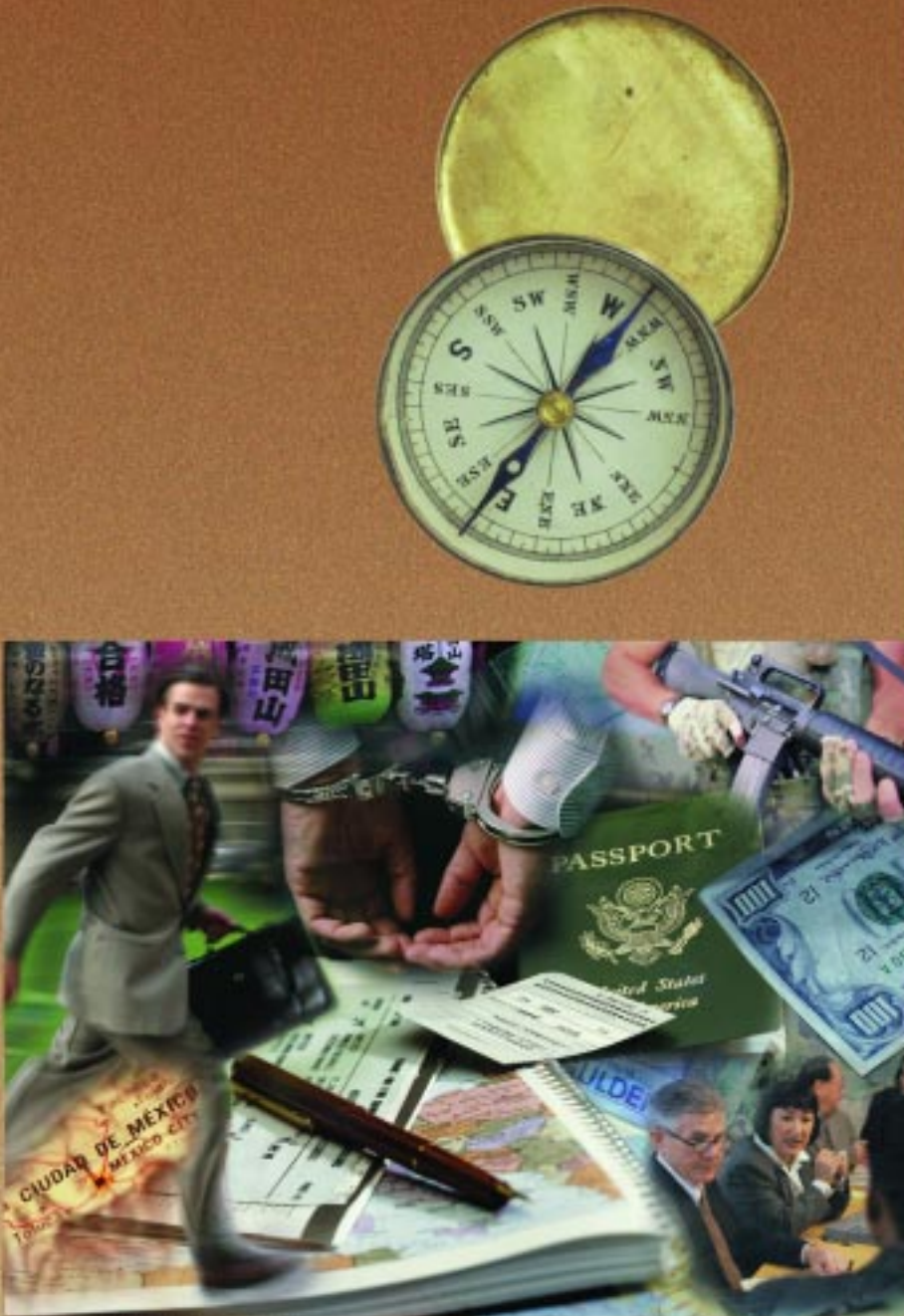


A KIDNAP AND RANSOM INSURANCE PLAN

The EPIC 1 Plan

FOR
Kidnap and Ransom
Crisis Assistance
Detention
Extortion



PETERSEN INTERNATIONAL UNDERWRITERS
Lloyd's Correspondents

Jesse Heim III, Authorized Broker
Fax Completed Form To: 01.817.738.4090
info@phahealth.us

PROPOSAL FOR: _____

DATE: _____

PRESENTED BY: _____



EPIC 1 - SPECIAL CONTINGENCY COVERAGE APPLICATION

Jesse Heim III, Authorized Broker

If you are applying for the EPIC 2 or EPIC 3 plan, please complete this application plus appropriate Supplemental Forms.

I. Applicant

Name: FIRST _____ MIDDLE _____ LAST _____

Date of birth: _____ Citizen of what country? _____

Address: NUMBER & STREET _____

CITY & STATE _____ COUNTRY _____ ZIP CODE _____

Annual Income: _____ Value of Personal Assets: _____

Business or Occupation: _____ Name of Company: _____

Address: NUMBER & STREET _____

CITY & STATE _____ COUNTRY _____ ZIP CODE _____

Please attach a separate sheet of paper with any information that does not fit in the space provided.

II. Is the Applicant also to be insured? Yes No. Please list all other persons to be insureds:

Name: _____ Date of birth: _____ City of Residence: _____

III. List details of anticipated travel outside country of residence (please include names, dates, places of travel and reasons):

IV. Please answer the following pertaining to ALL proposed Insureds:

1) Has there ever been any prior kidnapping, extortion, or detention incident? Yes No

2) Has there ever been any threat or attempt at a kidnapping, extortion, or detention? Yes No

3) Are there any current threats or incidents regarding kidnapping, extortion, or detention? Yes No

4) Is there any existing coverage at this time, or within the past 12 months? Yes No

5) Are any of the proposed insureds likely kidnapping prospects because of business, outside interests, or other activities? Yes No

If yes to any of these, please provide details: _____

V. Please indicate the coverage you are seeking:

\$1,000,000 \$2,000,000 \$5,000,000 Other amount: _____

I have read the above and declare that to the best of my knowledge and belief the statements are true and complete and that I have not knowingly withheld any information which may be material to Underwriters in their assessment and acceptance of the risk. Signing this form does not bind the Applicant nor the Underwriters to complete the insurance, but it is agreed that this form shall be the basis of the contract should a policy or certificate of insurance be issued.

Binding Arbitration-waiver of Right to Trial by Jury: I understand and agree that any disputes concerning this insurance must be submitted to binding arbitration if the amount in dispute exceeds the jurisdictional limits of small claims court and is not resolved with a formal review by Underwriters. I understand and agree that this is a waiver of my and Underwriters rights to a trial by jury.

Signature of Applicant _____ Date _____

Print Name _____



A KIDNAP AND RANSOM INSURANCE PLAN

WHAT DO WE INSURE?

This coverage provides, as the basis, for all of its benefits, access to one of the premiere crisis response organizations in the world. The response team provides advisory assistance to the family or business with regard to independent investigations, negotiations, arrangement and delivery of funds, and numerous other services vital to a safe, speedy and satisfactory resolution.



BENEFITS AND SERVICES WHICH ARE TYPICALLY AVAILABLE:

- Ransom money
- Informant money
- Crisis management services
- Accidental death
- Legal Liabilities
- Rehabilitation
- Personal Security Consultation*
- Reward money
- Negotiation services
- Family Counseling*
- Loss of Ransom in Transit
- Medical services and emergency evacuation*
- Interpretive and forensic services*
- Business security consultation*

*Some of these items may have added costs, but may be arranged through the coverage.

For a full explanation of the cover given and the exclusions that apply, you or your adviser should read the policy wording.

HOW MUCH DOES IT COST?

To provide an indication of the cost of your coverage, we will need to know:

- your name and location
- your approximate net worth
- a brief description of your business activities
- the number of people you wish to insure and their location
- if there has been any previous threats, incidents or circumstances which may give rise to a claim.

The application for Special Contingency Coverage is the most efficient way to communicate the required information for a cost quotation.



*This is not intended to be a complete outline of coverage.
Actual wording may change without notice.*



A KIDNAP AND RANSOM INSURANCE PLAN

KIDNAP INSURANCE: What is it? What Do I need to Know?

Kidnap insurance provides numerous benefits and services to the applicant and the insured. Most people believe that kidnap insurance is only a ransom benefit. The following points are offered to provide you with a better understanding of this type of coverage.

Crisis Response Teams

Although ransom benefits appear to be the primary benefit, the core benefit of any plan is the Crisis Response team that will assess and advise the family or business. It is essential to have a response team that is experienced with both the handling of incidents as well as the local political environment.

Some response companies hire their services to anyone. Some are retained by an insurer. Some response firms are principally investigation firms while others have anti-terrorist and hostage negotiations backgrounds. Some response teams will assist the family or business while others do not want any interaction with the insured's family or business.

The EPIC series retains Control Risks Group for immediate deployment. Control Risks interact with and advise the family and/or the business. Members of Control Risks have diverse backgrounds including military and FBI training. No other response team has the extensive experience of Control Risks.



Aggregate Basis Vs. Inclusive Basis

Some plans pay the expenses of the Response team directly from within the benefits available. Therefore, if you purchase a \$1 million ransom benefit and the expense of the response team is \$250,000, an aggregate basis benefit plan will provide only \$750,000 of ransom reimbursement.

The EPIC series provides the expenses of Control Risks on an inclusive basis, thus, in our example above, there will always be the \$1 million ransom benefit available regardless of the cost of Control Risks.

Ransom Benefits = Reimbursement

Ransom benefits, regardless of the policy issuer, will always be on a reimbursement basis only. Why? There are two reasons:

- 1) It is illegal to insure an unlawful event. As an example, you cannot insure an act of vandalism, but you can insure expenses incurred as a result of the act of vandalism.
- 2) Negotiations. A person may have a net worth of one billion dollars. If the money is all in real estate except for \$50,000 cash, in the absence of insurance, what would a family do? Raising the \$1 million would necessitate selling property, which could take months. Negotiations are often hastened by access to "quick cash" even if it is less than the actual demand amount. If a person has direct access to the full ransom amount, negotiations may be compromised.

Petersen International Underwriters

Petersen International Underwriters, in addition to being a Lloyd's Correspondent, is a member of the overseas Security Advisory Council, a part of the United States Department of State. Information is shared between members to track trends and to analyze terrorist and extortionist activities around the world.

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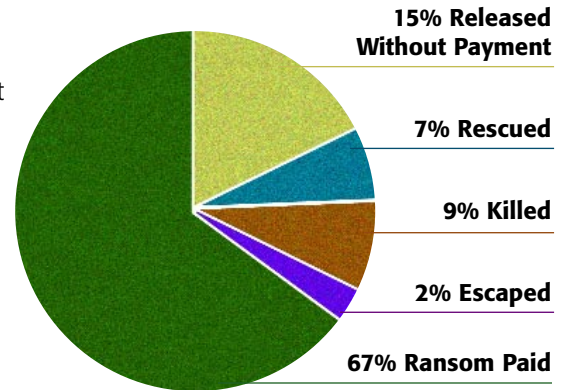
A KIDNAP AND RANSOM INSURANCE PLAN

The Epic 1 Plan – Kidnap & Ransom Coverage for Individuals and Families
The Epic 2 Plan – Kidnap & Ransom Detention Coverage for Corporations
The Epic 3 Plan – Extortion Coverage

KIDNAP: A WORLDWIDE RISK

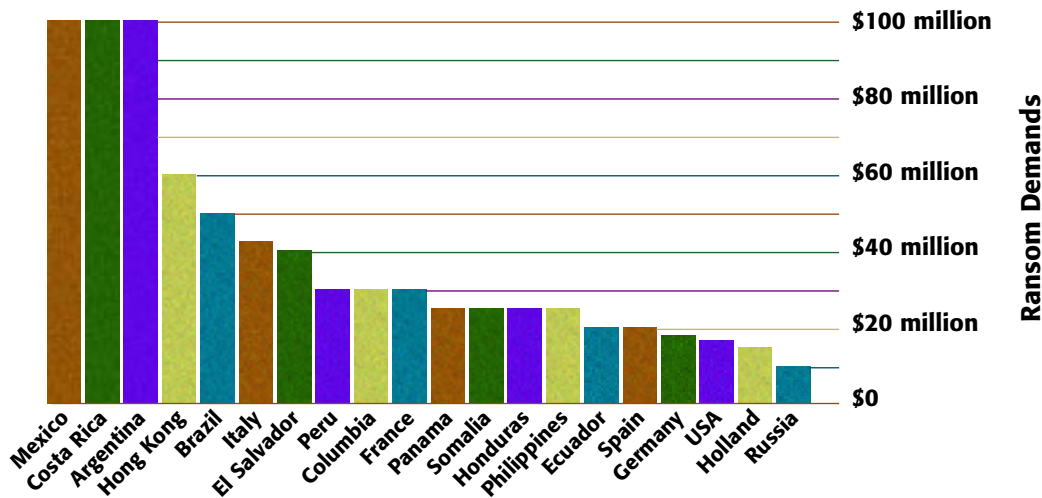
Kidnap Outcomes

Most kidnaps are carried out in order to obtain a ransom, and in most cases a ransom is paid. Rescues are rare, largely because the authorities in most countries recognize that the safety of the victim is paramount. The average percentage of deaths following a kidnap is 9%. In cases involving Control Risks, less than 2% of people are killed. Killing usually takes place at the time of abduction rather than during the negotiation.



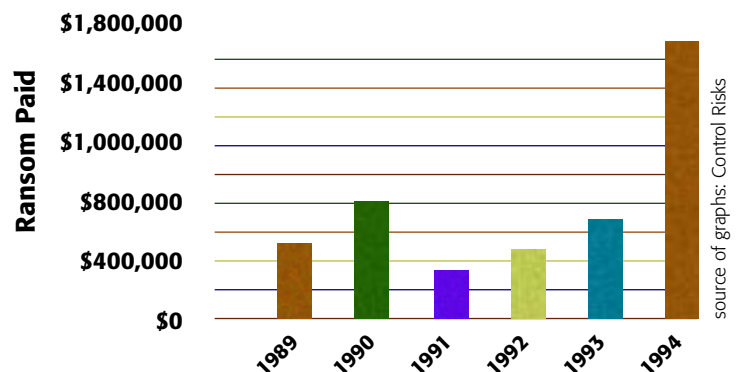
Kidnap Demands

Demands can be huge, with more than 14 countries recording cases of \$25 million or more in recent years. Kidnappers usually settle at between 10 and 20 percent of the demand, except in the old Soviet Union where the mafia is extremely reluctant to negotiate and uses excessive violence to achieve its aims.



Kidnap Payments

While most ransom payments are kept confidential, Control Risks is aware of some substantial sums that have been paid. Latin America leads the list, but many of the largest settlements have been made in Europe. There has been a noticeable increase in average ransom payments in recent years, as the chart shows.



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WHAT ARE THE RISKS?

Corporate and personal security has improved dramatically. However, the use of kidnapping or extortion to gain access to industrial secrets, to make socio-political statements, or for monetary purposes, continues to rise.



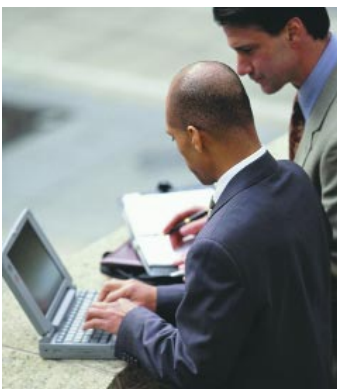
Contingency Problems Are Increasing:

- 70% of companies located in Russia have faced extortion demands in the last five years.
- Kidnap demands of up to \$100 million have been made in recent years in Mexico, Argentina and Costa Rica.
- Between 1991 and 1996, kidnapping incidents involving a demand for ransom have almost doubled around the world. In 1996, over 1,354 incidents involving a ransom demand were reported.
- Global markets and access make business around the world practical and profitable. These same factors all add additional risk, especially in countries where the economy is not very strong or is unstable.
- An article in the London Financial Times reported that with the increase in electronic security measures at businesses and homes, industrial espionage can be accomplished easier through the abduction of family members of individuals who can access the desired information.

THE CONTROL RISKS GROUP

Petersen International Underwriters utilizes coverage from a large Consortium of Underwriters which is the only facility in the world that retains the services of the Control Risks Group. Control Risks is the premiere provider of political risk assessment, crisis management, security management and investigative services.

Under its arrangement with the Consortium of underwriters, Control Risks provides three services to our clients:



Intelligence

- Expert analysis of political and security risks worldwide, provided on-line or in hard copy. Underwriters contribute up to 10% of your premium toward these services.

Prevention

- Protection of personnel and property through risk analysis, on-site surveys, security reviews, simulated incidents and establishment of non-disruptive defensive routines. Underwriters contribute up to 10% of your premium on a one-time basis to any prevention work done with Control Risks.

Response

- Control Risks has competent and experienced personnel stationed within four hours travel time of any spot on Earth.
- Since the 1970s, Control Risks has handled more than 600 cases of kidnap and extortion in 74 countries. It has more experience than any other consultancy in helping companies and families minimize commercial and management disruption due to these crises.

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Petersen International Underwriters Privacy Policy Statement

Petersen International Underwriters

Petersen International Underwriters want you to understand how we protect the confidentiality of non-public personal information we collected about you.

Information We Collect

We collect non-public information about you from numerous sources including, but not limited to:

- a) Information we receive from you on applications and other forms;
- b) Information about your transactions with our affiliates, others or us;
- c) Information we receive from consumer-reporting agencies; and
- d) Financial and medical sources.

Information We Disclose

We do not disclose any non-public information about you to anyone except as is necessary in order to provide our products or services to you or otherwise as we are required or permitted by law (e.g. subpoena, fraud investigation, regulatory reporting, etc.).

Confidentiality and Security

We restrict access to non-public personal information about you to our employees, our affiliates' employees or others who need to know that information to service your account. We maintain physical, electronic and procedural safeguards to protect your non-public personal information.

Contacting Us

If you have any further questions about this privacy statement or would like to learn more about how we protect your privacy, please contact our broker at: P.O. Box 100116 Fort Worth, TX USA 76185-0116, (866.360.3543).