— BRIEFING / 010 · JULY 2026

THE POLICY IS NOT THE PLAN.

Kidnap and ransom insurance is the control principals most often believe they understand and most rarely do. It is genuinely valuable, and it is not what most buyers think it is. For digital-asset wealth specifically, several of its core assumptions bend. This briefing explains what the coverage actually buys, what it cannot, and why the policy is the complement to a plan, never the substitute for one.

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— 01 / WHAT IT BUYS

WHAT K&R ACTUALLY BUYS

A kidnap and ransom policy is best understood as two products in one wrapper. The first is financial: reimbursement of a ransom paid, and coverage of the long tail around an incident, crisis-response fees, medical and psychological care, salary continuation, legal costs. The second, and in practice the more valuable, is access: the policy retains a specialist response firm, and that firm's negotiators and case managers arrive within hours of a covered incident. For most families, that phone number is worth more than the reimbursement clause. Note the structure of the financial leg: reimbursement. The family or firm typically pays first and recovers after, which makes liquidity during an incident a planning question the policy itself does not answer.

— 02 / THE LIMITS

WHAT IT DOES NOT BUY

Three limits matter most. First, a policy prevents nothing. It transfers a slice of financial consequence and delivers expertise after the incident begins; every factor that determines whether an incident begins sits outside the policy entirely. Second, confidentiality is a condition, not a suggestion. These policies commonly require that their existence not be disclosed, because a known policy functions as a published ransom floor; a principal who mentions their coverage has degraded it. Third, exclusions and conditions do real work: coverage typically turns on the incident's location, the insured persons named, and conduct during the incident, and the fine print is where families discover, late, what was never covered.

— 03 / THE COMPRESSION

WHERE CRYPTO BENDS THE MODEL

Traditional K&R assumes a ransom that takes time to assemble and deliver: bank transfers, cash, logistics. That friction is the negotiator's raw material; time is the tool that stabilizes an incident. Crypto compresses it. When the demand is for assets the principal can move in minutes, the incident is faster, the negotiation window narrower, and the classic playbook shorter of leverage, which is precisely why this series keeps returning to duress-resistant custody design: architecture that reintroduces time is doing the job the wire-transfer era did by default. Underwriters know all of this. Principals with substantial, visible on-chain wealth should expect harder questions, security-posture requirements as a condition of coverage, and pricing that reflects the sector's incident pattern. The application process itself is a useful audit: what an underwriter demands before taking your risk is a fair proxy for what an attacker has already noticed.

— 04 / THE STACK

THE POLICY IS THE COMPLEMENT

The coherent structure treats K&R as one layer in a stack: prevention (footprint discipline, awareness training, the household measures earlier briefings cover), architecture (custody designed for duress), response (the retained expertise the policy delivers), and transfer (the reimbursement). Buying the fourth layer without the first three is purchasing an expensive seat at an incident that better planning might have priced out of an attacker's interest entirely. A note on what this briefing is: general information, not insurance, legal, or financial advice. Coverage terms vary by insurer, jurisdiction, and insured; decisions belong with a licensed broker who knows the specific situation.

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This briefing names no insurer, quotes no figures, and describes no negotiation tactics. It exists because principals routinely misunderstand this instrument, and misunderstanding a control is its own exposure. We publish the pattern and the protective takeaway. We omit operational detail.