



# Financial Institutions

Wholesale insurance solutions  
for UK risks

**AMWINS**<sup>®</sup>

GLOBAL RISKS

# The power of Amwins: \$39.8 billion in annual premium working for our UK clients just as much as for our global clients.

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## About Financial Institutions

**The Financial Institutions arena is one which deals with an ever-changing environment fraught with complicated rules and regulations.** With new potential claims and exposures always emerging, teamed with factors such as the evolution of technology, it is of the utmost importance that Financial Institutions protect themselves against these risks, and that brokers educate themselves about the risks to be able to advise their clients.

**That's where we come in.** You need specialist knowledge and a network of market contacts on your side. The dedicated UK Professional Risks team of Amwins Global Risks understand the risks involved. Talk to the team about cover to protect financial institutions – and their employees - against claims arising from advice and services they have provided. Alongside Professional Indemnity cover, we can also arrange cover for Directors' and Officers' Liability, Cyber and Crime.



## Typical types of cover

### Professional Indemnity

Professional Indemnity (Errors & Omissions) and Directors' and Officers' cover can be offered for financial institutions as part of a blended programme or on a stand-alone basis. Professional Indemnity insurance provides protection against allegations of failure in the firm's duty and offers peace of mind and financial stability in the event of a legal challenge from a client. Failures may be accidental (so-called 'fat finger' claims where a zero is inadvertently added or omitted) or 'breach of mandate' where a financial institution acts outside the client's instructions.

### Directors' & Officers' (D&O)

D&O policies protect the individual Director or Officer (not the organisation) in respect of the personal liability that may arise from any alleged wrongful act committed whilst the individual is performing managerial duties for the organisation.

### Cyber

Cyber insurance usually covers network and website downtime, business interruption, defence and penalties in relation to data breaches and privacy regulations, cyber extortion, malware/hacking attacks, and multimedia and intellectual property liabilities. According to the UK Government's Cyber Security Breaches Survey (March 2024), cyber-attacks continue to escalate, affecting businesses across the country. Here are the latest findings:

- Percentage of businesses affected: 57% of businesses have experienced cyber security breaches or attacks in the last 12 months.
- Frequency of attacks: Many businesses face attacks at least once a week, highlighting the persistent threat landscape.
- Cyber insurance coverage: Only 38% of businesses reported having insurance coverage against cyber risks.

This data underscores the critical need for robust cybersecurity measures and increased awareness to safeguard against evolving threats in the digital realm.



## Typical FI insurance client types

We can place insurance for an array of insured's falling under the FI umbrella, not limited to, but including:



**Trust Companies**



**Investment Managers**



**Fund Companies**



**Corporate Service Providers**



**Fund Administrators**



**Building Societies**



**Asset Managers**



**Finance Houses**



**All types of Banks**

(Clearing Banks, Development Banks, Retail or Commercial Banks and Savings Banks)

## What do insurers look for when underwriting a Financial Institutions risk?



**Type / size of firm**



**Retroactive exposure**



**Experience**



**Risk management**



**Claims history**



**Type of business**

**In a highly-regulated environment, heavily reliant on new technologies, new potential claims and exposures are always emerging.**



## Claims examples

### Fund Manager's trading error

An investment adviser operating an in-house fund on behalf of professional investors was acting to reduce the fund's exposure to a particular stock due to market conditions but inadvertently sold twice the number of contracts intended. A reversal was attempted but came too late to avoid a stock market loss of some \$1million. Following an investigation, the insured was reimbursed for this loss under Financial Institutions liability insurance which protects against claims of negligence or error.

### Theft of bank funds

A high street bank, which regularly paid out large sums on behalf of a business customer via email instructions from its director, was deceived into paying over £400,000 to a criminal, despite robust systems and controls in place to prevent fraudulent payments. The insured was reimbursed for legal costs incurred when investigating the extent of its responsibility for the fraud, and the policy also covered reimbursement to the customer, but the case highlighted the need for financial institutions to have increasingly sophisticated measures in place to protect against increasingly sophisticated perpetrators of financial fraud.

### Offshore investment cyber breach

The IT team of an investment manager based offshore noticed some unknown files on the company server and found that criminals had obtained access to the insured's computer systems. The insured's Financial Institutions insurance policy included the option of cover for forensic investigation following discovery of a data security breach which found that fortunately the early discovery of the files had prevented any actual loss of money or client data.

### Cashier's theft of incoming cash

One of a team of cashiers, handling tens of thousands of pounds each day of client payments, noticed that not all clients requested a receipt and started to take a small percentage of the funds that should have been allocated to clients' accounts. The scheme was only uncovered when a client complained that their statement showed several large payment settlements had not been allocated to their account.

**The latest UK Finance figures reveal that fraud remains one of the most prevalent crimes in the UK.**

**Criminals employ various tactics, including impersonating companies, creating fake investment adverts, and stealing card details. In the first six months of 2023, these unscrupulous individuals managed to pilfer over half a billion pounds from unsuspecting victims\*. The scale of this ongoing issue underscores the importance of vigilance and robust measures to combat financial fraud.**

\* <https://www.ukfinance.org.uk/policy-and-guidance/reports-and-publications/2023-half-year-fraud-report>



## A guide to our appetite

### Preferred business:

- Asset/Investment Managers
- Equity Funds, Mutual Funds, UCITS Funds, Hedge Funds, REITS/Property Funds, Credit/Debt Funds
- Corporate Finance House
- Fund/Trust entities
- Building Societies
- Clearing Banks
- Development Banks
- Insurance/Reinsurance (small-medium)
- Retail Bank

### Only at the right terms:

- PE/VC
- Central Bank
- Corporate Services Providers
- Fund Administrators
- Trust Companies
- Small/Medium Investment Bank
- Custodians/Depository
- Banks Stockbroker/Securities Dealer
- Start-Up Financial Institutions
- Insurance/Reinsurance

### Restricted markets for the following classes:

- Large Globally Diversified Financial Services
- Independent Financial Advisers/Financial Advisers Planners
- Independent Insurance Agents
- Insurance Broker
- Large Investment Bank (US exposed)
- Litigation Funds Mortgage Brokers
- Currency Exchanges
- Factoring or Discounting
- Firms
- Peer to Peer Lenders
- Forex/CFD traders

## Why Amwins Global Risks for Financial Institutions Insurance?

We're still the same broking teams, still independent of any market, still here for you. **We bring our market power to help you succeed.**

Amwins Global Risks is the international division of Amwins, the largest specialty wholesale distributor in the world, placing more than \$39.8bn in annual premium. We place over \$2.8bn of that premium, bringing the market muscle and global reach required to find solutions for the most complex risks. With over 750 employees around the world, and a global footprint across more than 120 countries, we've cemented our place as a top 10 contributor to Lloyd's. We're the largest independent wholesale broker, and binding authority broker, in the London Market.

Visit [amwingslobalrisks.com](https://amwingslobalrisks.com) for more information.

## Professional & Financial Risks

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