

Beazley

Financial Institutions

Market leading protection tailored for financial institutions, providing seamless cover from crime and professional liability to directors & officers and data breach.

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Beazley Financial Institutions

Financial institutions – a world of perpetual change and innovation

The origins of modern day banks can be traced back to ancient Greece, and the Medici dynasty brought greater rigour to bank accounting in the 15th century. More recently digital technologies and even new currencies, such as the Euro and Bitcoin, have revolutionized the way financial institutions go about their business. These just scratch the surface of the constant evolution in the industry which has gone hand in hand with a recent acceleration in globalization and an array of regulation to keep conduct in check.

This constant change and upheaval brings challenges and new forms of risk to financial institutions that mean a hard won reputation can be lost in a moment. They cannot afford to think in terms of individual risks and discrete events. In an increasingly complex and interdependent world, a holistic approach is required to reducing risk and dealing effectively with what happens when things go wrong.

Seamless cover for financial institutions

We have designed a new range of covers to precisely meet the needs of financial institutions. This market leading solution offers a seamless set of policies, from crime and professional liability to directors and officers, and Beazley's pioneering data breach cover. There is no need to worry about gaps between different elements of cover as we have tailored these products to fit perfectly.

Our specialist financial institutions team has extensive experience in the sector and, as you would expect from Beazley, they have created beautifully designed policy wordings with clear and concise language which is consistent across all the policies. And should the worst happen, clients can have peace of mind in the knowledge that they can call on our bespoke response and claims services.

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Crime

The very nature of financial institutions makes them a target for crime originating from both within and outside the organization. Even the most prepared can be vulnerable. In response to these threats we have created a comprehensive crime insurance package, including:

- Dishonest acts of employees
- Documentary fraud
- Electronic or telephonic fraud
- Physical loss or damage to property or premises
- Extortion
- Data breach costs, software removal or reconstitution costs, legal and audit costs
- Automatic coverage for newly acquired subsidiaries with no size threshold
- Corporate identity fraud costs
- Liability for incomplete transactions
- Stop payment order liability
- Physical loss of or damage to cancelled cheques, cancelled drafts or cancelled credit card receipts
- Theft via erroneous transfer
- Loss of subscription rights
- Social engineering cover included
- Liability for interest that would have accrued to a customer of the insured but did not as a direct result of a loss covered under this policy
- Automatic reinstatement of limit
- Limits up to US\$25m.

Professional liability

From those in banking and insurance companies, to stockbrokers, clearing houses and regulated marketplace lenders, a range of individuals are active in the financial sector. When things go wrong the impact on those found, or suspected of being, liable can be catastrophic. It is reassuring to know that Beazley's professional liability insurance is tailored to their needs, including:

- Regulatory costs
- Full limit mitigation costs cover
- Automatic coverage for newly acquired subsidiaries with no size threshold
- Broad form cover with limited restrictions
- Automatic reinstatement of limit
- Limits up to US\$25m.



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Directors & officers

The legal landscape that senior individuals in financial institutions must navigate is fraught with twists and turns but our clients can be confident that Beazley's D&O insurance provides clear and comprehensive cover to protect directors, officers and their employing companies.

Protection for directors and officers, as well as other individuals, against claims arising from actions made in their corporate role, including coverage for:

- Regulatory and internal investigations
- Data breach
- Private warnings
- Environmental liability
- Health and safety claims
- Insolvency hearings
- Extradition, repatriation and foreign jurisdiction liberalisation losses
- Permanent residency
- Reputational damage
- Restriction of assets and liberty
- Full limit mitigation costs cover
- Automatic reinstatement of limit for non-indemnifiable loss
- Limits up to US\$25m.

Protection for the company, including costs relating to:

- Securities claims
- Payments made to indemnify individuals
- Books and records
- Derivative demands
- Limits up to US\$25m.

Introducing an innovative package that seamlessly combines data breach with crime and professional liability cover

Financial institutions' information exposures have many causes and are difficult to control. And even with the best systems, controls, personnel and procedures, no organization is immune to the risk.

It only takes one small human error, or an office break-in, or a clever hacker to compromise millions of records and create potential havoc.

These days, a data privacy breach is not a question of "if," but rather "when?"

Beazley pioneered the development of data breach related insurance and has helped define the market. We have used our expertise and experience to create an innovative new package that combines data breach with crime and professional liability cover.

Central to our approach is the understanding that a data breach isn't always a disaster but mishandling it is.

The negative publicity resulting from a data breach can lead to massive reputational and brand damage. However an effective response can be complex and challenging. Therefore as well as providing cover for financial liability, our coverage features a range of services designed to mitigate the reputational damage and the risk of legal action being brought against financial institutions, including:

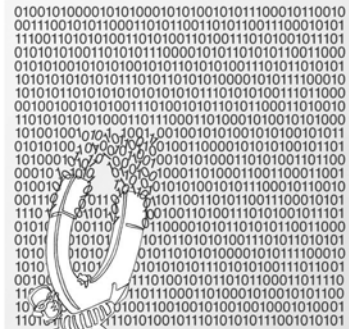
- Forensic investigation services to assess the cause, gravity and extent of a data incident

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- Breach notification and call centre services for third parties, lessening the administrative burden of the breach
- Legal advice and support to assess the legal ramifications of the breach and the actions required to mitigate them
- Public relations and crisis management specialists to handle the crisis response plan and communications strategy.

Our cyber products are available worldwide and are enhanced in a growing number of countries by our unique Beazley Breach Response product.



Beazley Breach Response

Beazley has helped clients handle more than 5,000 data breaches since the launch of Beazley Breach Response in 2009 and is the only insurer with a dedicated in-house team focusing exclusively on helping clients handle data breaches. The Beazley Breach Response Services team coordinates the expert forensic, legal, notification and credit monitoring services that clients need to satisfy all legal requirements and maintain customer confidence.

In addition to coordinating a data breach response, BBR Services maintains and develops Beazley's suite of risk management services, designed to minimize the risk of a data breach occurring.

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Specialist knowledge of financial institution data breaches

Beazley understands the maze of data protection regulations faced by financial institutions. We have helped many financial institutions with data breaches related to network intrusions, lost and stolen laptops, inadvertent postings of customer social security numbers on web pages and rogue employees stealing customer information.

Our market leading position means that we have a wealth of information based on the data breaches that we have responded to. These insights help us to further refine the services we offer. For instance we have identified that hacks and malware accounted for 47% of breaches in 2018. Unintended disclosure – sending bank account details or personal information to the incorrect recipient – is another leading cause of data breaches for financial institutions, representing 20% of breaches in 2018.

Financial services incidents, 2018



	Hack or malware 47%
	Insider 9%
	Portable device 6%
	Unintended disclosure 20%
	Physical loss 5%
	Social engineering 8%

Source: Beazley breach briefing – April 2019

Insurance specially designed for private equity and investment managers

We have developed specific insurance for both private equity and investment management organizations. These recognize the individual needs of each, for example, in the case of investment managers, to have distinct cover in place for both the investment managers and the funds that they are responsible for. This cover includes:

- Professional liability
- Directors and officers liability
- Associated legal defence, settlement and investigations costs
- Regulatory costs
- Full limit mitigation costs cover
- Damage to reputation
- Extradition proceedings
- Health and safety claims
- Key person coverage
- Limits up to US\$25m.

Target market for our financial institutions range

A broad range of financial institutions can benefit from Beazley's specialized cover, including:

- Banks
- Investment managers
- Insurance and reinsurance companies
- Building societies
- Stockbrokers
- Stock exchanges
- Clearing houses
- Regulated marketplace lenders.

Territories

All our financial institutions products in this range are available worldwide.

Beazley Financial Institutions

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