

FINTECH PROTECT: MAKING COMPLEX SIMPLE

Fintech companies face complex and varied risks created by their increased use of technology and data in the delivery of products and services previously provided by traditional financial services firms. And selecting appropriate insurance and negotiating with insurers can be a complex and time-consuming task.

FINTECH Protect is a fast, easy, and cost-effective insurance solution that can simplify this process and enable fintech companies to manage evolving strategic, operational, and regulatory risks. Created by Marsh's FINPRO Practice and Validus Specialty, FINTECH Protect provides comprehensive financial protection against management, professional, employment, and cyber liability risks, and broad coverage for direct losses associated with theft, computer crime, extortion, data breach, and technology failure.

MANAGING FINTECH RISKS

For fintech companies, risks can come from several sources: externally, from investors, customers, regulators,

competitors, and extortion, and internally from employee theft, computer crime, data breaches, and technology failures. These risks can strain day-to-day operations and threaten the assets of both companies and executives.

As the fintech industry continues to grow, the regulatory spotlight on the sector is expected to intensify. Fintech companies, currently subject to some of the same consumer and investor protection regulations as traditional financial institutions, must balance compliance requirements with the need to innovate, grow, and develop new products. Cyber and privacy risks can also contribute to significant economic loss and reputational damage.

Who it's for

Privately held US-based companies operating in both the established and emerging fintech space, including:

- Business and consumer lending.
- Payments and billing.
- Retail and institutional investing.
- Money transfer and remittances.
- Investment banking, crowdfunding, trading, and brokerage.
- Insurance.
- Regtech.
- Business infrastructure and B2B tools.

What you get

- Coverage for several financial and professional liability risks with a single insurer, eliminating coverage disputes between multiple insurers.
- Broad, proprietary policy wording and limits of up to \$10 million.
- Competitive pricing.
- Industry-leading data and analytics capabilities.
- Responsive claim advocates in the event of a loss.
- Access to pre-approved cybersecurity service providers.
- Access to pre-approved outside counsel to help defend against costly litigation.

BENEFITS TO PURCHASING INSURANCE

Purchasing insurance may not always be on a privately owned small or midsize company's radar, but it should be. From the minute a company is launched, it is at risk. A single lawsuit or other unforeseen event has the potential to destroy a company. Insurance can help organizations protect against litigation and other risks — and purchasing insurance early in a company's financing cycle can help it build strong, long-term relationships with insurers. Over time, that can yield broader coverage, reduce costs, and help companies maximize claims recoveries. Purchasing insurance can also:

- Enhance a company's credibility, showing prospective clients, customers, and investors that an organization is a safe bet.
- Provide certainty of coverage and lock in the terms in the event of a future transaction (for example, an IPO, merger, or acquisition).
- Help attract and retain directors and officers and employees.
- Satisfy contractual obligations.

BROAD COVERAGE THAT FILLS GAPS IN TRADITIONAL INSURANCE PROGRAMS

Traditional insurance forms designed for either the financial or technology industries do not effectively address the unique risks faced by fintech companies. Stringing together multiple policy forms and insurers to address these risks is inefficient and often results in inferior coverage, higher costs, and an unpleasant claim experience.

FINTECH Protect effectively addresses critical financial and professional risks under one comprehensive policy, subject to a streamlined underwriting process. It offers broad, proprietary policy wording designed to address the varied and dynamic risks of

privately held fintech companies, including those backed by venture capital and private equity funds. The policy covers:

- Directors and officers liability (D&O).
- Financial institutions and technology errors and omissions (E&O).
- Fiduciary liability.
- Employment practices liability (EPL).
- Cyber risk.
- Crime insurance.

FINTECH Protect offers competitive pricing and blended primary limits of up to \$10 million, which can enable companies with limited budgets to purchase the coverage they need at the best possible price. And purchasing all financial lines coverage from a single insurer eliminates coverage disputes that can often arise in other programs.

In addition to coverage under the policy, FINTECH Protect offers clients access to risk expertise and innovation, including highly experienced brokers and underwriters with unmatched industry-specific knowledge and product expertise. Marsh clients can also benefit from industry-leading data, analytics, risk identification, and quantification tools to support risk strategies and decision-making. And in the event of a loss, we offer:

- Responsive advocates with the expertise and knowledge to mitigate and resolve even the most complex claims.
- Access to a panel of pre-approved service providers to help respond to a data privacy incident or network intrusion.
- Access to a panel of pre-approved law firms to help defend against costly litigation.

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