

PROFESSIONAL & FINANCIAL RISKS // FINANCIAL INSTITUTIONS //  
TECHNICAL SPECIFICATIONS // ASIA

## Technical Specifications: FinTech Insurance

### **Liberty's Innovative Solution for FinTech Service Providers**

Start-up financial technology (FinTech) companies are taking on the financial services industry, causing major disruption in banking and financial institutions across the globe. In this rapidly evolving environment underpinned by a regulatory framework which seeks to foster innovation whilst also protecting consumers, FinTech service providers need an insurer that is equally as innovative.

At Liberty Specialty Markets (Liberty), we understand the complexities involved in providing traditional financial services in a non-traditional manner. Liberty's new FinTech Insurance policy wording has been tailored specifically with the needs of FinTech service providers in mind and offers comprehensive protection for civil liability and other exposures including regulatory investigations and financial crime.

As technology products are essential to the provision of FinTech services, our new FinTech Insurance solution also includes the option of a companion Combined General & Products Liability Insurance policy to protect FinTech service providers against personal injury and property damage claims, whether related to a technology product or arising from their performance of FinTech services. This policy wording has been designed to dovetail with the FinTech Insurance policy wording to minimise gaps in cover.

While maintaining simplicity and clarity, Liberty's comprehensive FinTech Insurance solution includes the following covers:

- ▶ Professional Liability
- ▶ Directors & Officers Liability
- ▶ Crime
- ▶ Combined General & Products Liability

## What is covered under Part A Professional Liability?

- ▶ **FinTech Services** – this definition includes a range of financial services, information technology services and the provision of information technology products, offering a broad scope of cover and reducing the potential for disputes over whether a claim involves a “service” or a “product”.
- ▶ **Real Civil Liability Insuring Clause** – indemnifies insured organisations and insured persons and does not tie to negligence or breach of professional duty.
- ▶ **Affirmative FinTech Sandbox cover** – expressly includes cover for the testing of certain services in accordance with the FinTech regulatory/supervisory sandbox guidelines, as defined.
- ▶ **Self-Report, Internal Inquiry & Professional Inquiry Costs & Expenses** – this insuring clause provides for payment of the reasonable costs and expenses of a response to, or attendance at, an inquiry into the insured organisation’s performance of FinTech services, with no requirement for the findings to lead to a claim. It also provides sub-limited cover for the reasonable costs and expenses of preparing a self-report or participating in an internal inquiry.
- ▶ **Limitation of Liability Contracts** – this extension provides that the insured’s right to claim under the policy will not be prejudiced by contracts entered into by the insured which limit the other party’s liability.
- ▶ **Cyber (optional)** – this optional extension provides sub-limited cover for cyber liability arising from the performance of FinTech services, fines & penalties, extortion and privacy breach notification costs.
- ▶ **Statutory Liability (optional)** – this optional extension provides sub-limited cover for pecuniary penalties, including fines an insured is required to pay under statutory civil penalty provisions.

### Other Extensions Include:

- ▶ Advancement of Costs & Expenses
- ▶ Change in Control - Run Off Cover
- ▶ Continuous Cover
- ▶ Cost of Living Expenses
- ▶ Court Attendance Costs
- ▶ Defamation
- ▶ Emergency Expenses
- ▶ Fraud & Dishonesty
- ▶ Intellectual Property Rights
- ▶ Joint Ventures
- ▶ Loss of Documents
- ▶ New Subsidiaries
- ▶ Public Relations Expenses
- ▶ Spouses, Estates & Representatives
- ▶ Vicarious Liability
- ▶ Loss Mitigation & Rectification (optional)



## What is covered under Part B Directors & Officers Liability?

- ▶ **Advancement of Costs & Expenses** – this extension provides for the payment of defence costs and expenses prior to final resolution of a valid claim.
- ▶ **Self-Report, Internal Inquiry & Management Inquiry Costs & Expenses** – this insuring clause provides for payment of the reasonable costs and expenses of a response to, or attendance at, an inquiry into the affairs of the insured organisation or insured person which does not require an allegation of a wrongful act against the insured. It also provides sub-limited cover for the reasonable costs and expenses of preparing a self-report or participating in an internal inquiry.
- ▶ **Public Relations Expenses** – this extension provides sub-limited cover for the costs and expenses in seeking advice from a public relations consultant to protect an insured person's reputation following negative publicity arising from a wrongful act which has or could reasonably lead to a claim.
- ▶ **Fines & Penalties** – provides worldwide cover (excluding USA) for fines and pecuniary penalties which an insured person is required to pay provided that the fines and pecuniary penalties are not derived from a reckless act or omission and are insurable under applicable laws. Under certain conditions, defence costs are also available to challenge the imposition of the fine or pecuniary penalty.

### Other Extensions Include:

- ▶ Asset & Liberty Expenses
- ▶ Bail Bond & Civil Bond Expenses
- ▶ Change in Control - Run Off Cover
- ▶ Continuous Cover
- ▶ Cost of Living Expenses
- ▶ Court Attendance Costs
- ▶ Emergency Expenses
- ▶ Extradition Costs
- ▶ Lifetime Run Off Cover for Former Insured Persons
- ▶ New Subsidiaries
- ▶ Occupational Health & Safety Defence Costs
- ▶ Outside Directorships
- ▶ Personal Taxation Liability
- ▶ Spouses, Estates & Representatives
- ▶ Additional Side A Limit (optional)
- ▶ Company Securities Liability (optional)
- ▶ Employment Practices Liability (optional)



## What is covered under Part C Crime?

- ▶ **Simple & Broad Insuring Clauses** – rather than listing defined perils with sub-limits of liability, Liberty provides two simple insuring clauses: the first covering theft by an employee and/or third party including, but not limited to, physical taking, fraud, forgery, counterfeiting, credit fraud, the unauthorised use of a computer system and failing to return erroneously transferred funds. The second insuring clause covers the malicious acts or omissions of an employee and does not require the intent of personal financial gain.
- ▶ **Care, Custody & Control** – the policy provides cover for loss of money, securities or tangible property belonging to an insured organisation or to a client which is in the care, custody and control of the insured organisation.
- ▶ **Loss Establishment Costs** – Liberty will pay the reasonable costs and expenses of an investigator to investigate the facts and circumstances giving rise to a direct financial loss and provide recommendations which may assist in preventing future similar losses. This extension has no excess or sub-limit of liability.
- ▶ **Software Reconstitution Costs** – this extension provides sub-limited cover to rewrite or amend the insured's software programs, systems and security codes where they have been altered or damaged due to a covered direct financial loss.
- ▶ **Social Engineering Fraud** – theft by means of social engineering fraud.

### Other Extensions Include:

- ▶ Continuous Cover
- ▶ Interest Receivable or Payable
- ▶ New Subsidiaries
- ▶ Public Relations Expenses

## What is covered under Combined General & Products Liability?

- ▶ **Cross Liability** – this extension provides cover for claims made by one insured against another insured.
- ▶ **Landlords Indemnity (optional)** – this extension provides vicarious liability cover to a landlord for compensation in respect of personal injury or property damage which results from the insured's performance of FinTech services.
- ▶ **Property in Care, Custody or Control** – this extension provides cover for compensation due to property damage, including loss of use, of tangible property in the insured's possession but belonging to others.
- ▶ **Inquiry Costs** – this extension provides sub-limited cover for the reasonable costs and expenses in preparing for and attending an inquiry.

### Other Extensions Include:

- ▶ Spouses, Estates & Representatives
- ▶ Fraud & Dishonesty
- ▶ New Subsidiaries
- ▶ Limitation of Liability Contracts (optional)



## Global reach. Financial strength. Local authority.

Distinct, complex and constantly evolving – every business is as unique as their insurance needs.

To confidently progress in the face of risk and uncertainty requires a level of security you can only achieve through working with specialists.

Liberty Specialty Markets offers a breadth of world-class insurance and reinsurance services to brokers and insured clients. We bring value and solutions to more than 20,000 of Asia Pacific's most significant business and government organisations – helping protect what they earn, build and own.

We're part of the global Liberty Mutual Group, a Fortune 100 company that's been in business since 1912 with a Standard & Poor's 'A' (strong) rating.

 [View our office locations](#)

**Meet our Professional & Financial Risks team members**

 [Singapore](#)

 [Hong Kong](#)

Liberty is not authorised to provide financial product advice. The information in this document does not take into account your objectives, financial situation or needs. Always consider the applicable policy wording and other relevant documents before deciding to acquire a financial product. © Liberty 2019. Please contact Liberty for a licence to use and distribute this document. This information is current as at October 2019. Liberty means Liberty Specialty Markets, a trading name of Liberty Mutual Insurance Company, Australia Branch (ABN 61 086 083 605) incorporated in Massachusetts, USA (the liability of members is limited); Liberty Specialty Markets Hong Kong Limited (No. 2400200); Liberty Specialty Markets Singapore Pte Limited (UEN 201538069C); and Liberty Specialty Markets Singapore Pte Limited, Labuan Branch (Company No. LF12903), a licensed insurer under the Labuan Financial Services and Securities Act 2010 (Licence No. IS2016162).

 [Follow](#)

Connect and join the Liberty conversation