Fintech: Evolving risks, smarter cover

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Opportunity

- Global fintech market is $395bn and estimated to grow to $1,126bn by 2032
- EMEA recorded $13.7bn in fintech funding in H1 2025
- AI driving increased interest in WealthTech
- Increased exploration of Tokenisation
- Implementation of PSD3

cfc

Our **fintech policy** in action

Challenger bank:

Technology error

Payments:

Breach of contract

Saas platform:

Privacy breach

Electronic money institution:

Extortion

Money management platform:

Regulatory investigation

CFC Fintech 3.0

Fintech professional liability	Cyber privacy & incident response	Crime	Management liability	Regulatory investigation costs	Extensions
• Fintech services E&O, technology E&O. • Employee dishonesty • Loss of documents • Subcontractor negligence • Breach of contract for technology services • IP infringement • Loss mitigation costs	• Cyber and privacy liability • PCI fines • Additional D&O cover arising from cyber event • Full limit incident response costs • Privacy breach communication, breach management costs, incl. third party breach management costs and remediation • Business interruption incl. system failure • Dependent BI incl. system failure • Extortion • Reward cover • Voluntary and regulatory shutdown	• Employee crime • Third party crime • Theft of client funds • Social engineering • Invoice manipulation • New vendor fraud • Theft of senior executive funds • Corporate identity theft • Unauthorised used of computer resources (crypto-jacking) • Telephone hacking	• Side A & B • Additional limit for non-executive directors • Extradition and appeal costs	• Pre regulatory investigations sub limit • E&O regulatory investigations cover • D&O regulatory investigations cover	• Payment services regulation • **Employment practices liability** • Management liability entity cover • PTL • **Property, GL** Extended reporting period

Evolution of the fintech product

Fintech 1.0

- Combined E&O clause for financial & technology services
- Regulatory investigation costs
- IP infringement sub limit
- Infidelity of employees
- Third party crime cover
- Privacy liability from malicious cyber event
- Extortion

Fintech 2.0

- Broadened finfech services clause
- Breach of contract
- Cyber privacy liability
- First party BI as a result of a cyber event
- Incident response costs
- Social engineering
- Theft of client funds
- Pre investigation costs

Fintech 3.0

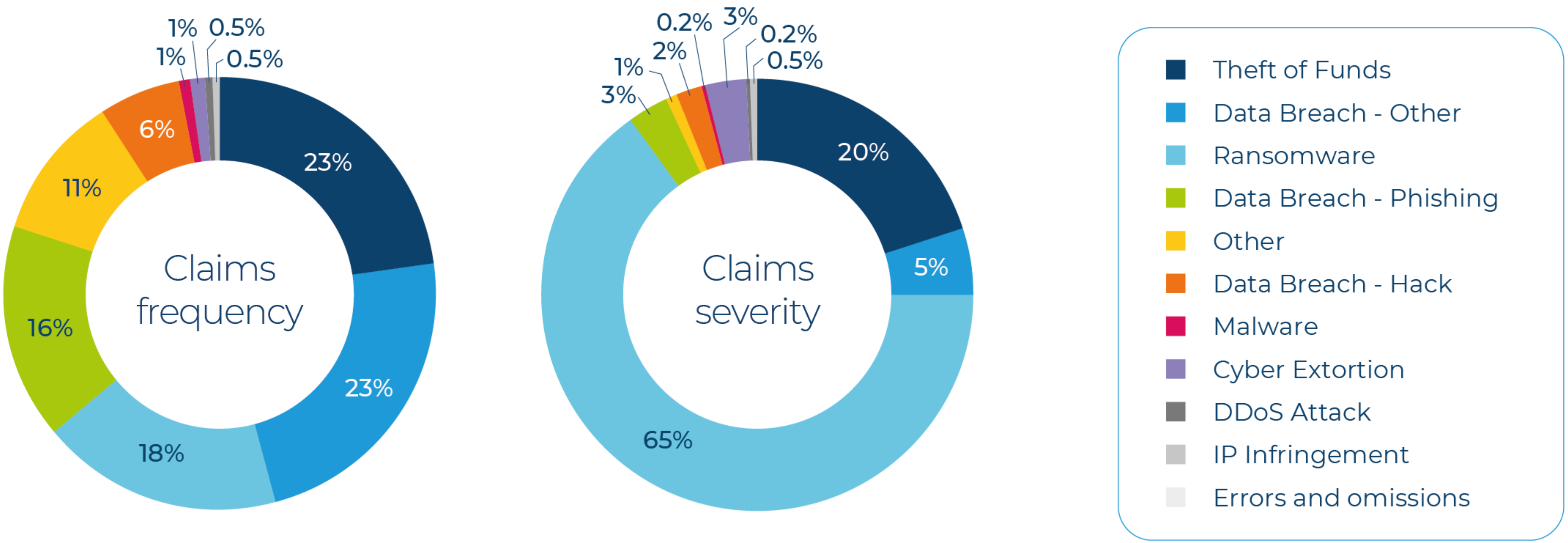
Enhanced cyber cover

- BI as a result of cyber event, system failure or operator error
- Voluntary and regulatory shutdown cover
- Additional ML cover
- Enhanced cyber crime
- Aggregate deductible for cyber
- Affirmative AI cover

CFC **cyber services**

Cyber claims: Breakdown

Ransomware accounts for 71% of CFC's total cyber claims payouts



In-house cyber security experts

★★★★★

Cyber Safety & Loss Control Team of the Year

Zywave Cyber Risk Awards 2024

CFC Security successfully prevents and remediates thousands of cyber events for our customers each year.

24/7 follow-the-sun approach

<15 min technical response time

2,500+ cyber events handled each year

250+ security experts

Preventing **cyber attacks**

Using insights from threat intelligence feeds, the dark web, network scanning and our own real-life claims data, CFC Security identifies potential threats and alerts vulnerable customers before the worst happens.

Responding to **cyber attacks**

Available 24/7, our global team of cyber incident responders work quickly to triage incidents, contain threats, and repair networks, minimizing the impact to our customers and getting them back online quickly.

Fintech appetite

Risks we like

- Digital and mobile banking
- Money transfer / remittance
- Investment platforms
- Digital lending (B2B)
- Banking as a Service
- Payment technology

Risks we consider

- Consumer / retail focused risks
- Crowdfunding
- P2P lending
- Credit reference / building
- Insurtech
- Comparison websites / aggregators
- Retail trading platforms

Risks we ordinarily decline

- Crypto exposed risks
- Short term consumer lending
- Mortgage broking / lending

Questions?

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