

Target Market Statement

SME Financial Institutions

Product Description

The product is tailored for small and medium-sized financial institutions (SME FIs) across various industries and services. It specifically targets businesses based in Australia, Europe, North America, and the UK. This insurance offering provides directors and officers with protection against a range of risks they encounter while performing their duties. These risks encompass professional indemnity, legal expenses, employment practices liability, and commercial crime.

Customer needs met by this product:

Type	What it covers
Business	<p>This product offers coverage including Directors and Officers(D&O) liability, SideA coverage, Difference in Conditions, Blended D&O, Professional Indemnity (PI), Crime coverage, Professional Indemnity, Investment Manager Insurance and Crime/Bankers Blanket Bond.</p> <p>While the product itself follows a standard framework, each policy is customized to meet the specific needs of individual insured parties, with personalized limits and excesses.</p>

Distribution channels

This product is designed to be distributed through Brokers/Coverholders.

Who the product is designed for

This product is designed for public and private Financial Institutions, Asset managers (including hedge funds), individual funds, investment managers, National, regional, and private banks, Property and Casualty Insurance Companies, Private Equity or Venture Capital firms falling within the SME business definition. It also includes particularly those businesses domiciled in the UK, Europe, Australia, or the US/Canada.

Characteristics of the target market

The product provides cover for the types of businesses listed above seeking coverage including D&O liability, Side A, Difference in Conditions, Blended D&O, PI, Crime coverage, Professional Indemnity, Investment Manager Insurance and Crime/Bankers Blanket Bond.

The product does not cover the gaining of any profit or financial advantage to which the insured was not legally entitled, the committing of any deliberately dishonest act, or deliberately fraudulent acts by the insured (this exclusion shall only apply if a final, non-appealable adjudication or formal admission establishes that such conduct occurred). As such, the product does not meet any insured seeking these covers.

Objectives, needs and interests of the target market

The product will meet the following needs and interest of the target market by providing the following covers:

Directors & Officers

- Management liability cover for:
 - Directors and officers
 - Outside Directorships
 - Non-executive directors
 - Claims arising from decisions taken in their capacity as directors or officers, as well as protection for the company employing them

Professional Indemnity

- Protection from claims or loss arising from actual or alleged acts, error or omission; loss of documents; or loss of personally identifiable customer information, in the performance of or failure to perform professional services by any insured or by any other person or entity for whom the insured is legally liable.

- The product also typically includes coverage extensions for investigation costs of the company, regulatory costs of an insured person, and mitigation costs of an insured.

Crime

- Protection for covered losses of the insured resulting from claims arising out of employee dishonesty and third-party frauds, theft, forgery, robbery, and physical and cyber extortion.
- The product also includes coverage extensions for data security breach costs, software removal or reconstitution costs, legal costs, and corporate identity fraud costs.

Employment Practices Liability

- Protection for employers, typically the individual instead of the entity, from claims arising from employees and third-parties alleging wrongdoing or legal violations related to their employment.
- The most common claims are related to discrimination, harassment, wrongful termination
- Negligent evaluation, retaliation, defamation, failure to promote are also common claims

Customers for whom the product would not provide intended value

- This product is unsuitable for Non-Financial Institutions.
- SME sized FI seeking cover outside the territorial limits specified.
- Individual Consumers
- It is also not intended to large FI entities (Arch provides a separate FI product)

Optional additional covers

This section details the optional covers which are available with this product:

This product does not provide any additional cover.