Product: Financial Lines

Manufacturer Information

Product information

Financial Lines Insurance is a suite of modular commercial insurance products designed to protect organisations and their management from financial, professional, operational and regulatory exposures.

The product may include:

- Professional Indemnity / Civil Liability – protection for claims alleging negligence, errors, omissions, breach of duty, data breaches, loss of documents, regulatory investigations and employee dishonesty arising from professional services.
- Directors & Officers Liability – protection for individuals and the entity for wrongful acts, investigations, derivative claims, EPL, extradition, and management liability exposures.
- Commercial Crime – cover for theft by employees, third-party fraud, forgery, robbery, safe burglary, computer fraud, funds transfer fraud, extortion and related loss-determination costs.

The product is suitable for organisations of varying sizes seeking protection against financial loss arising from management decisions, professional services, cyber-triggered professional events, employee dishonesty, and regulatory proceedings.

Target market

The Financial Lines product is designed for organisations whose exposures arise from professional services, management decisions, fiduciary responsibilities, or exposure to financial crime rather than from physical operations or goods. It targets entities seeking comprehensive protection against professional negligence, management liability, and financial crime losses, providing modular coverage across Professional Indemnity, Directors & Officers Liability, and Commercial Crime.

This broader product suite appeals to organisations that require coordinated protection against errors, omissions, wrongful acts, regulatory investigations, employee dishonesty, and third-party fraud.

1) Business Size & Type
   - Micro enterprises, small businesses, mid-sized commercial entities, and large corporates operating in sectors where professional services, regulated decision making, or financial assets are core to operations.

   Typical customer groups include:
   - Professional Services (PI / Civil Liability):
     a) Accountants
     b) Architects
     c) Engineers
     d) Insurance brokers
     e) Surveyors
     f) Consultancy or advisory firms

   - Management & Governance (D&O):
     g) Directors, officers, senior managers, trustees, and board members of commercial, not for profit, and public sector organisations
     h) Entities exposed to regulatory investigations, shareholder actions, and governance requirements

   - Financial Crime Exposure (Crime):
     i) Organisations handling money, securities, or digital assets
     j) Businesses requiring protection from employee dishonesty, third party fraud, forgery, or funds transfer fraud

2) Insurance Profile
   Designed for organisations exposed to:

- Professional liabilities arising from error, omission, breach of duty, data loss, or negligent advice

- Management liabilities arising from wrongful acts, mismanagement, regulatory enquiries, derivative actions, or employment related allegations

- Financial crime risks including employee theft, forgery, extortion, robbery, safe burglary, and computer/funds transfer fraud

Coverage may include:

- Professional Indemnity / Civil Liability:
  a) Civil liability
  b) Liability for lost documents
  c) Ombudsman awards
  d) Legal defence costs and representation expenses
  e) Copyright and IP protection
  f) Attendance expenses
  g) Hacker related professional liability events

- Directors & Officers Liability:
  h) Wrongful acts
  i) Corporate reimbursement
  j) Regulatory investigations & examinations
  k) Public relations/crisis management support
  l) Emergency defence costs, extradition assistance, and discovery period extensions

- Commercial Crime:
  m) Theft by employees
  n) Third party fraud
  o) Forgery & alteration
  p) Computer fraud & funds transfer fraud
  q) Extortion and loss determination expenses

Policies are modular and tailored with flexible limits, deductibles, and optional extensions aligned to the risk profile of each customer.

3) Customer Needs & Behaviours

Customers are likely to value:

a) Protection against professional errors, omissions, and breach of duty
b) Protection for management decision making and personal liability of directors/officers
c) Safeguards against employee dishonesty, cyber enabled fraud, and third-party financial crime
d) Certainty and clarity in coverage for intellectual, advisory, managerial, and financial exposures
e) Access to specialist claims expertise supporting legal defence, regulatory engagement, and forensic loss investigation

Businesses commonly seek:

f) Comprehensive coverage that can be customised across multiple Financial Lines modules
g) Rapid access to specialist claims handlers for professional, management, and crime related disputes
h) Protection that supports organisational governance, client relationships, and regulatory compliance requirements

4) Geographic Scope

- Distributed worldwide across jurisdictions where TMK is licensed and where Financial Lines products are permitted.
- Certain territories may be restricted based on regulatory or risk appetite considerations for specific modules (e.g., D&O, Crime).

5) Distribution Channel

- Sold via coverholders, lineslips, and consortium arrangements with specialist Financial Lines expertise.
- Typically distributed through regulated brokers knowledgeable in PI, D&O, and Crime.
- Distribution may be both advised and non-advised, depending on customer type and module.
- Distribution chains generally capped at 4 entities to ensure proper oversight and conduct standards.

6) Circumstances Where Product Delivers Greatest Value
The Financial Lines product provides exceptional value when businesses face:
   a) Claims for negligent advice, design, or professional errors
   b) Regulatory investigations, enforcement action, or allegations against directors/officers
   c) Loss of money, property, or securities due to employee dishonesty or external fraud
   d) Significant legal defence costs arising from client disputes, shareholder actions, or criminal activity

Particularly valuable for:
   e) Organisations operating in advisory, consultancy, governance, or fiduciary roles
   f) Businesses seeking integrated protection for professional, managerial, and financial crime risks
   g) Firms requiring tailored coverage addressing sophisticated or niche exposures across multiple Financial Lines disciplines.

Types of customer for whom the product would be unsuitable

The Financial Lines product is not appropriate for:

1) Individual Consumers or Personal Insurance Buyers
   - Financial Lines policies are designed exclusively for corporate entities, partnerships, funds, and financial institutions.
   - The product is not suitable for private individuals.

2) Organisations Without Financial, Managerial, or Advisory Risk Exposure
   - Businesses that do not have directors, officers, trustees, investment managers, advisers, or fiduciary responsibilities will not derive meaningful protection from Financial Lines products.
   - Entities whose activities do not involve governance decisions, professional judgement, employee management, or financial stewardship (e.g., manufacturing only or purely operational businesses) are outside the target market.

3) Entities Seeking Coverage for Physical, Operational, or Property Based Risks
   - Financial Lines products do not provide cover for:
      a) Physical damage or property risks
      b) Bodily injury or property damage liabilities
      c) Product defects, recalls, or operational failures
   - Customers requiring such protection should seek Property, Casualty, or General Liability solutions.

4) Businesses Operating in Jurisdictions Where TMK Is Not Licensed or Approved
   - TMK cannot underwrite or distribute Financial Lines policies in territories where regulatory permissions do not exist, including jurisdictions where cross border Financial Lines business is restricted.
   - Clients in these regions should obtain cover from a locally authorised insurer.

5) Organisations Expecting Broad All Risk or Trading Loss Protection
   - Financial Lines products do not provide cover for:
      a) Trading losses or business failure
      b) Insolvency driven losses
      c) Fines, penalties, sanctions, or criminal acts
      d) Poor investment performance
      e) Operational errors outside the scope of the policy
      f) Cyber events, unless specifically endorsed

- Customers requiring wide ranging indemnity should consider more suitable risk transfer products.

6) Entities Requiring Cover for Mechanical, Supply Chain, or Operational Process Exposures
   - Financial Lines products do not insure operational breakdowns, supply chain risks, business interruption, or production related incidents.
   - Such exposures should be covered under Operational Risk, BI, or relevant specialty lines.

This Financial Lines product is unsuitable for individuals, organisations without managerial or advisory exposure, entities requiring tangible or operational risk coverage, or those expecting broad all risk protection. It is also not appropriate for customers located in jurisdictions where TMK is not authorised or licensed to operate.

Any notable exclusions or circumstances where the product will not respond

Limitations

- TMK will have the right to participate in the settlement of any claim.
- Insured firm must take reasonable care to minimise any loss or liability.
- Insured firm must tell TMK promptly about any claim or loss or anything which is likely to give rise to a claim.
- Insured firm must not admit liability or make any offer of settlement unless TMK have provided prior written agreement.

Key exclusions vary by module and may include:

- Known claims & circumstances, retroactive date restrictions
- Bodily injury / property damage (except where specifically extended)
- Fraud, dishonesty or personal profit (D&O — after final adjudication)
- Contractual liability beyond professional duty
- Fines, penalties, sanctions, uninsurable losses
- Pollution (except shareholder derivative circumstances in D&O where allowed)
- Prior or pending litigation (D&O continuity date)
- Consequential financial losses (Crime)
- Theft or fraud by directors/partners unless covered under specific PI fidelity clauses
- Cyber events unless arising from a covered professional duty
- Territorial & jurisdictional restrictions (per schedule)

Limits and deductibles vary by module and are specified in the schedule.

- PI – any one claim, with defence costs either inclusive or in addition.
- D&O – total aggregate limit for all loss including defence costs, with module-specific sub-limits.
- Crime – each loss and aggregate limits, with retentions applying per loss.

Other information which may be relevant to distributors

This product is permitted for sale with up to 4 distributors in the chain.

The product may be sold as a stand-alone product;

No further distributors in the chain are permitted without TMKS' approval. Any such approval will include consideration of their impact on product value.

This product can be sold with or without advice in line with FCA regulations or local regulations if distributors are not regulated by the FCA.

Where Distributor 1 sells this Product via multiple other distributors (via sub-delegations or sub-broking), it is their responsibility to ensure all distributors have been provided this document, have reviewed it and understand the content. If there is any additional remuneration, including commissions, fees or other 'non-standard' remuneration charge to the customer by other distributors, it is the responsibility of Distributor 1 to inform TMK of these details accurately and in full.

All distributors are expected to fully understand the eligibility criteria, covers and exclusions of the product.

Sales journeys must identify customer eligibility and ensure that key information and choices to be made are presented to customers in a way that supports a customer through the process of understanding core cover and configuring optional elements of insurance to suit their specific demands and needs.

This product can be sold face to face or via telephone, as long as customers are provided with sufficient information to make an informed decision regarding the suitability of the product.

Commission & Fees

If there is a coverholder in the chain, they are expected to ensure that maximum commission rates do not exceed those stipulated within the Binding Authority Agreement.

The coverholder is expected to maintain oversight of all broker commissions (where applicable) and, where there may be a risk to product value, remedial action should be taken immediately including notification to Tokio Marine Kiln.

Brokers are reminded of their own regulatory obligations in relation to remuneration under PROD 4.3.6 as well as the requirements to make all necessary disclosures to the customer.

Where there are any fees charged by any member of the distribution chain these should be:

- commensurate with the service provided by the distribution.
- not have an adverse impact on customer value; and
- distributor should ensure that TMKS is made aware of the fee amount and/ or method of calculation.

How value is assessed

Value is assessed based on a number of metrics, including underwriting, claims and complaints information as well as through broker and coverholder engagement.

Remuneration paid as set out in our agreements with distributors has been considered as part of the value assessment.

If additional add-ons (including premium finance) are sold alongside this product or additional remuneration is charged, this may affect the value for the customer.

Further information on our product approval processes can be obtained on request.

Date Fair Value assessment completed	October 2026
Expected date of next assessment	October 2027