

Financial Institutions (FI) Insurance Sales Guide

A fresh look at Financial Institutions

Introducing our Financial Lines products tailored for
FCA regulated UK domiciled financial institutions.

The Aviva logo, consisting of a blue square icon with a white stylized 'A' followed by the word 'AVIVA' in blue capital letters.

What key exposures do Financial Institutions face?

Financial Institutions operate in one of the most regulated and complex sectors. Increased sophistication within financial crime and heightened regulatory enforcement and litigation are placing even more pressure on firms, their senior management and their directors and officers.

Fraud remains a significant issue across the UK economy, with millions of incidents each year, while regulators continue to take decisive action against firms who have weaknesses in governance, controls or oversight. At the same time, rising litigation and emerging risks such as ESG and conduct risk are increasing the exposure of both organisations and individuals.



£129m+

FCA fines imposed in 2025/2026

Source: FCA Enforcement data 2025/2026*



Over **£100bn** is
estimated to be laundered
through the UK each year.

Source: National Crime Agency 2025*



1.83m complaints received
by financial services firms in H1 2025

Source: FCA Aggregate Complaints Data 2025 H1*

*Contains public sector information licensed under the Open Government Licence v3.0.

What can Aviva offer?

Financial institutions face a distinct mix of risks – from claims against directors and officers, professional services exposures and regulatory investigations, to fraud, dishonesty and loss involving client assets.

Aviva's products for Financial Institutions (FI) provides a specialist suite of solutions for regulated financial services businesses. The products can be **arranged as standalone cover or as a combined solution**, depending on the client's activities and risk profile.

Directors' & Officers' Liability (FIDO)

FIDO helps to protect directors and officers against claims made against them in their insured capacity, reimburses the company when it has indemnified an insured person and can include cover for securities-related exposures, if purchased.

Professional Indemnity (FI PI)

FI PI is designed to respond where a financial institution faces claims arising from negligence, errors or omissions connected to the professional services it provides.

FI Crime

FI Crime helps protect against financial loss arising from dishonest or fraudulent acts from both internal and external fraud, including social engineering, if purchased.

Fund Directors' & Officers' Liability (Fund D&O)

Fund D&O is specific cover for an investment fund which helps to protect directors and officers against claims made against them in their insured capacity, reimburses the fund when it has indemnified an insured person and can include cover for securities-related exposures, if purchased.

Investment Management Insurance (IMI)

IMI is a dedicated product specifically for Investment Managers. It combines D&O, PI and Crime protection into one product, helping to protect Investment Managers against unique risks, including AIFM exposures.

Our Appetite

Maximum line size £5m to £10m depending upon industry segment and claims history.

Target Business - Wide Appetite

- Investment Managers
- Investment Funds
- Banks
- Building Societies
- Credit Unions
- Mutuals
- MGAs
- Corporate Finance Companies
- Corporate Service Providers
- Fund Administrators
- Stockbrokers
- Platform Exchanges
- Clearing Houses

Selective Industries - Cautious Appetite

- Insurance Companies
- Reinsurance Companies
- FX Traders
- Commodity Traders
- Money Exchanges
- FinTechs
- Custodians
- Asset and Invoice Finance Firms
- Buy Now Pay Later providers

Highly Selective - Restrictive Appetite

- Litigation Funds
- Crypto Businesses
- Peer-to-Peer Lenders
- Bridge Loan Providers

Value-added support for clients

Beyond insurance cover, Aviva provides access to practical risk management tools, insight and legal support to help Financial Institutions identify emerging risks, strengthen controls and support better business resilience.

Aviva Risk Management Services (ARMS)

ARMS provides access to a wide range of risk management insight, guidance and specialist support designed to help business manage operational, regulatory and emerging risks.



Loss Prevention Guides (LPS) on topics such as fraud, AI governance, cyber governance, and management liability



White papers on current and emerging trends



Access to specialist expertise and **consultancy support**



[Explore ARMS resources](#)

Aviva Businesslaw - powered by ARAG

Online legal and business tools to help clients manage everyday legal, employment and operational matters more confidently, at no additional cost, for example:



Free business self-assessment tool (ranging from cyber security, data compliance, to fitness to manage staff and more)



Legal Templates to quickly and easily prepare complex contracts and policies at any time



Business guides and video resources on a wide range of topics available 24/7



Legal and HR contracts and policies document management
Create, upload, store, edit, duplicate and share

[Learn more](#)

Specialist Claims expertise for complex FI risks

Financial Institutions claims can be technical, sensitive and high-value. Our dedicated Financial Lines claims team gives clients access to specialist judgement when it matters most.

1 End-to-end bespoke claims service

A dedicated claims lead supports clients from first notification through to resolution, providing consistent communication, clarity, and a service shaped around their business needs.

2 Swift and proactive claims handling

We act early to identify risks and exposures, agree the right strategy, and reduce uncertainty — with timely coverage decisions that give clients confidence when it matters most.

3 Access to trusted legal partners

Our in-house capability is complemented by a recognised legal partner network, ensuring the right expertise is applied to every claim, no matter the complexity.

4 Specialist Financial Lines expertise

Our dedicated team combines experienced insurance professionals and practising solicitors, supporting complex and sensitive claims with confidence and precision.

Claims Stories – D&O

1 Activist Investor Action (D&O)

Company A, a UK-listed investment trust, experiences sustained underperformance against benchmarks. As investor dissatisfaction grows, Company B begins acquiring shares to build a significant stake with the intention of influencing control of the board. A letter before action was then received by Company A alleging mis-management of Company A and various allegations made against the Board of Directors alleging various breaches of fiduciary duties, citing poor investment decisions and mismanagement as the cause of the trust's performance.

Response:

After a formal Claim is made against the directors of Company A alleging breaches of fiduciary duty and mismanagement, Company A notifies its D&O insurer. The insurer appoints legal advisers to defend the directors against the Claim.

Cost of loss

- c.£300,000 in legal defence costs
- c.£200,000 in specialist advisory and litigation costs

Outcome:

The court finds that the board has not breached its fiduciary duties. While no damages are awarded, significant defence costs are incurred and covered by the D&O policy.

All scenarios and solutions shown are intended solely to illustrate potential situations and outcomes.



Claims Stories – Professional Liability

2 Trading Error (Professional Liability)

An investment manager operates a discretionary investment portfolio, with defined mandate restrictions. One of the restrictions is a concentration threshold on certain stocks. A senior employee executes a trade to reduce their exposure to a volatile stock that has become close to the concentration threshold restriction and reallocate to a lower risk, ETF fund. The employee, in error, purchases £1m of additional stock instead of selling £1m of the existing stock. This results in a breach in the mandate restrictions and leaves the company with a higher level of volatile stock than intended. They escalate internally to their compliance and risk team and notify their PI insurer of the error.

Response:

With insurer consent they implement several actions:

1. Gradual sell-down of the stock to avoid a significant market impact
2. Entry into a small, short-term hedge position to limit the downside
3. Engagement with clients impacted by the mandate breach to offer compensation in order to avoid litigation

Cost of loss

- c.£100,000 trading loss incurred during stock sell-down
- c.£100,000 in compensation to clients impacted due to the mandate breach
- c.£50,000 in legal and PR costs in client communications

Outcome:

Had swift corrective action not been taken to mitigate the loss, the company would have been facing a trading loss of £1m, litigation defence costs of £250k and client damages for £500k. The mitigation cover under the PI policy contained the losses, reduced the risk of further litigation and minimised the reputational damage suffered.

All scenarios and solutions shown are intended solely to illustrate potential situations and outcomes.

Claims Stories - Crime

3 Employee theft (Crime)

A senior employee at a building society creates a fictitious account and begins transferring small amounts from customer accounts to avoid detection. After multiple customer complaints relating to unrecognised transactions, the pattern is identified and investigated.

Response:

An internal investigation is launched, followed by notification to law enforcement and the insurer. Forensic analysis confirms that the employee has been systematically diverting funds over an extended period.

Cost of loss

- c.£200,000 in stolen customer funds
- c.£50,000 in investigation and forensic costs

Outcome:

The employee is identified and dismissed, and the incident is reported to the authorities. The insurer reimburses the financial loss and associated investigation costs under the Crime policy.

All scenarios and solutions shown are intended solely to illustrate potential situations and outcomes.

Key summary

We're here to help brokers support Financial Institutions clients with cover that reflects the specialist risks they face — from regulatory scrutiny and liability exposures to financial crime. Aviva's FI proposition brings together flexible cover, experienced underwriting, dedicated claims support and practical risk management services, helping brokers find the right solution for clients with confidence.



Flexible cover

Standalone or combined FI solution that is tailored to customer needs that's designed to respond to litigation, regulatory and financial crime risks



Specialist underwriting expertise

Led by highly experienced FI specialists with decades of combined market experience and with a strong understanding of complex, regulated and evolving FI exposures.



Claims expertise

Dedicated FI claims team including access to trusted legal partners.



Risk management

Access to a wealth of material on loss prevention standard and whitepapers on the latest trends.

[Find out more about ARMS](#)

Access to practical support to identify exposures and strengthen controls.

Supporting Resources

Summary of cover

Investment Fund Directors' & Officers' (Fund D&O)

Summary of Cover

This is a summary of our Investment Fund Directors' & Officers' policy and does not contain the full terms and conditions of the cover, which can be found in the policy document. It is important that you read the policy document carefully when you receive it. Your cover depends on the schedule document which shows the items you have chosen to cover.

What is Investment Fund Directors' & Officers' Insurance?

This policy provides protection for directors and officers of an investment fund against their personal liability arising from claims made against them in their insured capacity.

Cover includes:

- Directors' & Officers' Liability** - Cover for loss arising from claims brought against directors and officers in their capacity as directors and officers of the fund, whether or not they are personally liable.
- Fund Reimbursement** - Cover for the fund where it has to reimburse directors and officers for claims brought against them.
- Fund Securities Liability** - Cover for claims brought by investors of the fund or its subsidiaries in connection with the fund's securities.
- Regulatory Investigations & Representative Costs** - Cover for legal representation costs incurred by the fund in connection with regulatory investigations or pre-investigation enquiries by regulators.

Additional Limits - Main Board & ESG

Separate, dedicated limits for board-level claims and ESG-related claims once the main limit has been exhausted (where shown in the Schedule).

Additional Cover Includes:

- Unlimited Run-Out for Retired Individuals**
- Crises and Reputation Costs**
- Public Relations and Records Costs**
- Regulatory Investigations Costs**
- Private Warning Costs**
- New or Revised Fees and Penalties**
- International Litigation Costs**

Sub-limits and specific conditions may apply.

Significant exclusions and limitations

- Fraud, dishonesty or deliberate misstatement (since finally established)
- Personal profit or advantage to which an insured was not legally entitled
- Badly timed or improperly managed claims (other than specified defence costs)
- Prior or known claims or circumstances
- Claims arising from the provision of professional services (except where specifically covered)
- Certain claims brought in the USA between insured entities
- Public offerings unless agreed in advance
- Sanctions and flag acts

Investment Management Insurance (IMI)

Summary of Cover

This is a summary of our Investment Management Insurance (IMI) policy and does not contain the full terms and conditions of the cover, which can be found in the policy document. It is important that you read the policy document carefully when you receive it. Your cover depends on the schedule document which shows the items you have chosen to cover.

What is Investment Management Insurance (IMI)?

Investment Management Insurance (IMI) is a combined policy covering Management Liability (ML), Professional Liability (PL) and your business and your people against regulatory, professional and management activities.

Cover includes:

- Automatic extended reporting period** - 90 days for liability
- Single insured event limit** - Insured acts or events treated as one event
- Worldwide cover** - Where legally permitted
- Lead Interest** - Pays interest the firm would have earned but for the claim

Management Liability

Cover for directors, senior managers and certain employees against the business is managed.

Cover includes:

- Claims against Insured Persons** - Legal defence costs and is provided for a Management Throughput A/C
- Company Reimbursement** - Reimburses the company where it has to reimburse directors and officers for claims brought against them
- Regulatory Investigations and pre-investigations** - Legal representation costs incurred by the company in connection with regulatory investigations or pre-investigation enquiries by regulators

Additional Limits - Main Board & ESG

Separate, dedicated limits for board-level claims and ESG-related claims once the main limit has been exhausted (where shown in the Schedule).

Additional Cover Includes:

- Unlimited Run-Out for Retired Individuals**
- Crises and Reputation Costs**
- Public Relations and Records Costs**
- Regulatory Investigations Costs**
- Private Warning Costs**
- New or Revised Fees and Penalties**
- International Litigation Costs**

Sub-limits and specific conditions may apply.

Significant exclusions and limitations

- Claims by the Insured Entity in the USA (claims brought by or against the insured entity, with certain exceptions)
- Public Offering of Securities (No cover for claims connected with the public offering of securities)
- No cover for Professional Indemnity - with certain exceptions
- Sanctions and flag acts

Financial Institutions Directors' & Officers' (FIDO)

Summary of Cover

This is a summary of our Financial Institutions Directors' & Officers' Liability policy and does not contain the full terms and conditions of the cover, which can be found in the policy document. It is important that you read the policy document carefully when you receive it. Your cover depends on the schedule document which shows the items you have chosen to cover.

What is Financial Institutions Directors' & Officers' Insurance?

This policy provides protection for directors and officers of a financial institution against personal liability arising from claims made against them in their insured capacity.

Cover includes:

- Directors' & Officers' Liability** - Cover for loss arising from claims made against an insured person during the policy period arising from a wrongful act committed in their capacity as a director or officer, where the company cannot or does not indemnify them.
- Company Reimbursement** - Cover for the company where it has indemnified an insured person for a covered claim.
- Securities Liability** - Cover for claims brought against the company by shareholders or investors alleging misrepresentation or breach of securities laws in connection with securities.
- Regulatory Investigations & Representative Costs** - Cover for legal representation costs incurred by an insured person and the company, where indemnified arising from formal investigations or pre-investigation enquiries by a regulatory or official body.

Additional Limits - Main Board & ESG

Separate, dedicated limits for board-level claims and ESG-related claims once the main limit has been exhausted (where shown in the Schedule).

Additional Cover Includes:

- Unlimited Run-Out for Retired Individuals**
- Crises and Reputation Costs**
- Public Relations and Records Costs**
- Regulatory Investigations Costs**
- Private Warning Costs**
- New or Revised Fees and Penalties**
- International Litigation Costs**
- Management Buy-Out**
- Outside Directorships**

Sub-limits and specific conditions may apply.

Significant exclusions and limitations

- Fraud, dishonesty or deliberate misstatement (since finally established)
- Personal profit or advantage to which an insured was not legally entitled
- Badly timed or improperly managed claims (other than specified defence costs)
- Prior or known claims or circumstances
- Claims arising from the provision of professional services (except where specifically covered)
- Certain claims brought in the USA between insured entities
- Public offerings unless agreed in advance
- Fines, penalties or sanctions that are unremediable for law
- Sanctions and flag acts

Broker Webpage

Financial Institutions

Introducing Financial Institutions

What do FIDOs need Financial Institutions cover?

Why choose Aviva's Financial Institutions cover?

GCS Webpage

Financial Institutions Insurance

Cover in an ever-changing world

Why choose Aviva's Financial Institutions Insurance?

What does the cover offer?

ARMS LPS

Responsible Reporting - Legal Considerations for Directors Under FSMA

Introduction

This article provides a practical overview of the legal considerations for directors under the Financial Services and Markets Act 2000 (FSMA) in relation to responsible reporting. It covers the requirements for directors to ensure that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

Section 172(1)(b)

The company must ensure that the directors are able to provide a true and fair view of the company's financial position, and that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

Section 172(1)(c)

The company must ensure that the directors are able to provide a true and fair view of the company's financial position, and that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

Failure to Prevent Fraud

Introduction

This article provides a practical overview of the legal considerations for directors under the Financial Services and Markets Act 2000 (FSMA) in relation to failure to prevent fraud. It covers the requirements for directors to ensure that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

Section 172(1)(b)

The company must ensure that the directors are able to provide a true and fair view of the company's financial position, and that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

Section 172(1)(c)

The company must ensure that the directors are able to provide a true and fair view of the company's financial position, and that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

Cyber Governance for Boards

Introduction

This article provides a practical overview of the legal considerations for directors under the Financial Services and Markets Act 2000 (FSMA) in relation to cyber governance. It covers the requirements for directors to ensure that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

Section 172(1)(b)

The company must ensure that the directors are able to provide a true and fair view of the company's financial position, and that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

Section 172(1)(c)

The company must ensure that the directors are able to provide a true and fair view of the company's financial position, and that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

AI Governance

Introduction

This article provides a practical overview of the legal considerations for directors under the Financial Services and Markets Act 2000 (FSMA) in relation to AI governance. It covers the requirements for directors to ensure that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

Section 172(1)(b)

The company must ensure that the directors are able to provide a true and fair view of the company's financial position, and that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

Section 172(1)(c)

The company must ensure that the directors are able to provide a true and fair view of the company's financial position, and that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

Management Liability - Greenwashing

Introduction

This article provides a practical overview of the legal considerations for directors under the Financial Services and Markets Act 2000 (FSMA) in relation to management liability - greenwashing. It covers the requirements for directors to ensure that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

Section 172(1)(b)

The company must ensure that the directors are able to provide a true and fair view of the company's financial position, and that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

Section 172(1)(c)

The company must ensure that the directors are able to provide a true and fair view of the company's financial position, and that the company's reporting is accurate, fair, balanced, clear and concise, and that it is not misleading or deceptive.

If you have any questions about any of our FI insurance solutions, please speak to our regional Financial Institutions contacts.

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