HOWDEN

Global reach, local touch

The leading insurance broker for
Financial Institutions in the Caribbean

Where is your business heading?

We create purpose-built insurance solutions to support you on your journey.

InsurancePOST
THE BRITISH INSURANCE AWARDS 2024
WINNER
Insurance Broker of the Decade

All we do and all we have ever done

550+
Banking clients
(retail and wholesale)

Tier 1
We act for UK Tier 1
and other global banks

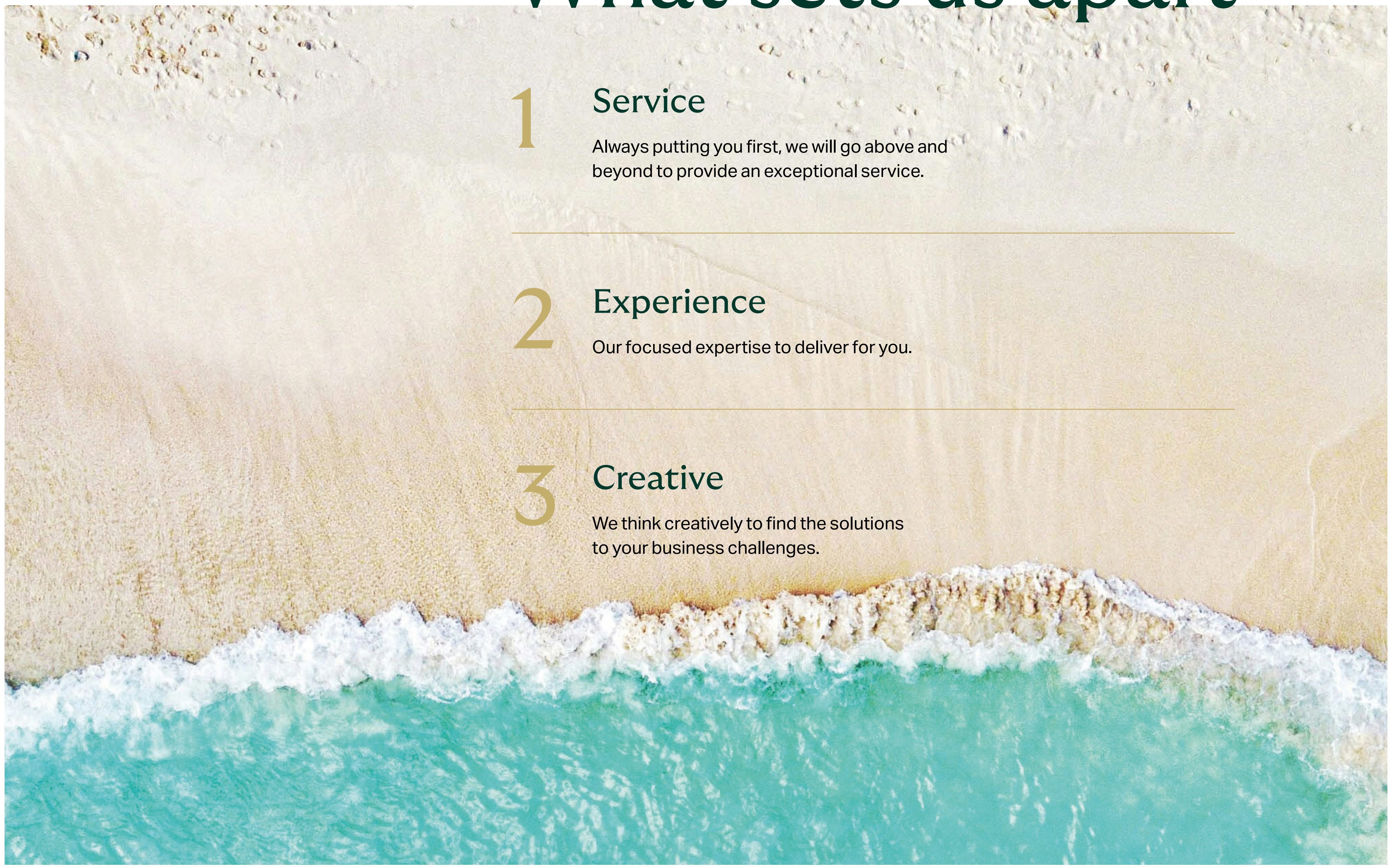
250+
Fintech/payment services
clients across our wider
Financial Lines Group

20+
Experts focused
on international
financial lines

40+
In-house senior lawyers
and claims professionals

$7.3bn
Specialty lines
premium to market

What sets us apart



1 Service
Always putting you first, we will go above and
beyond to provide an exceptional service.

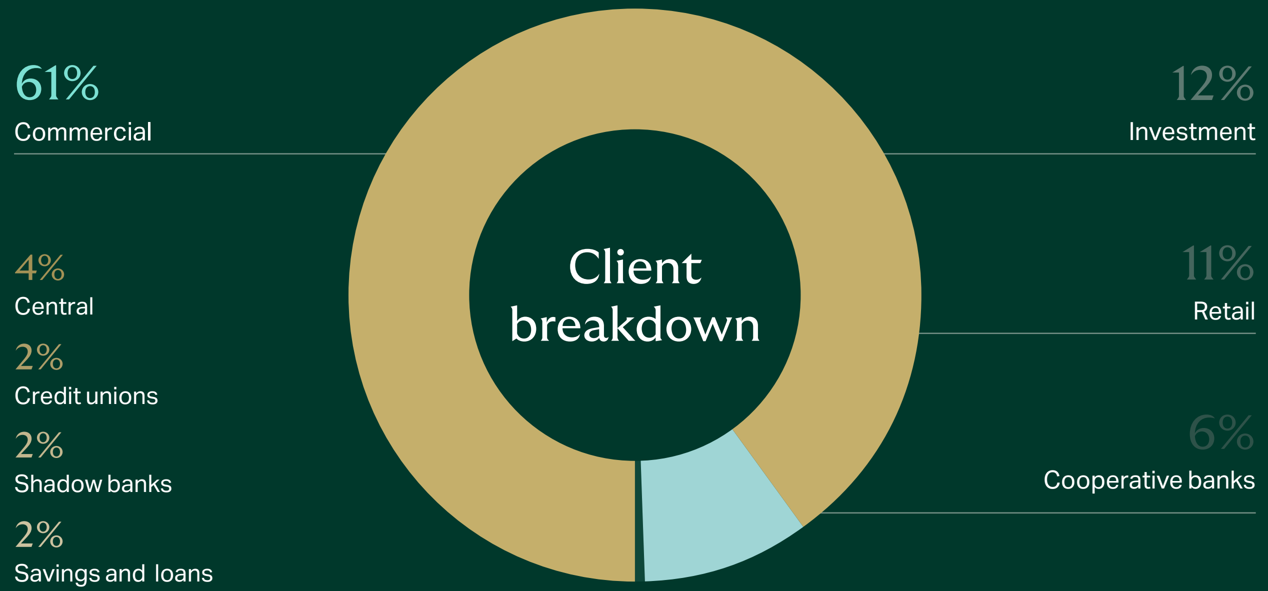
2 Experience
Our focused expertise to deliver for you.

3 Creative
We think creatively to find the solutions
to your business challenges.

Global reach, local expertise

With access to over 180 banks worldwide and more than 3,000 asset and fund managers, we think on a global scale. Having operated in the Caribbean for over 13 years we can provide local expertise to help you to navigate your ever evolving risk landscape.

We help insure over 70 banks in the Caribbean and feel we are the leading specialist financial institutions broking team in the Caribbean and a proud partner the Caribbean Association of Banks which represents over 80 institutions*.



*As stated on the Caribbean Association of Banks website.

Forward-thinking. Innovative. Creative.

These might not be what you're used to when purchasing your insurance.

The full spectrum of solutions

We offer the full spectrum of products and services to help protect financial institutions from the risks they face today and in the future.

1 Crime

Employee dishonesty represents over 80% of our clients' losses, either directly or as a vector for criminals. Our policies remove any need to explain motives.

2 Cyber

Loss sustained by the bank, or loss for which they are legally liable, including fees and expenses, resulting from dishonest, fraudulent, criminal or malicious access by any person or entity to any computer system used by or relied upon by the institution.

3 Civil liability

Loss resulting from third party claims made against the bank for Civil Liability provided such claims arise out of the provision by the bank of Financial Services.

4 Directors' and Officers' liability insurance

Protection against the costs of defending a court case, regulatory investigation, or the settlement of a claim against a director or officer. Failure to purchase proper protection can be costly for businesses and put the personal assets of directors at risk.

5 Climate risk and resilience

Howden's Climate Risk and Resilience practices addresses the risks associated with a changing climate and aid the transition towards net-zero carbon emissions. The team focuses on risk transfer products that help to accelerate and de-risk the move towards a low-carbon economy, and to mitigate the results of climate change.

6 Parametric loan default

We offer three different approaches to transferring risk resulting from a hurricane or other extreme weather event. We offer these alternatives so that each financial institution may decide for itself which of these routes it considers to be most beneficial. These are; bespoke protection, group protection, customer protection.

7 Structured trade credit insurance

Credit insurance is an unfunded risk transfer product, substituting counterparty risk for insurer risk. The insurer(s) indemnifies the insured for any net loss following non-payment by a borrower under a specified obligation.

8 Operational risk and resilience

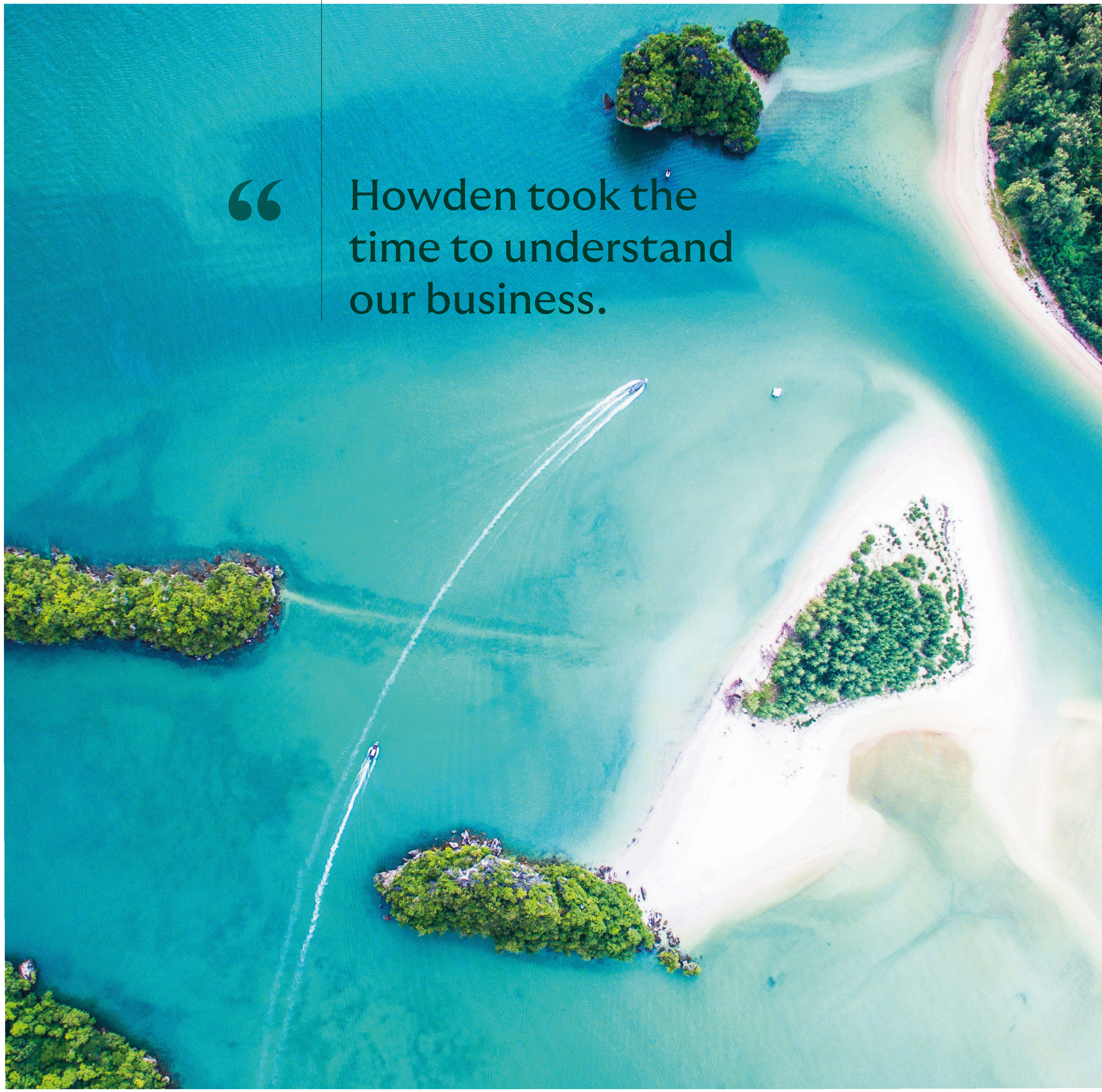
We provide specialist expertise to enhance risk understanding, risk transfer and risk governance; with particular focus on:

- Structured scenario analysis
- Operational risk analysis, reporting, and Pillar 2 ICAAP capital calculation
- Insurance alignment and optimisation

Exceptional service

We pride ourselves on the outstanding service we provide. For us the relationship is personal, not transactional. Acting as your in-house insurance team, we always go the extra mile to take care of your interests.

- Available and responsive at any time
- We take the time to understand your business
- Bringing markets to you
- Specialist expertise
- Diverse and experienced team
- Collaborative programme design



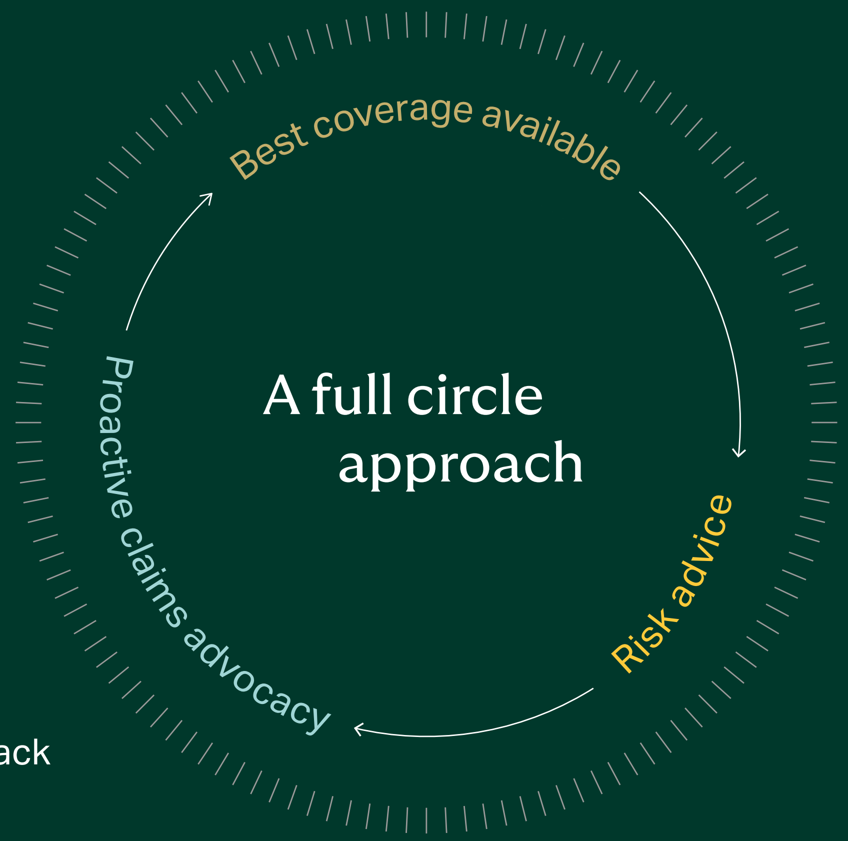
“ Howden took the time to understand our business.

Coverage is central to our proposition

From day one, we embed industry-specialist lawyers and claims advocates from our 40-strong Legal, Technical & Claims team into your service team, at no extra cost.

They will craft robust policy coverage, provide strategic advise on risks, and guide you through claims with precision and expertise.

We take a full circle approach that feeds learnings and insight back into your programme so that it continuously evolves with your business needs.



It's a full circle approach that feeds learnings and insight back into your programme.

Best coverage available

- Exclusive Howden wordings – manuscripted and tailored to you
- Strategic coverage negotiation with markets, focusing on your key risks
- Preserving your cover under constant review especially in current market

Risk advice

Clear, practical guidance on:

- Legal and regulatory developments
- Claims trends
- Market conditions
- All coverage queries

Providing coverage clarity.

Proactive claims advocacy

- Strategic advice at every step if your claims
- Clear early coverage advice
- Shape notifications
- Manage insurers/their lawyers
- Achieve successful resolution

Claims insights

Breakdown of claims payments

90%
Crime and cyber crime

9.5%
Professional liability

0.5%
D&O

$10m	80%
$15m	90%
$22m Over $20m worth of claims handled since 2012	100% Payment record in the Caribbean since 2012

Leveraging data

We're a broker dedicated to serving our clients in an ever-changing world and helping them get ahead. By harnessing our extensive, high-quality specialist data we can add meaningful value and innovative solutions to our banking clients.

Our team of in-house analysts, financial engineers and market leading experts leverage this data to help you enhance risk governance and make informed purchase decisions.

1 Insurance benchmarking

Leveraging our proprietary data we use our Limit Benchmarking app to assess how your coverage compares to industry peers, using assets and income as an exposure metric.

2 Insurance optimisation

Using historical (internal and relevant external) operational risk loss data in conjunction with forward-looking scenario data, we optimise cover to maximise risk transfer efficiency.

3 Scenario analysis

Helping you make a forward-looking assessment of exposure to unexpected loss(es).

4 The Howden Risk Engine

Our operational risk, analysis, reporting, and capital calculation platform supporting firms to enhance risk governance and meet Pillar 2 ICAAP requirements for operational risk.

An unseen menace

We are a partner of the Caribbean Association of Banks acting for over 90 indigenous financial institutions within the Caribbean.

We do not rely on off-the-shelf products or insurer wordings, we design our own products to benefit our clients, ensuring we deliver a high level of protection that precisely matches clients' needs.

In addition to our dedicated team for the Caribbean region, we are supported by a one of the largest Financial Lines practices in the insurance market. Working with a broad range of financial and professional services firms means we are constantly able to feed new learnings and developments back in to the service we provide to you.

Bank fraud - employee malpractice

Loss amount USD 1,971,038

Between 2010 and 2015 an employee of our client invested funds from eight customers in bonds and other investments that were unsuitable, unapproved without their customers knowledge. The actions of the employee also led other customers to invest substantial sums in bonds that were not approved by our client. Our client redressed all customers who suffered direct loss and those who invested incorrectly and the policy reimbursed our client for the loss sustained.

Bank fraud - fraudulent retention of inadvertently directed funds

Loss amount USD 51,039

A customer of the bank requested a wire transfer of USD 51,039.62 in favour of an individual who resides in the USA. This transfer was initiated via a US bank on January 10th and in error again on January 12th. The subsequent error payment was fraudulent withdrawn and the policy responded to meet the financial loss.

ATM / branch loss

Loss amount USD 450,000

A branch of our client was broken into with approximately USD 450,000 stolen from a stand-alone safe in the ATM backroom. The policy is in the process of responding to the claim.

Online account fraud

Loss amount USD 477,940

The Insured sustained a loss arising after funds were transferred from a customer's account through online banking. A fraudster had gained access to the account after impersonating the customer at one of the Insured's branches. The fraudster used a false ID and forged the signature. The loss was settled for USD 477,940.

Fraudulent misuse of credit plastic cards

Loss amount USD1,200,00

Various ATMs across the island were compromised using skimming devises by a group from Eastern Europe. A court hearing involving the alleged thieves is taking place 27/11/17 and we expect the policy to meet the loss sustained.

Employee dishonesty

Loss amount USD 7,000,000

An employee at a securities broking firm, client amended and generated fraudulent client documents including encashment requests and statements to circumvent internal protocols. Securities and cash transfers were made from client accounts to fictitious payees, funds then received by the employee. False statements were supplied to the customers who were not aware of the fraud. Total losses exceed USD 7m.

Online banking fraud

Loss amount USD 480,000

Our client's core systems encrypted with ransomware leaving the insured unable to operate any of their business systems as a result; customers were unable to access their personal banking accounts to withdraw or pay in funds. 600,000 customers were impacted. The ransom was not paid, with assistance from technical advisors provided via the Cyber policy systems were reactivated; expert and legal advice provided in managing regulatory disclosures in various locations, customers involved in the UK, US and Canada. USD 471,000 paid by insurers for use of external expertise.

Employee fraud

Loss amount USD 105,997

An employee of our client stole a total of USD 157,290 through a teller at our client's branch in Suriname. The policy reimbursed our client for the full loss sustained.

Directors and officers liability claim sexual harassment

Current legal fees currently stand at USD 154,000

A director of our client is accused of sexual harassment via thee cases; a criminal investigation, a whistle-blower investigation, and a civil action. Various lawyers are working on the case on behalf of our client with the policy paying all legal fees in defending our client.

Cyber attack

Loss amount USD 450,000

The trigger for the loss was an email from the general manager, requesting a payment be made from a client account to a third party advising further that the appropriate due diligence verification calls had been undertaken to the client The client payment details were fictitious, the email from the general manager was however a genuine email from his outlook inbox, not a fake email address. The general managers inbox has been hacked and the fraudsters had intimate knowledge of bank process, client account and available funds and the ability to send emails from the general managers system.

Fraudulent cheques

Loss amount USD 304,274

Our client accepted and cashed four fraudulent cheques over a period of six weeks to the sum of USD 304,274.00. As far as the client is aware, no employee involvement is suspected. The fraud squad were largely successful in recovering a significant proportion of the loss and the policy responded to the outstanding amount.

Keyboard smashing

Loss amount XCD 1,280,041.14

The client experienced a high incidence of unauthorised debit card transactions following a cyber-breach against a third party vendor. The banks identification number was not configured to process contactless payments and the switch on the vendor's software was not validating customers' transactions properly so was clearing transactions from expired cards.

Cyber fraud

Loss amount USD 40,000,000

A client of ours based internationally suffered loss following fraudulent transactions committed against them. Fraudsters were able to establish a website that allowed fraudulent card data to be used to obtain non-existent goods and services. They were able to manipulate the security level of the transactions to bypass the 3-D security protocol. As a result the defrauded card holders disputed the transactions as fraud chargebacks under the card scheme rules. The insured as the acquirer of the merchant is liable for those chargebacks that cannot be recovered from the merchant. Chargebacks exceeded USD 39,000,000. Full recovery was made under the policy.

Banco de Chile

Banco de Chile were victim to a USD10,000,000 cyber-attack in May. Hackers created a diversion by corrupting the master boot records (MBRs) of 9,000 computers and servers, rendering them unbootable. The attack took down branch computer systems across the country, but left online systems up-and-running. In the chaos, the attackers were able to transfer around USD10,000,000 million to accounts in Hong Kong via the bank's SWIFT international money transfers system.

Mexican banks

Thieves have recently siphoned hundreds of millions of pesos out of Mexican banks, including the country's second largest bank, Banorte, by creating phantom orders that wired funds to bogus accounts and promptly withdrew the funds. Hackers sent hundreds of false orders to move amounts ranging from tens of thousands to hundreds of thousands of pesos from banks to fake accounts in other banks the sources said and accomplices then emptied the accounts in cash withdrawals in dozens of branch offices.

Cosmos bank

Hackers managed to steal USD13,500,000 through simultaneous withdrawals across 28 countries over a weekend. The hackers stole customer information through a malware attack on its ATM server withdrawing USD10,800,000 in 14,849 transactions in just over two hours. In addition, the hackers were also able to transfer USD2,700,000 to a Hong Kong-based company's account by issuing three unauthorised transactions over the SWIFT global payments network.

Market strategy

In a constantly evolving and challenging insurance market, insurers are increasingly selective over the risks they take on. We use our in-depth sector knowledge and specialist approach to deliver results for you.

> “Our employee ownership model means that we’re driven to achieve more, collaborating across borders and specialisms to deliver for our clients.
>
> David Howden
> CEO

32%

Employee owned

Supported by a global Financial Lines Group, comprising over 900 employees across 41 countries, we combine world-class expertise with delivering tailored local solutions.

Someone to rely on worldwide

Howden is a collective - a group of 24,000 talented and passionate people all around the world. Working collaboratively with our overseas colleagues we can offer you a seamless service and across multi-jurisdiction programmes.

$42bn
Premium into international markets

115+
Territories

$3bn+
Revenue

24,000
Howden employees

Forging a better future

We are working to become a truly sustainable business and this remains a continuous journey as we grow. We have three core pillars in our sustainability approach, 'Giving back', 'Being a responsible business' and 'Changing the insurance narrative'.

Giving back

At Howden, we are deeply invested in supporting the communities where we live and work. We actively engage with them, by volunteering our time, fundraising, and raising awareness. We use our network of Community Impact champions to engage all employees from around the world to come together to create a meaningful social impact.

Throughout our 2024 financial year, our people continued their commitment to giving back, dedicating time to both fundraising and volunteering efforts, resulting in remarkable outcomes and contributions to charities worldwide.

Through incredible colleague fundraising and business sponsorship, we raised £1,324,168 for organisations across the globe (excluding matching from the Howden Foundation).

£1,324,168

Together, we clocked over 14,844 hours of volunteering. Everyone working at Howden receives two volunteering days a year.

14,884 hrs

We supported 1,090 organisations worldwide through our colleagues' fundraising, engagement and volunteering.

1,090

The Howden Foundation[4] (our independent charity) has continued to support our global employees' fundraising efforts by awarding in excess of £401,600 in matched funding during 2024.

£401,639

Being a responsible business

We place great importance on ensuring our own operations are the very best they can be in terms of governance, environmental sustainability, and diversity and inclusion.

This is about focusing on our own operations - from creating an inclusive working environment where people of all backgrounds and experiences can thrive, through to our environmental footprint, our policies and procedures, and everything else that comes with being a responsible business.

Changing the insurance narrative

As industry leaders, we are expanding the value proposition of insurance. We believe that insurance is critical to the fabric of society and economies, helping to address the major challenges of our time and drive positive change.

Our Climate Risk and Resilience team is on a mission to lead the way in de-risking the climate challenge by mobilising investment and protecting assets, businesses and livelihoods.

4. The Howden Foundation is the working name of the Howden Group Foundation, a registered charity in England and Wales (Charity Number 1156286).

Supporting the community

Jamaican Farmers Protection

As a commitment to supporting the Caribbean region, we have worked with Skyline Partners and Munich Re to develop a product that protects the Jamaican Credit Union League against non-repayment of micro-loans from farmers in the event of extreme weather.

The Jamaican Co-operative Credit Union League (JCCUL) is relied upon for loans by over 5,000 smallholder farmers to cover the cost of essentials, such as seeds, day-old chicks and farming equipment. Farming is the main source of income for around 18% of the Jamaican population.

Howden has contributed to the premium for the first year to support the growth of this proof of concept product that has the potential to increase resilience of communities most exposed to extreme weather events.

Supporting Anse La Raye RC infant school

Our team also helps support communities in the Caribbean, like the Anse La Raye RC infant school where we helped them to invest in technology for their 80+ pupils.

5,000
Smallholder farmers rely upon loans to cover costs

80+
Pupils benefit from investments in technology

18%
Farming is the main source of income for 18% of the population

Meet your Howden team

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Get in touch

"Howden's gained the trust and respect of their clients as their dedicated personnel have demonstrated utmost regard, loyalty, flexibility, and client-centeredness in their interactions.

Mary Popo,
Consultant

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