Continuum

The Gap Between Safeguarding and Insurance

Where regulatory safeguarding ends, three policies begin.

Continuum

What Safeguarding Is

Firms holding customer money must ring-fence it, under Section 23 of Singapore's Payment Services Act and Hong Kong's Stored Value Facilities Ordinance (Cap. 584).

- **Held in a trust account, or backed by a bank or insurer's guarantee**
- **Kept separate from the firm's own funds**
- **Reconciled and reported to the regulator**

A regulatory duty, not insurance, and built only to return money if the firm fails.

Continuum

When Funds Are Stolen

Safeguarding keeps money separate. It does not restore it when someone takes it.

- **Theft or dishonesty by an employee**
- **Fraudulent transfer of safeguarded funds**
- **Social engineering of a payment instruction**

This is where Crime insurance responds.

Continuum

When the Process Fails

Not every loss is theft. Some come from a mistake in the safeguarding itself.

- A reconciliation error that goes unnoticed
- Funds commingled by oversight
- A negligent failure in the safeguarding process

This is where Professional Indemnity responds.

Continuum

When the Regulator Calls

A safeguarding failure rarely ends with the loss. It invites scrutiny.

- An investigation into how the breach happened
- Directors held to account for the controls
- The legal cost of responding to the regulator

This is where D&O responds, covering the defence, not the fine.

Continuum

Mind the Gap

Safeguarding is built to survive insolvency, not theft, error, or scrutiny. Those exposures fall to Crime, Professional Indemnity and D&O, and only if the wordings are right.

We help payment firms confirm their cover would respond to a safeguarding incident, before one puts it to the test.

www.continuuminsure.com