NEWFRONT

Decrypting Insurance for a Crypto Fintech

The Challenge

In 2021, the hype around crypto had reached an all-time high. However, insurers remained uncertain of how to write policies for companies in the digital currency space. **A global fintech company using blockchain for secure payments approached Newfront as it struggled to find adequate and affordable coverage.** So, the Newfront team dove in.

The Strategy

After reviewing the situation, Newfront identified a potential, yet tricky, solution. Although the client was being insured as a tech company, **more affordable coverage would be available if the carriers classified it as a financial institution.** After many calls and negotiations, Newfront convinced several carriers to write the program in a non-traditional way. Due to how the fintech company books crypto exchanges, the organization's total revenue was a massive number but by changing the classification to a financial institution, its General Liability and Umbrella Liability was rated on office square footage instead of total revenue."

With the new policy secured, Newfront began to negotiate with the non-renewing incumbent carrier on the client's General Liability policy audit. Initially, based on the booked total revenue, **the fintech appeared to owe a nearly $175K premium**, but in working with the carrier's underwriter, management, and auditing team, Newfront managed to update the expiring policy to forgo a revenue true-up.

The Solution

Reclassifying the company allowed Newfront to secure a policy that used office square footage as the relevant metric, which saved the fintech $103K on their premium in 2022. By renegotiating with the non-renewing incumbent, Newfront not only saved the client $133K more in premiums, but secured a $2.6K return premium for them as well.

In total, the Newfront team's ingenuity put $238,600 back into the fintech's coffers, massively changing their outlook for 2023 and beyond.

$236K

Client saved by partnering with Newfront.

"These clients are used to working hyper efficiently on tight timelines so I make sure they re getting exactly what they need as quickly as possible."

Cameron Lock

Assistant Vice President
Business Insurance

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