



# WTW Asset Management

## Comprehensive solutions: Risk transfer and beyond

Specialized understanding



Exceptional client service



Broader perspective on risk



Optimized outcomes



Industry specialization cannot stop at “financial institutions.” An asset manager’s risk profile is materially different than that of banks and insurance companies. As such, engaging a risk specialist who understands the unique regulations, risks and claims applicable to the industry is critical. We welcome the opportunity to discuss how its global team of specialists can bring comprehensive guidance and solutions to your asset management firm.

### Opportunities

- **Generational wealth transfer:** As generations shift from Baby Boomers to Gen Xers and beyond, a surge in investment management and private wealth services is expected.
- **Generative artificial intelligence (AI) and innovation:** A more efficient operational experience and an improved investor experience may further enhance competitive differentiation.
- **Spot Bitcoin ETFs:** The SEC’s long-awaited approval of 11 Spot Bitcoin ETFs in January 2024 has given hope that additional funds will be approved, generating new revenue streams and enhancing customer opportunities.
- **High net worth:** Asset management firms looking for additional avenues for growth are expanding into the high net worth and private client market.

### Top challenges

- **Environmental, social and governance (ESG):** Regulators have adopted or proposed rules aimed at mitigating the overstatement of an organization’s ESG credentials (i.e., greenwashing), increasing the risk of regulatory and investor claims activity.
- **Climate change:** The frequency and severity of hurricanes, wildfires, tornadoes and other weather-related catastrophes are expected to intensify as a result of climate change. Properties within real estate investment funds that are located in areas prone to these events may be subject to increased property insurance premiums, potentially reducing fund returns and triggering investor litigation.
- **AI:** With most opportunities come unique challenges, and that is the case with AI. The innovation has increased the risks facing asset management firms, such as regulatory actions, job displacement, bad inputs/outputs, discriminatory behavior, cybersecurity and fraud.
- **Reputation and trust risk:** Trust is paramount in financial services. A breach, regulatory failure or misstep in customer service can quickly erode client confidence, resulting in a loss of business and negative public perception.
- **Tech vendor dependency:** Reliance on third-party vendors for essential services like cloud computing, payments processing or fraud detection creates vulnerabilities. A vendor failure or breach can disrupt operations and expose firms to regulatory and operational risks.

- **Payment fraud and financial crime:** Increasing use of digital payments and AI raises the threat of fraud, identity theft, and financial crime. Companies must invest in cutting-edge fraud detection and anti-money laundering technologies to mitigate these threats.
- **Fee compression:** Asset managers continue to cut fees to remain competitive. The increasing use of lower cost robo-advisers has further exacerbated these challenges.
- **Talent acquisition and retention:** The competitive landscape for skilled tech and financial professionals makes it difficult for firms to attract and retain top talent. Adding to these challenges are return-to-office mandates that may cause employees to accept more flexible opportunities. Failing to manage these issues effectively may hinder an asset manager's innovation and competitive edge.
- **Cybersecurity:** The ever-evolving patchwork of cybersecurity regulations, combined with the barrage of cyber attacks and fraud, continue to pose challenges for asset managers. Litigation and ransom payments resulting from these events are distracting, costly and harmful to a firm's reputation.

## Why WTW?



### Advanced analytics at the core

- **Empowered decisions:** Our proprietary [suite of analytics](#) are the cornerstone of our services, providing asset management firms with data-driven insights for strategic decision-making.
- **Real-time insights:** Our client portal offers continuous access to real-time data and our industry-leading claims database, aiding in proactive risk management.
- **Portfolio approach:** Our [Connected Risk Intelligence](#) tool delivers a comprehensive view of all insurable risks, optimizing risk financing for capital efficiency.

## Disclaimer

Willis Towers Watson hopes you found the general information provided in this publication informative and helpful. The information contained herein is not intended to constitute legal or other professional advice and should not be relied upon in lieu of consultation with your own legal advisors. In the event you would like more information regarding your insurance coverage, please do not hesitate to reach out to us. In North America, Willis Towers Watson offers insurance products through licensed entities, including Willis Towers Watson Northeast, Inc. (in the United States) and Willis Canada Inc. (in Canada).

## About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help you sharpen your strategy, enhance organizational resilience, motivate your workforce and maximize performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success — and provide perspective that moves you. Learn more at [wtwco.com](http://wtwco.com).



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### Specialized expertise

- **Enterprise risk management:** Identifying, quantifying and mitigating unpredictable and interconnected risks
- **Strategic risk consulting:** An analytical approach that assesses risk on a basket basis
- **Operational risk:** Examining an organization's risks and optimizing its insurance program accordingly
- **Climate and Resilience Hub:** Quantifying the impact of climate change on asset managers and their investment portfolios
- **ESG:** Helping organizations, and their boards make informed, intelligent, and integrated ESG decisions
- **Captives:** Risk expertise and data-driven insights to support risk retention and transfer strategies



### Exceptional client service

- **Board presentations:** Experienced and well-versed in presenting to fund directors and trustees
- **Vendor contracts:** Providing assistance with insurance provisions contained within third party contracts
- **Industry updates:** Issue regular publications on new and evolving issues within the asset management industry and what impact, if any, they have on an insurance portfolio

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