



CONVEX INSURANCE UK LIMITED

Product Oversight and Governance

Information to Distributors - Product Passport



1. Aim of this document

As a manufacturer of insurance products, we are required to provide you with information to enable the compliant sale of our products. The information contained in this document should support you in:

- Understanding the Convex product being distributed;
- Identifying the appropriate target market;
- Observing requirements of the insurance Distribution Directive; and
- Safeguarding the best interests of the target market.

We further outline the requirements of product oversight & governance (POG) rules and the respective roles and responsibilities of manufacturers and distributors.

2. Introduction to Product Oversight and Governance

Product Oversight and Governance ("POG") refers to the systems and controls firms have in place to design, approve, market and manage products throughout the products' lifecycle to ensure they meet legal/regulatory requirements and deliver fair value to customers.

POG is principally governed by the Insurance Distribution Directive (EU) 2017/2358. The Directive applies to all firms that manufacture and distribute insurance products in the UK/EU, however, care should be taken to identify any additional local rules that may apply on a state level. The information in this guide is limited to the requirements of the IDD and UK FCA product governance rules (PROD 4).

3. POG Roles and Responsibilities

Maintaining effective oversight and governance arrangements is the responsibility of both 'Manufacturers' and 'Distributors'. A Manufacturer is "a firm which creates, develops, designs and/or underwrites a contract of insurance", whereas a Distributor is anyone engaged in advising on or proposing contracts of insurance.

As a carrier, Convex is deemed a manufacturer, however, in some instances, there will be co-manufacture between Convex and another insurer or distributor. Co-manufacturing occurs when two or more parties have a "decision-making role in determining the essential features and main elements of a product, including coverage, price, costs, risks, target market and compensation/guarantee rights".

3.1 Manufacturer's Responsibilities

It is the responsibility of (co)manufacturers to furnish distributors with appropriate information to guide the distribution of products. In addition, manufacturers must maintain a product approval process to:

- Identify suitable/non suitable target markets for products
- Conduct product testing
- Select appropriate distribution channels
- Periodically monitor and review products
- Develop insurance product documents (IPIDs)

The allocation of POG responsibilities between co-manufacturers will be reflected in the IDD endorsement of the Binding Authority Agreement or Slip.

Manufacturers must also ensure that staff engaged in the development and distribution of products complete a minimum of 15 hours relevant CPD training per annum.

3.2 Distributors Responsibilities

It is the responsibility of all distributors to maintain up to date knowledge of the product being sold, its intended target market, the needs of that market, and the distribution strategy. As per IDD requirements, regulated distributors must complete a minimum of 15 hours CPD training covering:

- The terms and conditions of product(s) being sold
- Relevant knowledge of claims handling
- Relevant knowledge of complaints handling
- Relevant knowledge of applicable laws/regulations governing distribution of the product
- Assessment of customer needs
- Business ethics standards
- Minimum necessary financial competency

Distributors must obtain from the manufacturer all the information required to distribute products in accordance with IDD requirements. Should further information be needed to enable the compliant distribution of a Convex product, please notify your Convex contact.

Distributors must make this product passport available to all approved sub agents/ intermediaries in the distribution chain.

Distributors must also regularly report to Convex the sales, claims, and complaints information it accumulates in relation to a Convex products. In addition, an annual questionnaire will be sent to distribution partners to monitor the ongoing fair value of products.

Lastly, distributors must be alert to and promptly notify Convex of any product related circumstances that may adversely affect the interests of customers.

CONTINGENCY EVENT INSURANCE PRODUCT PRODUCT PASSPORT

Product Details	
Manufacturer(s)	Convex Insurance (UK) LTD
Class of business	Crisis Management
Product reference	CONX-CM-002-10230922
Product risk rating	High
Binding Authority Ref	N/A
Effective date	09/09/202226/10/2023
Date of last review	09/09/2022

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Product Description
<p>This product is designed to offer a pick and mix style policy, where clients can select the various coverages they require from a suite of options that best suit their needs based on the requirements of their individual event. Event organisers can purchase event cancellation cover (including extensions for adverse weather, terrorism, non-appearance, national mourning etc) as well as public and employers liability, event equipment coverage and money/cash cover.</p>

Product Features	
Covers	<p>Event cancellation cover:</p> <ol style="list-style-type: none"> 1. Reimbursement for ascertained net loss should the Insured Event(s) be necessarily Cancelled, Abandoned, Postponed, Interrupted, Curtailed or Relocated as a sole and direct result of a Cyber Occurrence beyond the control of the Insured and any Participant. 2. Additional costs and expenses that do not exceed the amount of loss avoided or diminished. <p>Public liability cover:</p> <ol style="list-style-type: none"> 1. Accidental bodily injury or property damage

	<p>2. Defence costs</p> <p>Employers' liability cover:</p> <p>Damages and defence costs in respect of bodily injury sustained by an employee in the UK, Europe or temporarily outside of Europe.</p> <p>Property cover:</p> <p>1. Reimbursement up to the insured value for direct physical loss or damage of insured property in transit to or from the insured event or while in use at the event.</p> <p>Money cover:</p> <p>1. Reimbursement for direct physical loss of money at the venue or while in transit between the venue and a bank</p>
Key exclusions	<p>General exclusions:</p> <ol style="list-style-type: none"> 1. Asbestos 2. Biological or chemical materials 3. Communicable disease 4. Cyber and data loss 5. Employee benefits 6. Employment disputes 7. Fines, penalties and damages 8. Fraud, misrepresentation and concealment 9. Libel, slander and defamation 10. Liquidated damages 11. Nuclear 12. Terrorism 13. Proceedings, enforcement, awards from, within or based on any judgment with a court of law within the United State of America or Canada 14. War 15. Sums payable under legislation outside the United Kingdom relating to Workmen's Compensation Acts, Social security or health legislation.

Exclusions applicable to event cancellation cover:

1. Adverse weather
2. Alterations to the event
3. Building works to the venue
4. Civil commotion
5. Lack of care, diligence or prudent behaviour on the part of the insured.
6. Corona Virus
7. Disputes with Participants
8. Failure to make arrangements in compliance with legal, regulatory requirements
9. Failure to make arrangements for successful fulfilment of the insured event
10. Failure to confirm that all necessary contractual arrangements are confirmed in writing
11. Failure to obtain all necessary authorisations such as visas, permits, patents etc.
12. Failure to vacate
13. Lack of financial support for or insufficient interest in the event
14. National mourning and coronation
15. Nonappearance
16. Pollution
17. Reduced attendance
18. Repatriation, internment, imprisonment, deportation or refusal of entry
19. Seizure, requisition or destruction of property by a government, public or local authority.
20. Handling of contraband or engagement in illicit trade or transportation
21. Teleconferencing and data image links
22. Undeclared expenses and gross revenue

Exclusions applicable to public liability cover:

1. Abuse

2. Animals
3. Bodily injury to Participants
4. Contractual liability
5. Dangerous Activities
6. Deliberate or wilful act
7. Employee bodily injury (except in respect of additional overseas liability to the extent overseas cover provides cover)
8. Deliberate failure to prevent bodily injury or property damage
9. Mechanically propelled vehicles
10. Motor vehicles
11. Pollution
12. Professional negligence or malpractice
13. Property damage
14. Sale or supply of goods
15. Staging, marques or temporary structures
16. Venue damage
Exclusions applicable to Employers' liability:
1. Deliberate failure to prevent bodily injury or property damage
2. Circumstances requiring insurance under compulsory motor insurance requirements
3. Offshore claims
Exclusions applicable to property cover:
1. Dishonesty
2. Electrical or mechanical failure
3. Indirect or consequential loss
4. Inventory, stocktaking or unexplained disappearance
5. Loss of use
6. Pollution

	<ul style="list-style-type: none"> 7. Repairs to insure property 8. Theft 9. Unattended vehicle 10. Vermin and wear and tear <p>Exclusions applicable to money cover:</p> <ul style="list-style-type: none"> 1. Closed for business or temporarily unattended 2. Errors or omissions 3. Forgery, deception or fraud 4. Mysterious disappearance, unexplained loss 5. Money outside the venue unaccompanied by two capable and responsible adults 6. Theft 7. Unattended vehicle
Main restrictions	As limited in the Schedule
Optional cover(s)	<p>Public liability:</p> <ul style="list-style-type: none"> 1. Cross liability clause 2. Venue owners or operators liability 3. Contractual liability and indemnity to principal 4. Overseas contingent employer's liability 5. Pollution <p>Employers' liability:</p> <ul style="list-style-type: none"> 1. War and terrorism
Claims settlement bases	Covering loss of revenue and/or additional costs on a net ascertained loss basis for the insured should an insured event be necessarily cancelled, abandoned, postponed, interrupted, curtailed or relocated.
Frequently challenged policy terms	None
Policy length	Insurance relating to individual events.
Policy structure	This product is to be sold to individuals and not groups.

Target Market Analysis	
Product complexity	This product is not deemed complex, however consumers acting outside of the course of their trade or profession may not be familiar with the concepts contained in the policy. As such, the policy wording has been drafted with consumers in mind and is designed to be accessible to a less sophisticated audience.
Who is the target market?	<p>The target market is anyone who is organising an event or taking part within an event. The product is designed to offer liability cover to organisers/exhibitors/entertainers who are legally required to have this cover in place to attend/run an event. It is also designed to offer event cancellation cover to any party looking to protect their financial exposures should an event be necessarily cancelled, abandoned, postponed etc. We can protect their out-of-pocket expenses or their anticipated gross revenue.</p> <p>As such, this product could be purchased by anyone - from the organisers of a private birthday or anniversary party to multimillion dollar global conferences, exhibitions or sporting events. This includes large commercial, SME's, micro enterprises or consumers.</p>
Risks associated with the target market	The target market contains consumers and the product has been designed to meet the needs and level of sophistication of that demographic.
Who is this product not suitable for?	The product is suitable for all classes of customer.

Fair Value Assessment	
Fair value definition	Fair value means the relationship between the overall price paid by the end customer and the quality of the product(s) and/or service(s) received. Convex's fair value assessment considers value measures such as claims history, complaints, commission and fees, staff remuneration, barriers to complaints/claims/cancellation and premium finance arrangements.
Claims, cancellation and complaints history	This is a new Convex product without claims, cancellation or complaints history. The product is based on an established market product, the scope, pricing and wording of which has been honed over several years. The broader Contingency market has a history of paying claims with limited history of cancellations or complaints.
Commissions/fees	Standard brokerage on all business will be 25%.

Premium	The minimum premium varies from £100 + IPT to an average of GBP 1,200 + IPT to maximum of £25,000, although using wording could be used for a GBP 100,000 + premium.
Price setting	Rating is set by Convex only on a case-by-case basis. The rates set by Convex have been assessed as part of our value assessment and are deemed to be of fair value to the customer. Intermediaries capable of adjusting the overall price paid by the customer by way of commission, fees and charges must ensure that the overall price paid by the customer represents value for money and is in keeping with the FCA duty to act in the best interests of the customer.
Distribution chain value	The intended distribution strategy has been assessed and there are no superfluous participants in the chain. Fees and commissions are commensurate with services rendered and the overall method of distribution is cost effective.
Remuneration / sales incentives	Volume dependent remuneration is to be avoided by distributors and must not conflict with the best interests of the customer.
Premium finance arrangements	This product has not been assessed as suitable for premium finance. Any premium finance arrangements sold alongside this product must be approved by Convex.

Distribution Strategy	
Approved distribution channels	Approved distribution channels are via regulated brokers and coverholders.
Special Distribution/Servicing arrangements	N/A
Delegated authority	This product is suitable for distribution via delegated authority subject to approval by Convex and the terms of a Binding Authority Agreement.
Advised/non-advised sales	This product may be sold on a non-advised basis.
Online sales & marketing	This product may not be distributed via online sales. All marketing materials must be formally reviewed for regulatory compliance by the distributor prior to publication.

Conflicts & Risks

No conflicts or risks identified. Any risks/conflicts identified by the distributor must be mitigated, recorded and communicated to the manufacturer.



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