

CONVEX INSURANCE UK LIMITED

Product Oversight and Governance

PRODUCT PASSPORT

Commercial Pig Insurance Policy: Restricted Perils

The bottom half of the page is decorated with large, overlapping, abstract shapes in various shades of green, ranging from light sage to dark teal. These shapes create a sense of depth and movement, framing the text.

1. Summary

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
- 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. 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 product. 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.

Product Details	
Product Name	Commercial Pig Insurance Policy: Restricted Perils
Product Reference	CVX-LS-004-0124
Product Manufacturer	Convex Insurance (UK) Limited
Line of Business	Livestock
Binding Authority Reference	N/A
Effective Date	09/04/2024
Date of Last Review	08/04/2025

Product Description
<p>The Commercial Pig restricted perils cover is a specialised product specifically intended for commercial pig clients acting within the course of their trade or profession.</p> <p>The product is designed to provide mortality cover as a result of restricted perils only to commercial pig businesses with an option of an extension for limited theft and unlawful removal of the animal. The product indemnifies the insured for the death of animal(s) as a result of the restricted perils stated in the policy only, subject to veterinary confirmation whilst in situ as defined in the territorial limits of the policy.</p> <p>The limited theft and unlawful removal extension provides cover in the event of theft of the animal, death resulting from the theft of the animal, death or permanent loss of possession of the animal directly resulting from unlawful removal of the animal, or malicious or wilful castration or spaying by or on behalf of those responsible for unlawful removal of the animal.</p>

Product Features	
Covers	<p>The core cover is for death or humane destruction of the insured animals caused by restricted perils (as defined in the Policy) during the period of insurance.</p> <p>Restricted perils defined in the policy:</p> <ol style="list-style-type: none"> 1. Accidental shooting Excluding: Animals shot by the Insured, its employee(s) or any bailee or any other person that has custody of the Animals for any purpose. 2. Aircraft and other aerial devices or articles dropped therefrom. Excluding: Pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds. 3. Bursting or overflowing of water tanks, apparatus or pipes, Bursting or overflowing of fuel, oil or fertiliser storage tanks.

	<p>4. Collapse of bridges, culverts, trestles, roadways, docks, piers, wharves or bulkheads.</p> <p>5. Collapse of buildings, barns or sheds.</p> <p>6. Drowning.</p> <p>7. Earthquake or subterranean fire.</p> <p>8. Electrocutation, including electrocutation from artificially generated electric current.</p> <p>9. Explosion. Excluding any explosion of electrical plant or apparatus caused in whole or part by its own self ignition, leakage of electricity, short circuiting, excessive pressures or self-heating.</p> <p>10. Falling trees or parts thereof. Excluding: loss or damage caused to any Animal by or as a consequence of the felling, lopping or pruning of trees by the Insured, its employee(s) or any bailee or any other person that has custody of the Animals for any purpose.</p> <p>11. Fire and/or smoke arising therefrom (whether resulting from explosion or otherwise) not occasioned by or happening through earthquake, subterranean fire, riot, civil commotion, application of heat, Excluding: any fire and/or smoke arising therefrom involving electrical plant or apparatus and caused by its own self ignition, leakage of electricity, short circuiting, excessive pressures or self-heating.</p> <p>12. Hypothermia: meaning the freezing of Animals due to freezing rain, sleet, blizzard or snow storm Excluding: Animals raised outside of barns or in open sided barns.</p> <p>13. Impact by any vehicle, train or animal Excluding: any vehicle or animal belonging to or in the custody or control of the Insured or any permanent member of their household or their insured staff or any person employed.</p> <p>14. Lightning.</p> <p>15. Physical attack by dogs or wild animals Excluding: dogs or wild animals owned by The Insured or its employees.</p> <p>16. Riot, civil commotion, strikers, locked out workers, persons taking part in laboured disturbances or malicious persons. Excluding: confiscation or destruction or requisition by order of the government or any public authority, cessation of work; theft or attempted theft.</p> <p>17. Sinkhole Collapse,</p> <p>18. Smothering caused directly by a blizzard or a snowstorm.</p> <p>19. Spontaneous combustion</p> <p>20. Storm, tornado, hurricane, tempest or Flood Excluding:</p> <ul style="list-style-type: none"> • frost or cold weather; • ice (other than hail), • damage to Animals not situated in a fully enclosed building. <p>Restricted perils do not include:</p>
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	<p>a) Death of Animals on unfenced or common land, unless as a result of escape or straying;</p> <p>b) Death as a result of Animals running into streams, ponds or ditches or against fences or other objects resulting directly or indirectly from fright;</p> <p>c) Heat stress or hyperthermia;</p> <p>Cover is extended for limited theft and unlawful removal of the animal.</p>
Key Exclusions	<p>Across the whole policy:</p> <ul style="list-style-type: none"> • Intentional Slaughter • Surgery, Medication, Intentional Acts and Failure to Provide Care • War and Terrorism • Confiscation • Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons • Cyber • COVID-19 • WOAHD Diseases (World Organisation for Animal Health) • Jurisdiction and Geographical Limits • Veterinary Fees • Old Age • Embryo • Indirect Loss • Transit • Limited theft and unlawful removal of the animal, unless agreed
Main Restrictions	As limited in the Schedule
Optional Covers	Various endorsements can be attached to the core wording.
Cross-selling/ Ancillary/Packaged Product	N/A
Claims Settlement Bases	Indemnity against death or Humane Destruction of pigs, based on the Market Value of each Animal/herd as defined in the Policy (less any excess and/or government compensation)
Frequently Challenged Policy Terms	The suitability of the animal for humane destruction is occasionally challenged by Underwriters and vets.
Policy Length	Annual (12 months)
Policy Structure	This product is to be sold to commercial clients via a London Broker.

Target Market Analysis	
Product Complexity	This is a niche product, but not deemed to be complex. The wording and operation of the product has been designed to meet the needs and sophistication level of commercial pig producer clients on a global basis.
Target Market	Our target market is large commercial clients who operate within the swine production sector on a global basis. Such clients own large, climate controlled farms producing a large quantity of Livestock. We are looking at clients who supply major retailers or breeders with swine products.
Risks associated with Target Market	There are no material risks/vulnerabilities associated with the intended target market other than potential limited understanding of insurance principles.
Product Unsuitability	This product is not suitable for consumer clients acting outside the course of their trade or profession.

Fair Value Assessment	
Fair Value Statement	<p>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.</p> <p>Our fair value assessment considers value measures such as:</p> <ul style="list-style-type: none"> ▪ Complaints ▪ Broker feedback ▪ Commission and fees ▪ Staff remuneration ▪ Pricing models ▪ Claims stats ▪ Cancellation rates ▪ Premium finance arrangements <p>Based on our assessment of the above metrics we conclude that the product provides fair value to the target market.</p>
Distribution Chain Value	The intended distribution strategy has been assessed and there are no superfluous participants in the chain. Commissions are commensurate with services rendered and the overall method of distribution is cost effective.
Remuneration / Sales Incentives	Not applicable but volume dependent remuneration should be avoided 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 are subject to approval by Convex Insurance UK Limited

Distribution Strategy	
Approved Distribution Channels	The distribution channel is through our specialist broker network, who have significant experience and understanding of the commercial pig industry, to commercial farming/agriculture clients.
Special Distribution/Serviceing Arrangements	N/A
Delegated Authority	N/A
Sales Type	N/A
Online Sales	N/A

Conflicts & Risks
No conflicts or risks identified. Where a conflict is identified by the distributor it must be mitigated appropriately, recorded and communicated to Convex.



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