

Convex Europe S.A.

Product Oversight and Governance

PRODUCT PASSPORT

Small Business Commercial Combined Policy (ROI)

A large, abstract graphic composed of overlapping, curved shapes in various shades of green, ranging from light to dark teal. The shapes are layered, creating a sense of depth and movement, and they occupy the lower half of the page.

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	Small Business Commercial Combined Policy (ROI)
Product Reference	CVX-CAS-011-0424
Product Manufacturer	Convex Europe S.A.
Line of Business	Casualty and Property
Binding Authority Reference	N/A
Effective Date	01/05/2024
Date of Last Review	29/04/2024

Product Description
<p>This product provides standard liability and property insurance to customers operating business located in the Republic of Ireland defined as “consumers”. The product has a number of separate sections and extensions to cover a broad range of risks to business with each of these sections being optional and priced individually.</p>

Product Features	
Covers	<p>Main covers:</p> <ol style="list-style-type: none"> 1. Employers’ Liability 2. Public Liability 3. Product Liability 4. Pollution Liability 5. Material Damage 6. Business Interruption 7. Money and Personal Assault 8. Trade All Risks 9. Goods in Transit 10. Deterioration of Refrigerated Stock
Key Exclusions	<p>The policy does not insure, apply to or include any cover for any loss, damage, Claim, cost, expense or other sum directly or indirectly arising out of or relating to:</p> <p>Exclusions applicable to the Casualty sections</p> <ol style="list-style-type: none"> 1. Abuse

	<ol style="list-style-type: none"> 2. Data Protection 3. Deliberate failure to prevent Bodily Injury or Property Damage 4. Liquidated Damages 5. United States of America and Canada Pollution <p>Exclusions applicable to the Property sections</p> <ol style="list-style-type: none"> 1. Mould 2. Northern Ireland – civil commotion <p>General exclusions (applicable to the entire policy)</p> <ol style="list-style-type: none"> 1. Asbestos 2. Cyber and Data Loss 3. Nuclear 4. Communicable Disease 5. War 6. Terrorism 7. Sanctions <p>Some of the above exclusions do not apply to some of the covers (for instance, Employers’ Liability), as further specified in the wording.</p> <p>In addition, there are exclusions applicable to each of the cover provided, as further specified in the wording.</p>
Main Restrictions	As limited in the Schedule
Optional Covers	As set out in the Schedule
Cross-selling/ Ancillary/Packaged Product	N/A
Claims Settlement Bases	Indemnity against legally liable Damages and Defence costs
Frequently Challenged Policy Terms	None
Policy Length	Variable but usually annual ± odd time.
Policy Structure	This product is to be sold to individual insureds.

Target Market Analysis	
Product Complexity	The technicality of this product and the intended distribution strategy is suitable for the intended target market. The wording and operation of the product has been designed to meet the needs and sophistication of small business clients.
Target Market	This product is intended for Republic of Ireland small business entities for a wide range of industry sectors.

Risks associated with Target Market	There are no material risks/vulnerabilities associated with the intended target market.
Product Unsuitability	<p>The product is not suitable for businesses which are larger than the Republic of Ireland's "consumer" definition.</p> <p>Consumers are defined as:</p> <ol style="list-style-type: none"> 1. individual customers or groups of persons including partnerships and unincorporated bodies such as clubs, charities and trusts. 2. incorporated bodies or limited companies with turnovers of less than EUR 3,000,000 in previous financial year.

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 distribution strategy represents value for money, commissions and fees reflect services rendered and there are no superfluous intermediaries in the chain. The overall method of distribution is cost effective (refer to commissions/fees and price setting above).
Remuneration / Sales Incentives	Volume dependent remuneration should be avoided and must not conflict with the best interests of the customer.
Premium Finance Arrangements	Premium finance arrangements are subject to approval by Convex Europe S.A..

Distribution Strategy	
Approved Distribution Channels	The distribution channel is via a select number of EU regulated intermediaries only.
Special Distribution/Service 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.
Sales Type	This product is to be sold on an advised basis only.
Online Sales	This product may 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. Where a conflict is identified by the distributor it must be mitigated appropriately, recorded, and communicated to Convex.	



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