

CONVEX INSURANCE UK LIMITED

Product Oversight and Governance

PRODUCT PASSPORT

Care, Custody & Control Liability (UK)

The bottom half of the page is decorated with large, overlapping, abstract shapes in various shades of green, ranging from light to dark. These shapes are curved and fluid, creating a modern, organic feel. They partially overlap each other and the text area.

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	Care, Custody and Control Liability (UK)
Product Reference	CONX-EQ-002-1021
Product Manufacturer	Convex Insurance (UK) Ltd
Line of Business	ELA
Binding Authority Reference	N/A
Effective Date	30/05/2024
Date of Last Review	30/05/2024

Product Description
Cover for small businesses in the case of negligence that leads to death or harm of horses. To apply to trainers, stud farms or transporters.

Product Features	
Covers	Damages as a result of Wrongful Act causing death/injury or loss of use of a horse.
Key Exclusions	<p>Across the whole policy:</p> <ul style="list-style-type: none"> Malicious or wilful injury or criminal or intentional acts or omissions by the insured. Breach of Professional Duty Confiscation or nationalisation Cyber Nuclear reaction, nuclear radiation or radioactive contamination War Terrorism Communicable Diseases Pollution

Main Restrictions	As limited in the Schedule.
Optional Covers	Endorsement of Breach of Professional Duty
Cross-selling/ Ancillary/Packaged Product	N/A
Claims Settlement Bases	The basis of cover is indemnity on the basis of the fair market value of the insured horse, up the value specified in the Schedule.
Frequently Challenged Policy Terms	N/A
Policy Length	Annual
Policy Structure	Individual

Target Market Analysis

Product Complexity	This product is not deemed to be complex. The wording and operation of the product has been designed to meet the needs and sophistication level of consumer clients.
Target Market	This product is intended for small to medium sized business acting in their profession. Mainly horse trainers, stud owners or transporters.
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. The wordings have been drafted to be accessible to consumers.
Product Unsuitability	This product is not suitable for individual horse owners.

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
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	<ul style="list-style-type: none"> ▪ 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. Fees and commissions are commensurate with services rendered and the overall method of distribution is cost effective.
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 Insurance UK Limited.

Distribution Strategy	
Approved Distribution Channels	The distribution channel is via a select number of regulated brokers and coverholders with significant experience of equine retail business.
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.
Sales Type	This product is suitable for advised/non-advised sales.
Online Sales	This product may be distributed via online sales subject to approval by Convex.

Conflicts & Risks	
No conflicts or risks identified.	



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