

CONVEX INSURANCE UK LIMITED

Product Oversight and Governance

PRODUCT PASSPORT

Equine Insurance (ROI) Full Mortality Policy

A large, abstract graphic composed of several overlapping, curved shapes in various shades of green, ranging from light to dark. The shapes are arranged in a way that creates a sense of depth and movement, with some shapes appearing to be in front of others. The overall effect is a modern, organic design that frames the text on 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	Equine Insurance (ROI) Full Mortality Policy
Product Reference	CONX-EQ-004-1122
Product Manufacturer	Convex Europe S.A.
Line of Business	Equine
Binding Authority Reference	NA
Effective Date	14-05-2024
Date of Last Review	14-05-2024

Product Description
<p>This product is designed to provide basic mortality cover to consumers with optional extensions relating to veterinary fees, public liability, personal accident, loss of use. The product indemnifies the insured if the horse dies from accident, illness or disease subject to veterinary confirmation. Veterinary fee cover acts with a sub limit/excess in the event of the horse contracting an accident, injury, illness or disease. Loss of use indemnifies the insured upon proof that the horse is no longer able to perform at the required level following an accident, injury, illness or disease.</p>

Product Features	
Covers	<p>The core cover is for death or humane destruction of an insured horse caused by accident, injury, illness or disease (as defined in the Policy) during the period of insurance.</p> <p>Optional cover is available for Theft, Equine 12 months, Operations and Wobbler Syndrome.</p>
Key Exclusions	<p>Across the whole Policy:</p> <ul style="list-style-type: none"> ▪ Avian Influenza. ▪ Intentional Slaughter (government or public or local authority quarantine and/or restriction order). ▪ Post-Mortem costs for a horse that has died from an unknown cause. ▪ Surgery or medication (unless administered by a Veterinary Surgeon). ▪ Malicious or wilful injury or criminal or intentional acts or omissions by the insured. ▪ Use of the horse other than that stated in the Schedule. ▪ Confiscation or nationalisation. ▪ Cyber.

	<ul style="list-style-type: none"> ▪ Nuclear Risks ▪ War. ▪ Terrorism. ▪ Communicable diseases. ▪ Any pre-existing condition, injury, illness or disease. <p>Theft Additional Cover:</p> <ul style="list-style-type: none"> ▪ Unexplained disappearance, escape or voluntary parting as a result of fraud, trickery or similar. ▪ Any loss relating to any embryo within a mare or any foals (unless listed in the Schedule). <p>Equine Twelve Months Cover</p> <ul style="list-style-type: none"> ▪ Any horse over the age of 18 at the expiry of the initial 90-day extension period.
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	The basis of cover is indemnity based on the fair market value of the insured horse, up to the value specified in the Schedule.
Frequently Challenged Policy Terms	The suitability of the horse for humane destruction is a frequently challenged term.
Policy Length	Annual
Policy Structure	This product is to be sold to individuals and not groups.

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 consumers acting outside the course of their trade or profession.
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	The product is not suitable for non-consumers/commercial entities.

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
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	<ul style="list-style-type: none"> ▪ 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. 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 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	The distribution channel is via a select number of regulated brokers and coverholders with significant experience of equine retail business.
Special Distribution/Service Arrangements	NA
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 and non-advised sales.
Online Sales	<p>This product may be distributed via online sales subject to approval by Convex.</p> <p>All marketing materials must be formally reviewed for regulatory compliance by the distributor prior to publication.</p>

Conflicts & Risks
No conflicts or risks identified.



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