

CONVEX INSURANCE UK LIMITED

Product Oversight and Governance

PRODUCT PASSPORT

CONSUMER PERSONAL ACCIDENT POLICY

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	Consumer Personal Accident Policy
Product Reference	CONX-AH-002-0522
Product Manufacturer	Convex Insurance (UK) Limited
Line of Business	Accident & Health (A&H)
Binding Authority Reference	NA
Effective Date	06-06-2024
Date of Last Review	06-06-2024

Product Description
<p>The product provides defined lump sum payments in the event of an accidental death or disability. The extent of disability ranges from permanent to temporary with the sum insureds defined with the table of benefits provided within the wording.</p>

Product Features	
Covers	<ol style="list-style-type: none"> 1. Accidental Death 2. Permanent Total Disability (accident and/or sickness) 3. Temporary Total Disability (accident and/or sickness) 4. Medical expenses (accident and/or sickness) 5. Evacuation and repatriation (accident and/or sickness)
Key Exclusions	<ol style="list-style-type: none"> 1. War, whether war be declared or not, hostilities or any act of war or civil war. 2. The actual or threatened malicious use of pathogenic or poisonous biological or chemical materials. 3. Nuclear reaction, nuclear radiation or radioactive contamination. 4. The Insured Person engaging in or taking part in armed forces service or operations. 5. The Insured Person engaging in flying of any kind other than as a passenger. 6. The Insured Person's suicide or attempted suicide or intentional self-injury or the Insured Person being in a state of insanity. 7. Venereal disease or Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC) or Human Immuno-deficiency Virus (HIV) howsoever these have been acquired or may be named.

	<p>8. The Insured Person's deliberate exposure to exceptional danger (except in an attempt to save human life).</p> <p>9. The Insured Person 's own criminal act.</p> <p>10. The Insured Person being under the influence of alcohol or drugs.</p> <p>11. Pregnancy or childbirth.</p> <p>12. Neuroses, psychoneuroses, psychopathy or psychoses, anxiety, stress, fatigue or mental or emotional diseases or disorders of any type.</p>
Main Restrictions	As limited in the Schedule
Optional Covers	The policyholder can elect for a combination of different coverages/benefits. For example, just AD and PTD (acc only).
Cross-selling/ Ancillary/Packaged Product	The Policy provides access to specialist Response Consultants, who are named in the Schedule. They will provide immediate assistance in the event of a Medical Evacuation/Emergency Medical Evacuation and Repatriation.
Claims Settlement Bases	Lump sum benefits amounts in the event of definition is met for AD/PTD/PTD, indemnity up to purchased limits in respect of medical expenses/evac/repatriation.
Frequently Challenged Policy Terms	None
Policy Length	Annual
Policy Structure	SMEs, covering Insured keymen/directors/officers and employees. Occasionally a wealthy individual can purchase personal coverage.

Target Market Analysis

Product Complexity	The product is complex enough such that it is sold through wholesale brokers but simple in terms of being a defined benefit whereby if the definition of a death/disability is met, a claim is payable.
Target Market	For the consumer product, typically SMEs purchasing the policy (very rarely high net worth individuals) with the end beneficiary typically being an individual employee/next of kin.
Risks associated with Target Market	This depends on which demographic within the consumer definition the product will be sold too. We do not sell to unsophisticated customers with the most exposed profile of purchaser being a high net worth individual who is purchasing through a broker.
Product Unsuitability	This is a 'consumerised' product, it is not designed specifically for non-consumer purchasers, however HNW individuals, micro enterprises and SMEs that have the potential to be interpreted as less sophisticated purchasers are well suited to this product.

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	<p>The distribution strategy represents value for money, commissions and fees reflect services rendered and there are no superfluous intermediaries in the chain (refer to commissions/fees and price setting above).</p>
Remuneration / Sales Incentives	<p>Depends on this distribution channel but possible to have profit commissions under binding authorities which is conditional of profit not number of policies sold.</p> <p>In the open market possible to have a no claims bonus which is a reward to client for good performance.</p>
Premium Finance Arrangements	<p>Premium finance arrangements are subject to approval by Convex Insurance UK Limited.</p>

Distribution Strategy	
Approved Distribution Channels	<p>Retail brokers/aggregators can be used to sell to consumers however this is not the demographic of consumers we will be selling to. We will be using producing/wholesale brokers.</p>
Special Distribution/Serviceing Arrangements	<p>None</p>
Delegated Authority	<p>Yes</p>
Sales Type	<p>This depends on the type of consumers being sold to. There is the potential for advised sales through retail brokers however this is not a structure we currently write. In the event we have any appetite for this to change, it would very much subject to approval by Convex Insurance UK Limited.</p>

Online Sales	This product is not currently distributed online but may be distributed online subject to approval by Convex Insurance UK Limited.
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Conflicts & Risks
None



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