

CONVEX INSURANCE UK LIMITED

Product Oversight and Governance

PRODUCT PASSPORT

Security Risk Solutions Samphire Integra

Large, overlapping, abstract shapes in various shades of green (light, medium, and dark) that form a large, stylized graphic on the left and bottom 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	Security Risk Solutions Samphire Integra
Product Reference	Samphire Family (K&R) & CONX-AH-002-0522 (PA)
Product Manufacturer	Convex Insurance UK Limited & Samphire Risk
Line of Business	Security Risk & Personal Accident Insurance
Binding Authority Reference	AEG40V24C000 / AFF58Q24A000
Effective Date	04/06/2024
Date of Last Review	04/06/2024

Product Description
<p>The product combines Kidnap & Ransom insurance and Personal Accident cover. This is unique in the market, with the two heads of cover having been placed on a standalone basis historically. Cover is for Accident, Critical Evacuation, Malicious Incident (being Kidnap, Malicious Detention, Extortion, Hijack, Malicious Threat, Unexplained Disappearance and Hostage Situation) and Medical Evacuation and includes accidental death and disability, and emergency medical evacuation and repatriation.</p>

Product Features	
Covers	Cover is for Accident, Critical Evacuation, Malicious Incident (being Kidnap, Malicious Detention, Extortion, Hijack, Malicious Threat, Unexplained Disappearance and Hostage Situation) and Medical Evacuation and includes accidental death and disability, and emergency medical evacuation and repatriation.
Key Exclusions	<p>Across the whole Policy:</p> <ul style="list-style-type: none"> ▪ Cyber Loss ▪ Communicable Disease ▪ Criminal Act ▪ Biological and Chemical materials ▪ Nuclear

	<p>In respect of Accident only:</p> <ul style="list-style-type: none"> ▪ War ▪ Suicide ▪ Alcohol and drugs ▪ Pre-existing conditions <p>In respect of Critical Evacuation only:</p> <ul style="list-style-type: none"> ▪ Violations of local law ▪ Failure to procure or maintain visas, permits and other similar documentation ▪ Natural disasters ▪ Medical reasons, including epidemic and pandemic <p>In respect of Critical Evacuation and Medical Evacuation</p> <ul style="list-style-type: none"> ▪ Excluded territories <p>In respect of Malicious Incidents:</p> <ul style="list-style-type: none"> ▪ Face-to-face robbery ▪ At location robbery
Main Restrictions	As limited in the Schedule
Optional Covers	Various endorsement can be attached to the core wording.
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 Malicious Incident or Medical Evacuation, Accident, including emergency medical evacuation and repatriation.
Claims Settlement Bases	The basis of cover is indemnity in respect of Critical Evacuation, Malicious Incident & Medical Evacuation, and benefits in respect of Accident.
Frequently Challenged Policy Terms	None
Policy Length	Short period (to cater for travel) and annual.
Policy Structure	UK SMEs and mid-market clients, covering Insured directors, officers and employees. In respect of employees cover for Malicious Incidents and Critical Evacuation extends to family members.

Target Market Analysis	
Product Complexity	The product combines Kidnap & Ransom and Personal Accident covers but in a structured and clear format. It is a complex product and must be sold on an advised basis by an authorised intermediary experienced in K&R products.
Target Market	<p>Target market clients are non-consumer SMEs and mid-market clients in the UK, (broadly defined as corporates up to GBP 100m in revenue) comprising mostly of white-collar corporates.</p> <p>Anticipated industries: Professional Services (finance, legal, consulting); Tech; Not-for-profit (non-sharp end); Manufacturing; Media (producing rather than high risk reporting); Education; Pharma; Mutuels.</p> <p>While the product is targeted at small to medium sized enterprises, the underlying assureds will include individuals and the needs of those individuals must be considered in light of the information available to them for utilising the product in the event of an incident.</p>
Risks associated with Target Market	<p>We do not anticipate specific risks associated with any aspect of the product. The target audience is predominately large corporations with a sophisticated understanding of and familiarity with PA and/or K&R cover.</p> <p>This product comprises two standard products combined to make the purchase and accessibility of the services within the cover easier. The product will be distributed via brokers and other insurance intermediaries who will be familiar with the products in isolation.</p>
Product Unsuitability	This product must not be sold to customers outside the permitted target market. To clarify, this product is not suitable for individuals/consumers or for those who want to buy standard travel insurance, which this product is not.

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

	<ul style="list-style-type: none"> ▪ 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 (refer to commissions/fees and price setting above).
Remuneration / Sales Incentives	A profit commission exists under the Samphire Risk binding authority but this is not volume dependent so as to not conflict with the best interests of the customer.
Premium Finance Arrangements	There is no authorised premium finance as part of this binder. Premium finance arrangements are subject to approval by Convex Insurance UK Limited.

Distribution Strategy	
Approved Distribution Channels	Sold on a Coverholder basis (Samphire Risk) but always through an experienced intermediary.
Special Distribution/ Servicing Arrangements	None
Delegated Authority	Yes
Sales Type	This is a complex product which must be sold on an advised basis only.
Online Sales	This product is not currently distributed online but may be distributed online subject to approval by Convex Insurance UK Limited.

Conflicts & Risks	
None.	



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