

# CONVEX EUROPE S.A.

## Product Oversight and Governance

### PRODUCT PASSPORT

CES Personal Accident

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## 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 (CES)
Product Reference	CONX-AH-002-0522
Product Manufacturer	Convex Europe SA
Line of Business	Accident and Health
Binding Authority Reference	N/A
Effective Date	13/01/2025
Date of Last Review	07/01/2025

Product Description
<p>This product is designed to meet the needs of the companies, organisations or individuals based in Europe looking to obtain Personal Accident cover whilst in their home country or abroad. The product will be sold exclusively for the purposes of the company, organisation or individual's trade, business, craft or profession.</p>

Product Features	
Covers	<p>Personal Accident broken down as follows:</p> <ul style="list-style-type: none"> <li>- Accidental Death</li> <li>- Permanent Total Disability (accident and sickness)</li> <li>- Temporary Total Disability (accident and sickness)</li> <li>- Medical expenses (accident and sickness)</li> <li>- Evacuation and repatriation (accident and sickness)</li> </ul>
Key Exclusions	<p>1. As a default, unless otherwise agreed, this Policy does not cover claims or loss in any way directly or indirectly arising out of, caused by, attributed to, or contributed to by:</p> <ul style="list-style-type: none"> <li>- Alcohol or Drugs</li> <li>- Armed Forces or Operations</li> <li>- Attempted Suicide, Intentional Self-Injury, State of Insanity</li> <li>- Auto Immune Conditions</li> <li>- Deliberate Exposure to Exceptional Danger</li> <li>- Chronic Pain</li> <li>- Criminal Acts</li> <li>- Flying</li> <li>- Prior Conditions</li> <li>- Mental Health Conditions</li> </ul>

	<ul style="list-style-type: none"> <li>- Nuclear</li> <li>- Pathogenic or Poisonous Biological or Chemical Materials</li> <li>- Pregnancy or Childbirth</li> </ul>
<b>Main Restrictions</b>	As limited in the Schedule
<b>Optional Covers</b>	Each benefit is separately priced, and the insured can elect to purchase a combination of them
<b>Cross-selling/ Ancillary/Packaged Product</b>	No additional products from those already listed
<b>Claims Settlement Bases</b>	Financial payment in the case of an accepted claim
<b>Frequently Challenged Policy Terms</b>	None
<b>Policy Length</b>	Typically annual, but there are some scenarios where the Policy period could be more or less. However, it's unlikely this would exceed 24 months.
<b>Policy Structure</b>	Individual and group

<b>Target Market Analysis</b>	
<b>Product Complexity</b>	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 the target market.
<b>Target Market</b>	<p><u>Groups:</u></p> <p>Typically, the product is sold to SMEs however large commercials are within target too. Convex contracts solely with the group, who fully pay for the cover. There is no opt in/opt out or payment by the employees themselves.</p> <p>The groups have a financial interest and responsibility towards their employees, especially if the occupation is hazardous by nature, whether that be the activities themselves or the locations they are operating in.</p> <p><u>Individuals:</u></p> <p>Whilst this falls a very small proportion of the target market, certain types of individuals do have interest in purchasing PA cover for their occupation. For example, individual professional footballers and wealthy business owners.</p>
<b>Risks associated with Target Market</b>	There are no material risks/vulnerabilities associated with the intended target market. The product is not specifically targeted at vulnerable customers.

<b>Product Unsuitability</b>	<p>This product is not suitable for:</p> <ul style="list-style-type: none"> <li>- Customers that are not groups, individuals or large commercial clients.</li> <li>- Risks outside of the EEA.</li> <li>- Customers for whom the policy benefits would not provide adequate coverage to meet their financial needs in the event of a claim.</li> </ul>
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<b>Fair Value Assessment</b>	
<b>Fair Value Statement</b>	<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"> <li>▪ Complaints</li> <li>▪ Broker feedback</li> <li>▪ Commission and fees</li> <li>▪ Staff remuneration</li> <li>▪ Pricing models</li> <li>▪ Claims stats</li> <li>▪ Cancellation rates</li> <li>▪ Premium finance arrangements</li> </ul> <p>Based on our assessment of the above metrics we conclude that the product provides fair value to the target market.</p>
<b>Distribution Chain Value</b>	<p>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).</p>
<b>Remuneration / Sales Incentives</b>	<p>2. Volume dependent remuneration should be avoided and must not conflict with the best interests of the customer.</p>
<b>Premium Finance Arrangements</b>	<p>Premium finance arrangements are subject to approval by Convex Europe S.A.</p>

<b>Distribution Strategy</b>	
<b>Approved Distribution Channels</b>	<p>3. All policies are sold through authorised intermediaries. There are no direct sales.</p>

<b>Special Distribution/Service Arrangements</b>	4. N/A
<b>Delegated Authority</b>	5. This product is suitable for distribution via delegated authority subject to approval by Convex and the terms of a Binding Authority Agreement.
<b>Sales Type</b>	6. Business is placed through wholesale brokers who will advise the client on quotes and coverage options.
<b>Online Sales</b>	7. This product is not sold through online sales.

### Conflicts & Risks

8. 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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