

CONVEX INSURANCE UK LIMITED

Product Oversight and Governance

PRODUCT PASSPORT

Event Insurance for Stallholders & Exhibitors



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	Event Insurance for Stallholders & Exhibitors
Product Reference	CVX-CM-008-0424
Product Manufacturer	Convex Insurance UK Limited
Line of Business	Crisis Management
Binding Authority Reference	NA
Effective Date	29-01-2025
Date of Last Review	29-01-2025

Product Description
<ul style="list-style-type: none"> This product is designed to offer a pick and mix style policy, where clients can select the various coverages they require from a suite of options that best suit their needs based on the requirements of their individual event. Event organisers can purchase event cancellation cover as well as public and employers' liability, event equipment coverage and money/cash cover.

Product Features	
Covers	<p>Event cancellation cover:</p> <ol style="list-style-type: none"> 1. Reimbursement for ascertained net loss should the Insured Event(s) be necessarily Cancelled, Abandoned, Postponed, Interrupted, Curtailed or Relocated as a sole and direct result of a Cyber Occurrence beyond the control of the Insured and any Participant. 2. Additional costs and expenses that do not exceed the amount of loss avoided or diminished. <p>Public liability cover:</p> <ol style="list-style-type: none"> 1. Accidental bodily injury or property damage 2. Defence costs <p>Employers' liability cover:</p> <ol style="list-style-type: none"> 1. Damages and defence costs in respect of bodily injury sustained by an employee in the UK, Europe or temporarily outside of Europe. <p>Property cover:</p>

	<p>1. Reimbursement up to the insured value for direct physical loss or damage of insured property in transit to or from the insured event or while in use at the event.</p> <p>Money cover:</p> <p>1. Reimbursement for direct physical loss of money at the venue or while in transit between the venue and a bank.</p>
<p>Key Exclusions</p>	<p>General exclusions:</p> <ol style="list-style-type: none"> 1.Asbestos 2.Biological or chemical materials 3.Communicable disease 4.Cyber and data loss 5.Employee benefits 6.Employment disputes 7.Fines, penalties and damages 8.Fraud, misrepresentation and concealment 9.Libel, slander and defamation 10.Liquidated damages 11.Nuclear 12.Terrorism 13.Proceedings, enforcement, awards from, within or based on any judgment with a court of law within the United State of America or Canada 14.War 15.Sums payable under legislation outside the United Kingdom relating to Workmen's Compensation Acts, Social security or health legislation. <p>Exclusions applicable to event cancellation cover:</p> <ol style="list-style-type: none"> 1. Adverse weather 2. Alterations to the event 3. Building works to the venue 4. Civil commotion 5. Lack of care, diligence or prudent behaviour on the part of the insured.

	<p>6. Corona Virus</p> <p>7. Disputes with Participants</p> <p>8. Failure to make arrangements in compliance with legal, regulatory requirements</p> <p>9. Failure to make arrangements for successful fulfilment of the insured event</p> <p>10. Failure to confirm that all necessary contractual arrangements are confirmed in writing</p> <p>11. Failure to obtain all necessary authorisations such as visas, permits, patents etc.</p> <p>12. Failure to vacate</p> <p>13. Lack of financial support for or insufficient interest in the event</p> <p>14. National mourning and coronation</p> <p>15. Nonappearance</p> <p>16. Pollution</p> <p>17. Reduced attendance</p> <p>18. Repatriation, internment, imprisonment, deportation or refusal of entry</p> <p>19. Seizure, requisition or destruction of property by a government, public or local authority.</p> <p>20. Handling of contraband or engagement in illicit trade or transportation</p> <p>21. Teleconferencing and data image links</p> <p>22. Undeclared expenses and gross revenue</p> <p>Exclusions applicable to public liability cover:</p> <p>1. Abuse</p> <p>2. Animals</p> <p>3. Bodily injury to Participants</p> <p>4. Contractual liability</p> <p>5. Dangerous Activities</p> <p>6. Deliberate or wilful act</p> <p>7. Employee bodily injury (except in respect of additional overseas liability to the extent overseas cover provides cover)</p>
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	<p>8. Deliberate failure to prevent bodily injury or property damage</p> <p>9. Mechanically propelled vehicles</p> <p>10. Motor vehicles</p> <p>11. Pollution</p> <p>12. Professional negligence or malpractice</p> <p>13. Property damage</p> <p>14. Sale or supply of goods</p> <p>15. Staging, marques or temporary structures</p> <p>16. Venue damage</p> <p>Exclusions applicable to Employers' liability:</p> <p>1. Deliberate failure to prevent bodily injury or property damage</p> <p>2. Circumstances requiring insurance under compulsory motor insurance requirements</p> <p>3. Offshore claims</p> <p>Exclusions applicable to property cover:</p> <p>1. Dishonesty</p> <p>2. Electrical or mechanical failure</p> <p>3. Indirect or consequential loss</p> <p>4. Inventory, stocktaking or unexplained disappearance</p> <p>5. Loss of use</p> <p>6. Pollution</p> <p>7. Repairs to insure property</p> <p>8. Theft</p> <p>9. Unattended vehicle</p> <p>10. Vermin and wear and tear</p> <p>Exclusions applicable to money cover:</p> <p>1. Closed for business or temporarily unattended</p> <p>2. Errors or omissions</p> <p>3. Forgery, deception or fraud</p> <p>4. Mysterious disappearance, unexplained loss</p>
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	5. Money outside the venue unaccompanied by two capable and responsible adults 6. Theft 7. Unattended vehicle
Main Restrictions	As limited in the Schedule
Optional Covers	Public liability: 1. Cross liability clause 2. Venue owners or operators liability 3. Contractual liability and indemnity to principal 4. Overseas contingent employer's liability 5. Pollution Employers' liability: 1. War and terrorism
Cross-selling/ Ancillary/Packaged Product	NA
Claims Settlement Basis	Covering loss of revenue and/or additional costs on a net ascertained loss basis for the insured should an insured event be necessarily cancelled, abandoned, postponed, interrupted, curtailed or relocated.
Frequently Challenged Policy Terms	None
Policy Length	Insurance relating to individual events.
Policy Structure	This product is to be sold to individuals and not groups.

Target Market Analysis	
Product Complexity	This product is not deemed complex, however consumers acting outside of the course of their trade or profession may not be familiar with the concepts contained in the policy. As such, the policy wording has been drafted with consumers in mind and is designed to be accessible to a less sophisticated audience.
Target Market	<p>The target market is any individual, SME, micro-enterprise or large commercial client that are organising an event or taking part within an event.</p> <p>With these categories, the product is designed to offer liability cover to stallholders and exhibitors who are legally required to have this cover in place to attend/run an event. It is also designed to offer event cancellation cover to any individual, SME, micro-enterprise or large commercial client that is looking to protect their financial exposures</p>

	<p>should an event be necessarily cancelled, abandoned, postponed etc. We can protect their out-of-pocket expenses or their anticipated gross revenue.</p> <p>As such, this product could be purchased by anyone - from the organisers of a private birthday or anniversary party to multimillion dollar global conferences, exhibitions or sporting events.</p>
Risks associated with Target Market	<p>The target market contains consumers, and the product has been designed to meet the needs and level of sophistication of that demographic.</p>
Product Unsuitability	<p>This product isn't suitable for:</p> <ul style="list-style-type: none"> • Customers for whom the policy limits are not sufficiently high that they would cover their losses in the event of a claim, except where required by the venue providers for the event to take place. • Customers who require coverage for the excluded perils listed with the Policy or that are otherwise not covered within the Policy wording, except where required by the venue providers for the event to take place. • Customers that have no potential financial losses that could be reasonably be recovered under the Policy in the event of a Claim, except where required by the venue providers for the event to take place. • Customers that are not intending to take part in or organise an event, except where required by the venue providers for the event to take place.

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 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.</p> <p>Convex's commission level is high for this product. This is because the Broker needed more money from this product (this is a low premium product). This was as an alternative to hiking the product price for the end consumer. This means that Convex ends up sharing of the profitability from the product line from its own pocket, as opposed to passing on a much higher product price to the end consumer.</p>
Remuneration / Sales Incentives	Volume dependent remuneration should be avoided 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	Approved distribution channels are via regulated brokers and coverholders.
Special Distribution/Servicing 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 may be sold on a non-advised basis.
Online Sales	<p>This product may be distributed via online sales through a broker or Coverholder.</p> <p>All marketing materials must be formally reviewed for regulatory compliance by the distributor prior to publication.</p>

Conflicts & Risks
<ul style="list-style-type: none"> No conflicts or risks identified. Any risks/conflicts identified by the distributor must be mitigated, recorded and communicated to the manufacturer.



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