CONVEX INSURANCE UK LIMITED

Product Oversight and Governance

PRODUCT PASSPORT

Private Collections Insurance Policy (UK)

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	Private Collections Insurance Policy (UK)
Product Reference	CVX-FAS-002-0925
Product Manufacturer	Convex Insurance Limited
Line of Business	Fine Art and Specie
Binding Authority Reference	N/A
Effective Date	01/10/2025
Date of Last Review	01/10/2025

Product Description
This product aims to provide insurance cover for individuals or small businesses that hold Private Collections against physical loss or damage to the items. The drivers for purchasing it is the comprehensive coverage provided, the ability for the client to decide whether to claim damage to an item as a total loss and a competitive market price. This product aims to insure these items during their storage at private homes, offices, museums or warehouses, during exhibitions and their transit between locations.

Product Features	
Covers	All risks of physical loss or damage and loss mitigation costs, The cover is extended to new possessions and jewellery and watches.
Key Exclusions	Deliberate damage, degradation, inherent defect, pests and biological hazards, environmental conditions, unattended vehicles, Malicious use of any computer or electronic system or program, radioactive contamination, communicable disease, war.
Main Restrictions	Cover for losses above the Excess and up to the Total Amount Insured and specified limits, subject to conditions and exclusions; some Endorsements may restrict cover.
Optional Covers	N/a
Cross-selling/ Ancillary/Packaged Product	N/a
Claims Settlement Bases	Basis of valuation: For Listed Items, claims are based on the agreed specified values, For Unlisted Items, claims are based on an estimate of the Market Value of the item immediately before the loss or damage. Basis of settlement: for total losses, the value of the item and for partial losses we pay costs of restoration and depreciation of value if the client requests it [e.g. repair or replacement].

Frequently Challenged Policy Terms	N/a
Policy Length	Annual
Policy Structure	Individual. No group policies.

Target Market Analysis	
Product Complexity	No, it's a simple product.
Target Market	The target market for this product is private wealth individuals, and corporate clients that have sizeable collections. These corporate clients can be of any size, so may include micro-enterprises, SME's, large commercial clients and those that meet the definition of large risk where applicable. A typical example might be (but is not limited to) a small museum. However, the clients this product will be sold to will typically have a private collection that is sufficiently high in value that a standard home insurance product or business insurance product would not provide adequate coverage. This product is suitable for customers for whom the policy limits provide adequate and appropriate levels of coverage. It is appropriate for customers that can pay the policy premiums and abide by the terms and conditions of the policy.
Risks associated with Target Market	This product has the potential for vulnerable customers, as it is sold to individuals with private collections. An example of this could be customers that have characteristics of vulnerability that impede understanding. For this reason, it is important the distributors ensure that products are only sold to customers that fully understand the risks and benefits that it provides.
Product Unsuitability	This product isn't suitable for customers that have adequate coverage elsewhere, or for whom a standard/commoditised home or business policy already provides them with adequate coverage. This product isn't suitable for customers that don't understand the product they are purchasing. This product isn't suitable for customers that don't have an insurance interest, or private collections that need to be insured. This product isn't suitable for customers that are unable to pay the premium or that can't or won't meet the terms and conditions of the policy.

Fair Value Assessment	
Fair Value Statement	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.

	Our fair value assessment considers value measures such as: ▪ Complaints ▪ Broker feedback ▪ Commission and fees ▪ Staff remuneration ▪ Pricing models ▪ Claims stats ▪ Cancellation rates ▪ Premium finance arrangements Based on our assessment of the above metrics we conclude that the product provides fair value to the target market.
Distribution Chain Value	Yes, it represents value for money, customers pay premium via their brokers who provide advice and administration in exchange for placing commission. We do not sell this product directly to customers.
Remuneration / Sales Incentives	Volume dependent remuneration should be avoided and must not conflict with the best interests of the customer.
Premium Finance Arrangements	N/a

Distribution Strategy	
Approved Distribution Channels	Delegated authority, lineslips and open market.
Special Distribution/Servicing Arrangements	N/A
Delegated Authority	Yes, potentially but no immediate plans.
Sales Type	It is suitable for advised sales and non-advised sales.
Online Sales	No

Conflicts & Risks
There are no known potential conflicts of interest between Convex, distribution partners and the target market.

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