

CONVEX INSURANCE UK LIMITED

Product Oversight and Governance

PRODUCT PASSPORT

Contingency Cyber Attack Endorsement

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	Contingency Cyber Attack Endorsement
Product Reference	CVX-CM-204-0925
Product Manufacturer	Convex Insurance UK Limited
Line of Business	Crisis Management
Binding Authority Reference	N/A
Effective Date	12/01/2026
Date of Last Review	12/01/2026

Product Description
<p>The Contingency Cyber Attack Endorsement is designed to indemnify the insured for their ascertained net loss should the insured event(s) be necessarily cancelled, abandoned, postponed, interrupted, curtailed or relocated as a sole and direct result of either a cyber attack OR an insured peril caused by a cyber attack depending on the main policy to which it attaches. In both instances the cyber attack must be beyond the control of the Insured, any Insured Person and any Participant.</p> <p>To be attached to Contingency policies which include Exclusion LMA 5590. The Convex endorsement provides cover up to a monetary sub limit.</p> <p>The endorsement is an Event Cancellation cover with a malicious cyber trigger and does not cover:</p> <ul style="list-style-type: none"> - any loss of data or breach and response costs. - payment of a ransom or extortion monies and/or any direct or indirect payment to perpetrators (or their agents) of a cyber attack, as per the exclusionary language within the endorsement. For the avoidance of doubt, cover otherwise afforded under the endorsement will not be affected by a failure on the part of the insured to pay a ransom or extortion monies.

Product Features	
Covers	<p>Indemnity 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:</p> <ul style="list-style-type: none"> - a Cyber Attack beyond the control of the Insured, each and every Insured Person and each and every Participant. OR - an Insured Peril <p>a) which occurs during the period of insurance, and b) is caused by a Cyber Attack which is beyond the control of the Insured, each and every Insured Person and each and every Participant</p> <p>Insured Peril means all perils not specifically limited or excluded in the main Policy and in the Endorsement's Schedule.</p>
Key Exclusions	<p>This Endorsement excludes any loss, damage, liability, cost or expense directly or indirectly arising out of or caused by or contributed to by:</p> <ul style="list-style-type: none"> a) Any measures to prevent, suppress, contain or control a Cyber Attack, other than a Systems Shutdown which solely and directly causes a direct loss otherwise recoverable under the Endorsement's Insuring Clause. b) Any Systemic Failure, except where such Systemic Failure results directly in the partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process use or operate any Insured Computer System. c) Any Cyber Operation or attempted Cyber Operation by or on behalf of any State, government or other sovereign entity, whether targeted at the Insured or otherwise, irrespective of any other provision, endorsement or extension of the Policy. d) Threat or hoax or any ineffective Cyber Attack, irrespective of any other provision, endorsement or extension of the Policy. e) Any unauthorised use of, operation of, or access to, an Insured Computer System, of which the Insured is aware, or ought to be aware, at inception. f) Any Insured Computer System failure which is not caused solely and directly by a Cyber Attack. g) Any payment of a ransom or extortion monies and/or any direct or indirect payment to perpetrators (or their agents) of a Cyber Attack (or the threat, hoax or any attempt thereof) whether the Cyber Attack is successful or not.
Main Restrictions	As limited in the Schedule and Wording.
Optional Covers	None

Cross-selling/ Ancillary/Packaged Product	Product is attached to Contingency products
Claims Settlement Bases	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. Endorsement to follow the main Policy's policy period.
Policy Structure	This product is to be sold to large commercial customers (mainly) and SMEs (on occasion).

Target Market Analysis	
Product Complexity	Although complex, 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 commercial clients.
Target Market	This product is intended for large scale commercial organisers of music, sporting and corporate events but can also extend to a commercial entity such as an SME with an insurable interest in an event, e.g. contracted keys person(s) or performer(s). The insured will be predominately UK and US insureds (but may sometimes be outside of this), and the event schedules covered span multiple countries/continents.
Risks associated with Target Market	There are no material risks/vulnerabilities associated with the intended target market. The product is also not directly targeted at vulnerable customers.
Product Unsuitability	This product isn't suitable for any client outside of the specified target market.

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

	<ul style="list-style-type: none"> ▪ Staff remuneration ▪ Pricing models ▪ Claims stats ▪ 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>
Claims, cancellation and complaints history	This is a new product without claims, cancellation or complaints history but the broader Contingency market has a history of paying claims with limited history of cancellations or complaints.
Commissions/fees	Commission is governed by the underlying Contingency policy (approximately 25%) but will be considered on a case-by-case basis.
Premium	Minimum rate adjusted on scheduled values of 0.2%, with multiples on this base rate charged depending on risk profile and exposure.
Price setting	<p>Rating set by Convex only on a case-by-case basis.</p> <p>The rates set by Convex have been assessed as part of our value assessment and are deemed to be of fair value to the customer. Intermediaries capable of adjusting the overall price paid by the customer by way of commission, fees and charges must ensure that the overall price paid by the customer represents value for money and is in keeping with the FCA duty to act in the best interests of the customer.</p>
Distribution chain value	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.
Remuneration / sales incentives	Volume dependent remuneration should be avoided by distributors 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	The distribution channel is via a select number of regulated brokers (operating both wholesale and retail). The product will be offered as an endorsement to an existing Contingency Cancellation policy only.
Special Distribution/Servicing Arrangements	N/A

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 is to be sold on an advised basis only.
Online Sales	<p>This product may not be distributed via online sales.</p> <p>All marketing materials must be formally reviewed for regulatory compliance by the distributor prior to publication.</p>

Conflicts & Risks
No conflicts or risks identified.

**Convex Re Limited**

Point House, 6th Floor, 6 Front Street,
Hamilton HM 11, Bermuda

Convex Insurance UK Limited

52 Lime Street, London, EC3M 7AF

Convex Europe S.A.

37 Boulevard Joseph II,
2ème étage, L-1840 Luxembourg,
Grand-Duchy of Luxembourg

Convex Europe S.A. UK Branch

52 Lime Street, London, EC3M 7AF

Convex Guernsey Limited

Bucktrout House, Glategny Esplanade, St Peter Port,
Guernsey, GY1 1WR

Convex North America Insurance Services LLC

47 Hulfish Street, Suite 310, Princeton, NJ 08542

convexin.com

Convex Group is the trading name of Convex Group Limited, a company incorporated in Bermuda, and the ultimate parent company of the Convex Group of companies, which includes the following regulated entities: Convex Re Limited, a company incorporated in Bermuda which is licensed and supervised by the Bermuda Monetary Authority; Convex Insurance UK Limited, a company incorporated in England & Wales which is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the PRA; Convex North America Insurance Services LLC, a company incorporated in Delaware which is a US managing general underwriter and licensed excess and surplus lines insurance broker; Convex Europe S.A. a company incorporated in Luxembourg which is supervised by the Commissariat aux Assurances (CAA); and Convex Europe S.A. UK Branch which is authorised and regulated by the CAA and authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA. Details about the extent of its regulation by the PRA are available from us on request.