CONVEX INSURANCE UK LIMITED

Product Oversight and Governance

PRODUCT PASSPORT

Commercial Livestock Insurance Policy (EEA): All Risks

CVX-LS-007-0326

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	Commercial Livestock Insurance Policy (EEA): All Risks
Product Reference	CVX-LS-007-0326
Product Manufacturer	Convex
Line of Business	ELA - Livestock
Binding Authority Reference	N/A
Effective Date	17 August 2026
Date of Last Review	New product

Product Description

The Commercial Livestock (all risks of mortality) cover is a specialised product specifically intended for European commercial clients acting within the course of their trade or profession.

The product is designed to provide mortality cover to commercial European Livestock producers with an option extension for limited theft and unlawful removal of the animal. The product indemnifies the insured if the animal dies from accident, illness or disease subject to veterinary confirmation whilst in situ as defined in the territorial limits of the policy. The policy will pay the insured the market value of the animal, excluding where Government compensation is paid or payable for the total market value for the animal. The policy will only pay the difference between the market value of the animal or the sum Insured (whichever is the lower) and the compensation paid or payable.

The limited theft and unlawful removal extension provides cover in the event of theft of the animal, death resulting from the theft of the animal, death or permanent loss of possession of the animal directly resulting from unlawful removal of the animal, or malicious or wilful castration or spaying by or on behalf of those responsible for unlawful removal of the animal.

Coverage is intended to be identical across EEA territories, but the product may undergo minor regulatory changes depending on the EEA territory the individual risk is written in.

Product Features	
Covers	Each of the perils below is insured to the value of the agreed sum or limit listed in the Schedule: Underwriters will pay the Insured the Market Value(as defined in the Policy), not exceeding the amount stated on the Schedule, of the Animal in event of the death of the Animal or its Humane Destruction occurring within the Geographical Limits during the Policy Period. Optional Additional Covers (only apply if shown as “purchased” in the Schedule): **Theft** – Underwriters will pay the Insured for: theft of the Animal; or

	death or Humane Destruction of the Animal directly resulting from theft of the Animal which occurs during the Policy Period, Underwriters will pay Insured the Market Value of the Animal at the time of the theft up to the sum insured stated in the Schedule. **Protection of Animals** – Underwriters will pay the Insured expenses reasonably and necessarily incurred to prevent or reduce a loss covered by the Policy. **Incidental Locations** - the Insurer will indemnify the Insured for the death or Humane Destruction of Animals at Incidental Locations during the Policy Period.
Key Exclusions	• Intentional Slaughter (government or public or local authority quarantine and/or restriction order) • Surgical intervention or Medication unless administered by a Veterinary Surgeon • Malicious or wilful injury or criminal or intentional acts or omissions by You. • Confiscation or nationalisation • Cyber • Nuclear reaction, nuclear radiation or radioactive contamination • War • Terrorism • Covid-19 & SARS • WOAH Listed Diseases • Veterinary Fees • Old Age • Embryos, eggs or unborn young • Indirect Losses • Transit
Main Restrictions	Sanctioned territories
Optional Covers	Various endorsements can be attached to the core wording at an additional cost.
Cross-selling/ Ancillary/Packaged Product	There may be opportunities to cross-sell this with our existing ELA clients.
Claims Settlement Bases	Mortality: Market Value of the insured Animal, as set out in the Policy and Schedule. In the event of government compensation, the policy will only pay the difference between the market value of the animal or the sum Insured (whichever is the lower) and the compensation paid or payable. Other covers: Cover to the value set out in the Schedule.
Frequently Challenged Policy Terms	The suitability of the animal for humane destruction is occasionally challenged.
Policy Length	Annual (12 months)
Policy Structure	This product is to be sold to commercial clients via a Broker.

Target Market Analysis	
Product Complexity	This is a niche product but not deemed to be complex. The wording and operation of the product has been designed to meet the needs and sophistication level of European commercial livestock producers.
Target Market	Our target market is large European commercial clients who operate within the livestock production sector on a global basis and who own large, climate controlled farms producing a large quantity of Livestock. We are looking at clients who supply major retailers or breeders with animal products for example meat and eggs.
Risks associated with Target Market	There are no material risks/vulnerabilities associated with the intended target market other than potential limited understanding of insurance principles.
Product Unsuitability	This product is not suitable for consumer clients acting outside the course of their trade or profession.

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	The intended distribution strategy has been assessed and there are no superfluous participants in the chain. Commissions are commensurate with services rendered and the overall method of distribution is cost effective.
Remuneration / Sales Incentives	We will pay brokers up to 25% commission (average c.25%) which is in line with many other Livestock risks that we write. There will be no volume dependent remuneration or similar incentives

Premium Finance Arrangements	This product has not been assessed as suitable for premium finance.

Distribution Strategy	
Approved Distribution Channels	• The distribution channel is via a select number of regulated brokers and coverholders with significant experience and understanding of the livestock mortality product and industry.
Special Distribution/Servicing Arrangements	• N/A
Delegated Authority	• N/A
Sales Type	• Advised sales by specialist broker only.
Online Sales	• N/A

Conflicts & Risks
• No conflicts or risks identified.

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