CONVEX INSURANCE UK LIMITED

Product Oversight and Governance

PRODUCT PASSPORT

Commercial Livestock Insurance Policy: Restricted Perils

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 professional training or development 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 professional development or training. This is recommended to include:

- 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: Restricted Perils
Product Reference	CVX-LS-002b-0726
Product Manufacturer	Convex
Line of Business	ELA - Livestock
Binding Authority Reference	N/A
Effective Date	18/08/2026
Date of Last Review	New Product

Product Description

The Commercial Livestock (restricted perils) cover is a specialised product specifically intended for commercial Non-EEA livestock clients acting within the course of their trade or profession.

The product is designed to provide mortality cover as a result of restricted perils only to Non-EEA countries' commercial livestock operators with an option of an extension for limited theft and unlawful removal of the animal. The product indemnifies the insured for the death of animal(s) as a result of the restricted perils detailed in the policy only, 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.

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 Non-EEA territories, but the product may undergo minor regulatory changes depending on the Non-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 resulting directly from: 1. Accidental shooting Excluding: **Animals** shot by the **Insured**, its employee(s) or any bailee or any other person that has custody of the Animals for any purpose. 2. Aircraft and other aerial devices or articles dropped therefrom.

	Excluding: Pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds. 3. Artificial electricity. 4. Bursting or overflowing of water tanks, apparatus or pipes, Bursting or overflowing of fuel, oil or fertiliser storage tanks. 5. Collapse of bridges, culverts, trestles, roadways, docks, piers, wharves or bulkheads. 6. Collapse of buildings, barns or sheds. 7. Collision, upset, overturn, derailment, stranding or sinking (while waterborne, in inland and coastal waters only) of any vehicles or vessels on which the Animal is being transported 8. Drowning. 9. Earthquake or subterranean fire. 10. Electrocution, including electrocution from artificially generated electric current. 11. Entrapment, meaning the accidental and involuntary physical restraint of an **Animal**. 12. Explosion. Excluding any explosion of electrical plant or apparatus caused in whole or part by its own self ignition, leakage of electricity, short circuiting, excessive pressures or self-heating. 13. Falling trees or parts thereof. Excluding: loss or damage caused to any **Animal** by or as a consequence of the felling, lopping or pruning of trees by the Insured, its employee(s) or any bailee or any other person that has custody of the **Animals** for any purpose. 14. Fire and/or smoke arising therefrom (whether resulting from explosion or otherwise) not occasioned by or happening through earthquake, subterranean fire, riot, civil commotion, application of heat, Excluding: any fire and/or smoke arising therefrom involving electrical plant or apparatus and caused by its own self ignition, leakage of electricity, short circuiting, excessive pressures or self-heating. 15. Hypothermia: meaning the freezing of **Animals** due to freezing rain, sleet, blizzard or snow storm Excluding: **Animals** raised outside of barns or in open sided barns which weigh less than 400 lbs/181 kg. at the time of loss. 16. Impact by any vehicle, train or animal Excluding: any vehicle or animal belonging to or in the custody or control of the **Insured** or any permanent member of their household or their insured staff or any person employed. 17. Lightning. 18. Physical attack by dogs or wild animals Excluding: dogs or wild animals owned by The **Insured** or its employees. 19. Riot, civil commotion, strikers, locked out workers, persons taking part in laboured disturbances or malicious persons.

	Excluding: confiscation or destruction or requisition by order of the government or any public authority, cessation of work; theft or attempted theft. 20. **Sinkhole Collapse**, 21. Smothering caused directly by a blizzard or a snowstorm. 22. Spontaneous combustion 23. Storm, tornado, hurricane, tempest or**Flood** Excluding: • frost or cold weather; • ice (other than hail), • damage to **Animals** not situated in a fully enclosed building. 24. Vandalism or malicious acts Excluding: vandalism or malicious acts committed by the **Insured** or anyone related to or employed by the **Insured** As well as death or **Humane Destruction** caused by huddling, piling, smothering, stampeding or freezing as a direct and immediate consequence of any of the perils described in 2, 9, 12, 14, 16, 19, 20, 23 or 24 above which causes actual physical damage to: • the building(s) in which the **Animal** is contained; or • the heating or ventilating system and the apparatus furnishing power to such system located on the premises and adjacent to the building(s) in which the **Animal** is contained.
Key Exclusions	• **Intentional Slaughter**: intentional slaughter by or under the order of any government or public or local authority or any person or body having jurisdiction in the matter, unless the **Insurer** has expressly agreed to the **Humane Destruction** of the **Animal**. • **Surgery, Medication, Intentional Acts and Failure to Provide Care:** one or more of the following: a) any surgical operation unless conducted by a **Veterinary Surgeon** and certified by them (i) to have been necessitated solely by accident, injury, illness or disease occurring during the **Policy Period** and (ii) to have been carried out in an emergency to save the **Animal's** life, or b) the giving of any **Medication** unless in accordance with the manufacturer's recommendations and certified by the **Veterinary Surgeon** to have been of a prophylactic nature and necessitated by accident, injury, disease or illness; or c) malicious or wilful injury to an **Animal** or criminal or intentional acts or omissions by the Insured, their family, representatives, agents, employees, **Veterinary Surgeons**, bailees or other persons who have care, custody or control of the **Animal**; or d) failure by the **Insured**, their family, representative, agents, employees, bailees or other persons who have care, custody or control of the **Animal** to provide proper care and attention to the **Animal** at all times. For the avoidance of doubt this includes inadequate provision for water or food and/or the **Insured**

	exceeding the stock density levels stipulated by any relevant applicable animal welfare codes or regulations. • **War and Terrorism** one or more of the following: a) war, invasion, acts of foreign enemies, hostilities, or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or b) an act of terrorism meaning an act, including but not limited to the use of force or violence and/or the threat thereof, by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear; or c) any action taken in controlling, preventing or suppressing or in any way relating to (a) and/or (b). If the **Insurer** alleges that this War and Terrorism Exclusion applies, the burden will be on the **Insured** to prove the contrary. In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder will remain in full force and effect. • **Confiscation** confiscation or destruction of or requisition by or under the order of any government or public authority. If the **Insurer** alleges that this Confiscation Exclusion applies, the burden will be on the **Insured** to prove the contrary. • **Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons** one or more of the following: a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; or b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. This exclusion 5.5(d) will not apply to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific, or other similar purposes; or e) any chemical, biological, bio-chemical or electromagnetic weapon. • **Cyber** the use or operation of any computer, computer system, computer software, programme, code (malicious or otherwise), computer virus or process or any other electronic system. • **COVID-19** one or more of: a) Coronavirus disease (COVID-19);

	b) Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2); c) any mutation or variation of SARS-CoV-2; d) any fear or threat (whether actual or perceived), or any action taken in controlling, preventing, suppressing or in any way relating to, a), b) or c) above. • **WOAH Listed Diseases (World Organisation for Animal Heath)** a) any **WOAH Listed Disease**; and/or b) death as a result of any quarantine or movement restriction order by any government or public or local authority or any person or body having jurisdiction in the matter relating to an outbreak or suspected outbreak of a **WOAH Listed Disease**, unless specifically agreed otherwise by the **Insurer** and endorsed to this **Policy**. • **Jurisdiction and Geographical Limits** in addition to the above, this **Policy** does not cover any: a) legal proceedings brought in a court of law outside the **Geographical Limits**; or b) legal proceedings brought in a court of law within the **Geographical Limits** to enforce a judgment or order made in any court of law outside the Geographical Limits; or c) loss, damage or liability arising outside the **Geographical Limits.** • **Veterinary Fees** any veterinary fees. • **Old Age** accident, injury, illnesses, diseases and other conditions as a result of the **Animal** being of an age exceeding any agreed age limit set out in the Schedule, or as a result of old age. • **Embryo** loss of any embryo or unborn young unless separately specified in the Schedule and endorsed on to this **Policy**. • **Indirect Loss** any indirect losses of any nature whatsoever, including, but not limited to: a) any increased business expense or loss of profit or earnings resulting from any Restricted **Peril**; and/or b) any loss caused by the **Insured** being unable to use the **Animal** for its intended **Use**. • **Transit** any **Restricted Peril** which occurs whilst the **Animal** is in transit by road, air or sea, or being loaded or unloaded for the purpose of transit and/or any **Restricted Peril** directly caused by any such transit, unless such cover has specifically been agreed by the **Insurer** and endorsed to this **Policy** or the Schedule. • **Equipment** a) theft or any attempt theft of any equipment. b) wastage of material, wearing away or wearing out of any part of a machine caused by or resulting from ordinary use, rust, scale or other deposits, corrosion or deterioration due to chemical or atmospheric conditions or otherwise, scratching of painted or polished surfaces.

	c) maintenance or servicing work, or as a consequence of inadequate maintenance or servicing. d) Equipment gradually developing flaws or fractures which do not necessitate immediate stoppage although at some future time repair or renewal of the parts affected may be necessary. e) faulty or bad workmanship occurring during the execution of repairs. f) loss or damage directly due to any faults or defects in the machinery known to the **Insured** prior to inception and not disclosed to the **Insurer**.
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 only)
Policy Structure	This product is to be sold to commercial clients via a London 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 Non-EEA commercial livestock producers.
Target Market	Our target market is large Non-EEA 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. This may also include SME clients. Specifically, we are looking at clients who supply major retailers or breeders with animal products for example meat and eggs. These customers will be based in either the UK or North America.
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. It is also not suitable for customers outside of the UK or North America.

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 structures ▪ Claims statistics ▪ Premium finance arrangements ▪ Distribution strategies 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 an average of 25% commission 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 – this is sold on an Open Market basis

Sales Type	Advised sales by specialist broker only.
Online Sales	N/A

Conflicts & Risks
• No conflicts or risks identified.

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