

## Insurance Backed Guarantees - What is an IBG?

An IBG (or an ‘**Insurance Backed Guarantee**’) is an Insurance product which protects the homeowner, should the installation company cease to trade.

Upon completion of the job, the company will provide their customer with a guarantee to protect them in the event that something goes wrong with the installation. However, should the company cease to trade before the guarantee has expired then the guarantee can no longer be fulfilled by the company.

If the homeowner has a GGFi Insurance Backed Guarantee in place, the policy’s underwriters will consider claims under the terms of the original guarantee for the remaining period of the guarantee. For example, if a tradesman provides a homeowner with a 10 year Insurance Backed Guarantee and the tradesman ceases to trade after 5 years, it would be possible for the homeowner to submit a claim within the remaining 5 years should a fault occur on the installation.

The definition of ‘cease to trade’ in our terms and conditions is where the installing company is operated as a limited company or a limited liability partnership means the member company ceasing to trade due to the appointment of a receiver, administrator or liquidator due to compulsory liquidation or creditors’ voluntary liquidation; or where the member company is operated as a sole trader or a partnership means the winding up of the member company due to either bankruptcy or the death of all the principal(s) and where all the principal(s) estates have been declared insolvent.

