INSURANCE BACKED GUARANTEE (IBG)

TERMS OF BUSINESS AGREEMENT

between

- Contractor/Installer (you)

&

- Bluedrop Services (NW) Ltd (we/us)

<u>Background</u>

Bluedrop Services (NW) Ltd is an FCA authorised firm that designs and distributes general insurance products.

- FCA registration number is 530244

For the purposes of this product Bluedrop Services (NW) Ltd act as policy administrator and distributor but the product is underwritten by an Independent and regulated insurance company.

This agreement sets out the terms and conditions on which we will accept business from you in relation to the provision of IBGs required under any government scheme or other facility.

<u>General</u>

Please read the agreement carefully. By submitting policies to us you agree to be legally bound by this agreement.

<u>Insurance Backed Guarantee Product Distribution summary</u>

The IBG product is distributed and administered by us and arranged by Policy Excess Insure Ltd on behalf of Financial and Legal Insurance Company Ltd.

We do not provide you with any advice in relation to this product.

The consumer (policyholder) is a customer of yours and whilst it is your responsibility to ensure the customer receives their policy documentation, we will always issue documentation direct to the consumer as well.

The product is distributed in accordance with the Insurance Schedule, policy wording and Insurance Product Information Document.

Cover is provided for properties which are single domestic dwellings of no more than 4 storeys, provided you have the relevant insurance in place to cover the height limit required in respect of external works.

The following works can be considered upon request and pricing will be provided if approved.

- Work in Northern Ireland
- Properties above 4 storeys or black of flats/apartments
- Any property which contains a commercial use
- Park Home Installations

Your general obligations

You will always:

- Conduct your obligations in a manner which is neither detrimental nor prejudicial to a policyholder. For the avoidance of doubt nothing in this provision shall prohibit us or the insurer from undertaking all necessary actions in relation to the administration, underwriting, claims and complaints handling in respect of policies in accordance with their term.
- Not describe yourself as an agent or representative of Bluedrop Services (NW) Ltd.
- Provide cooperation and assistance to us (as we may require from time to time) to enable us to discharge our obligations under this agreement.
- Allocate suitable and adequate resources and expertise to the tasks you are required to carry out to fully and properly satisfy your obligations under this agreement.
- Comply with any/all applicable anti-bribery and corruption laws, including the Bribery Act 2010
- Ensure that all Data Protection Law requirements have been satisfied before Personal Data concerning Customer's Clients is supplied to the Supplier or Insurer, including informing clients that their data will be shared and explaining the purposes for which it will be processed.

Notify us immediately if:

- You, or any directors or partners in your business are charged with or convicted of any offence involving fraud or dishonesty.
- Bankruptcy or liquidation proceedings are brought against the company or any directors within the business.
- You anticipate being unable to comply with any terms within this agreement.

Our general obligations

We will always:

- Use all reasonable endeavours to, during the term of this agreement, develop and maintain the system
- Discharge our obligations with reasonable skill, care and diligence and in accordance with the Legal and Regulatory Requirements.
- Allocate suitable and adequate resources and expertise to the tasks which we are required to carry out to fully and properly satisfy our obligations under this agreement.
- Act as your agent in arranging the policy with the insurer.
- Act as the insurer's agent for matters including placing risks on cover and issuance of policy documentation, cancellation of policies and receiving, collecting and premiums.

Premium and other financial aspects

To be able to offer you credit facilities, we are registered under the Consumer Credit Act, and our Licence Number is 638209.

We normally accept payment by BACS payments, or via credit/debit cards (excluding American Express.)

In respect of policy premiums:

- Ensure that you have allocated the premium payable for each policy to enable you to make payment of the invoice issued for all IBGs
- Ensure that invoices are made within the credit terms provided which is by 14th of each month in respect of policies lodged and issued the previous month.
- Invoices are issued on 1st of each month for all policies taken out in the preceding month. Credit Terms are strictly 14 days and late payment (without prior agreement)

will lead to account suspension and possible voidance of policies which have not had the premiums paid.

- In the event that the insurer changes premiums relating to policies which you are issuing, we will provide a minimum of 30 days' notice.

Commission/Fees

The remuneration we received is from commission paid to us by the Insurance Company.

In addition, all policies we pace are subject to an administration fee of £5.00 (which is included automatically in the price quoted to you for each policy).

There is no further admin charge should you need to make amendments to policies.

Records and Compliance

Both parties will:

- Keep true and accurate accounts and records of all matters connected with the Agreement and its operation.
- Cooperate (and procure that its officers, employees, agents and contractors cooperate) with any of our directors, representatives, consultants, advisers or auditors (as the case may be), and those of any regulatory body undertaking any audit or investigation of matters relating to business conducted pursuant to the Agreement.

IT Security

- Where data (including, without limitation, Customer Data) is held and processed electronically by either Party in connection with this Agreement, the relevant Party must take all reasonable endeavours to safeguard the data and ensure that their systems are appropriately secure.

Data Protection

- The Parties shall, at all times, comply with all Data Protection Laws and neither Party shall knowingly cause the other Party to be in breach of the Data Protection Laws. Both Parties understand and acknowledge that each Party are (or may be) Data Controllers in relation to their respective obligations under this Agreement.
- When passing or transmitting the Customer Data to Bluedrop Services , You warrant that You have obtained the requisite consent of the Customers in accordance with the Customer Privacy Notice provided at the time it obtained such Personal Data and that the Customer Privacy Notice permits the transfer of a Policyholder's Personal Data to Bluedrop Services , to the Insurer, and to third parties acting on their behalf for the purposes as detailed within the Customer Privacy Notice.

- You acknowledge that Bluedrop Services and the Insurer may share Customer Data provided in relation to potential Policyholders, Policyholders and other persons intended to be named on a Policy.
- You shall ensure that You have obtained all appropriate consents required under the Data Protection Laws and any other Legal and Regulatory Requirements to allow You to transfer Personal Data and Sensitive Personal Data forming part of the quotation information provided to the Bluedrop Services.

Each Party shall, when acting as Data Processor of the other:

- Promptly comply with all of the other Party's instructions including (without limitation) to rectify, correct, block, suppress, delete and update any Customer Data it holds (whether such instructions are general or specific) to the extent necessary to comply with the Data Protection Laws.
- Provide a copy of any Subject Access Request received in relation to the Customer Data and/ or the other Party's processing activities under this Agreement within two (2) Working Days of receipt of such Subject Access Request
- Each Party when acting as Data Processor of the other, shall take appropriate technical and organisational measures against unauthorised or unlawful processing of the Customer Data and against accidental loss or destruction of, or damage to, the Customer Data and, having regard to the state of technological development and the cost of implementing any measures, such measures must ensure a level of security appropriate to the harm that might result from such unauthorised or unlawful processing or accidental loss, destruction or damage and to the nature of the information to be protected.
- Each Party shall in connection with this Agreement promptly provide the other Party with full details of any complaint, enquiry and/or allegation that either Party is not complying with the Data Protection Laws by a Data Subject or from the Information Commissioner.

To the extent that a party acts as a Data Processor on behalf of the other it shall process Personal Data only to the extent, and in such a manner, as is necessary for the purposes of this Agreement and in accordance with the other's instructions from time to time and shall not:

- Process Personal Data for any other purpose.
- Transfer Personal Data outside the United Kingdom to another country within the European Economic Area without first notifying the other Party in writing
- Transfer Personal Data outside the European Economic Area.

- Each party will keep a record of any processing of Personal Data it carries out on behalf of the other.

<u>Cancellation Rights</u>

Cancellation by you:

If a policy is cancelled by you within the first 14 days, a full refund will be provided, and the policyholder will be notified that the policy has been cancelled and is no longer an active policy. This is provided that no claim has been intimated.

After the first 14 days, the policyholder may cancel the policy, but the premium will not be refunded.

All fees are non-refundable.

<u>Complaints</u>

General Complaints

If you wish to make a complaint about any of the following:

- Sale of this insurance
- Information or advice provided during the sales process.
- Terms and conditions of policy,
- General administration of Your Policy including Claims.

Please email info@bluedropservices.co.uk
where you will be able to lodge a complaint specific to your policy enquiry and product type.

Alternatively you can raise a complaint with Policy Excess Insure Ltd at
complaints@pexinsure.com

If your complaint has not been dealt with to your satisfaction, you are able to complain to the insurer directly by addressing your complaint to:

Financial & Legal Insurance Company Ltd
No.1 Lakeside
Cheadle Royal Business Park
Cheadle
Cheshire
SK8 3GW

Appeal

If You feel your complaint is still not capable of being resolved, You have the right of appeal to the Financial Ombudsman Service. The Ombudsman can be contacted at:
Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
E14 9SR
Telephone: 0800 0234567 or 0300 1239123
Web: www.financial-ombudsman.org.uk

Using this complaints procedure or referral to the Financial Ombudsman Service Authority does not affect Your legal rights.

Claims

As the policies to which this agreement refers are purchased for your client, only the policyholder will be able to make a claim under the insurance policy.

Risk Transfer

Premiums that we collect from you are held in an insurance broking bank account specifically used for the purpose of holding client premiums. By virtue of agreements we hold with insurers, we collect premiums as agent of the insurer. Therefore, once we have collected premiums from you, under the terms of our agreements with insurers, those premiums are treated as having been paid to the insurer. We will remit the premiums to insurers, after deduction of our commission, in accordance with the terms of our agreements with insurers.

Any fees paid to us becomes our money once received and is no longer treated as money belonging to you or the policyholder

Legal and Regulatory Information

Compensation Scheme

This Policy is covered by the Financial Services Compensation Scheme (FSCS). The policyholder may be entitled to compensation from the scheme if the Insurer is unable to meet their liabilities.

Third Party Rights

With the exception of indemnity afforded to the insurer, a person who is not party to this agreement has no rights in connection with it.

Your facility specific obligations

- Ensure the data you are submitting to us in respect of the request for an IBG is accurate and provide this data promptly.

- Provide any supporting documentation required under the Accreditation Requirements.

- Notify us within 24 hours should any client make a complaint in relation to the work that has been undertaken.

- Ensure that you maintain accreditation for the work undertaken in respect of IBGs requested and that your Liability and Professional Indemnity Insurance policies remain active and relevant to the work you are performing.

- Ensure your employees' or sub-contractors hold the relevant qualifications for the work being undertaken on your customer's home.

- If you are using Bona-Fide sub-contractors, you have obtained and submitted to us a copy of their Insurance Schedules and Statements of Fact for approval (in respect of their Liability Insurance (and Professional Indemnity Insurance – if applicable).

- Pay all applicable insurance premiums, fees and charges upon request and within the terms set out in this agreement.

- Only apply for an Insurance Backed Guarantee when the installation has been completed to your customers satisfaction.

Other taxes or costs

Other taxes or costs, or both, may exist in relation to the products and services offered by us which are not paid through, nor imposed, by us.

Agreement Suspension/Termination

We may suspend all or part of the Services in the event:

- You are in material breach of this agreement and/or your obligations to us, your customer or the accreditation bodies.

- We are investigating a complaint made by a consumer for whom you have undertaken work.

- You fail to make payment of invoices within the required timescales.

- You enter into any discussions with creditors about rescheduling debts or into a compulsory or voluntary arrangement with creditors.

- Winding-up proceedings are commenced or an administrator is appointed in relation to potential liquidation of your company.

- **Governing law**

- This Agreement shall be governed by the laws of England and Wales and the parties agree herewith that any dispute arising out of it shall be subject to the [non-] exclusive jurisdiction of the English Courts.
- This Agreement shall be governed by the laws of Scotland and the parties agree herewith that any dispute arising out of it shall be subject to the [non-] exclusive jurisdiction of the Scottish Courts.

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