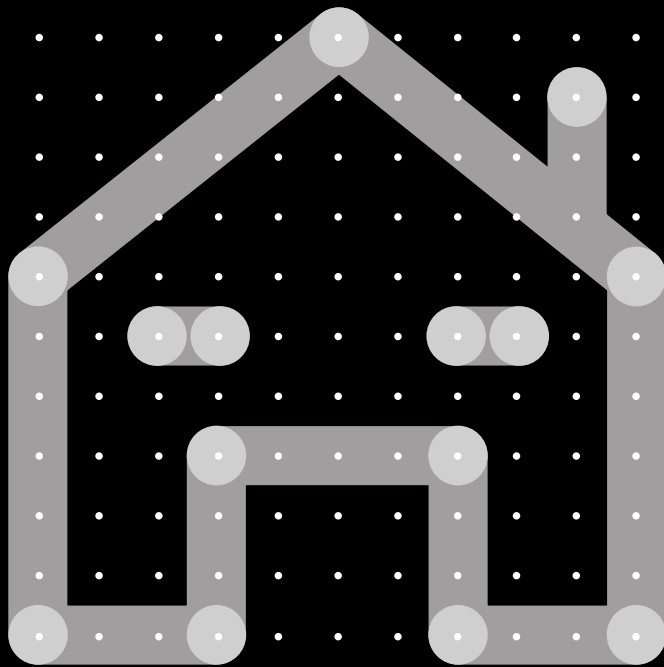


The MCS logo consists of the letters 'MCS' in a white, monospace-style font, centered within a white square. The background of the entire page is black with a grid of small white dots.

MCS

A guide to Insurance Backed Guarantees for MCS certified Contractors



Giving you confidence in home-grown energy

With energy costs constantly rising and climate change affecting us all – low-carbon technology has a bigger and bigger role to play in the future of UK energy.

We're here to ensure it's a positive one.

Working with industry we define, maintain and improve quality – certifying products and installers so people can have confidence in the low-carbon technology they invest in. From solar and wind, to heat pumps, biomass and battery storage, we want to inspire a new generation of home-grown energy, fit for the needs of every UK home and community.

A Guide to Guarantees for Renewable Installations

The Manufacturers' Guarantee

All product guarantees must be provided to the consumer free of charge and be in line with any conditions set out in the MCS product standards. By law, these guarantees must not limit the statutory rights.

The Installation Guarantee

In addition to your legal obligation to give customers a free guarantee against manufacturing faults in goods supplied, you must guarantee the installation work for a minimum of two years. This guarantee must be transferable. If your customer sells the property where the installation is located then the guarantee must be transferable to the new property owner.

This guarantee must be insured to ensure that this workmanship guarantee will be honoured if your company fails during the term of the guarantee offered. A number of insurers offer policies to insure the warranty and these are known as Insurance Backed Guarantees (IBG).

Insurance Backed Guarantees

An Insurance Backed Guarantee (IBG) is an insurance policy that backs the original guarantee given by a contractor. It provides a consumer with cover for an installation in the event that their MCS certified contractor ceases to trade. The Consumer Codes that work in conjunction with MCS, place an obligation on their members to provide an IBG and offer enhanced levels of protection to consumers.

As with terms in your contract of sale, terms in guarantees cannot limit (or replace) the rights consumers have in law. This means that they can't be used to limit the liabilities of the retailer or the manufacturer. For example, irrespective of the guarantee you give to your customers, they have a right to complain about faulty goods for up to six years after the purchase (within five years of the fault becoming apparent in Scotland).

Insurance Backed Guarantees through IWA

MCS has organised access to IBG policies for MCS certified Contractors through IWA. These IBGs extend to the following renewable technology installations: Solar PV, Air Source Heat Pumps, Ground Source Heat Pumps, Battery Storage and Biomass. IBG contracts can be purchased for either domestic or commercial MCS certified installations. These have varying fees.

Please note that MCS is not the actual insurer and does not profit from the sale of these IBGs in any way. There are other IBG providers available. If you don't opt to purchase an IWA IBG via MCS, you must put equivalent insurance in place with another provider.

IWA has been providing Insurance Backed Guarantees since 1985 protecting both suppliers and customers with policy cover that provides peace of mind for up to 10 years.

Protection at the highest level

Authorised by the Financial Conduct Authority, IWA's IBGs provide IBGs for renewable technology installations with:

- Cover for up to 10 years
- An IBG that is fully transferable to the new homeowner
- Covered by the Financial Services Compensation Scheme (FSCS)

What about Deposit Protection?

This product is for the insurance of workmanship only.

We have separated out the deposit protection elements that can make policies expensive.

If deposits are taken, then these do need to be protected. However, MCS recognise that deposit protection is possible in other ways, including if a deposit is taken via a credit card, therefore negating the need for additional deposit protection insurance and reducing the cost of the IBG.

You can still choose to purchase deposit protection from an insurance provider directly.

IBG Policy Prices with IWA

MCS and IWA have worked hard to come up with an attractive pricing structure for these IBGs. The premium payable varies depending on the type of technology installed and the guarantee you want to offer your customers. You can opt for cover for 2, 5, 7 or 10 years.

DOMESTIC INSTALLATIONS

Solar PV – contract values up to £25,000

Two-year IBG insurance	£15 per contract
Five-year IBG insurance	£30 per contract
Seven-year IBG insurance	£45 per contract
Ten-year IBG insurance	£60 per contract

Heat Pumps – contract values up to £50,000

Two-year IBG insurance	£20 per contract
Five-year IBG insurance	£40 per contract
Seven-year IBG insurance	£80 per contract
Ten-year IBG insurance	n/a

Solar Thermal – contract values up to £25,000

Two-year IBG insurance	£15 per contract
Five-year IBG insurance	£30 per contract
Seven-year IBG insurance	£45 per contract
Ten-year IBG insurance	£60 per contract

Battery Storage – contract values up to 25,000

Two-year IBG insurance	£15 per contract
Five-year IBG insurance	£30 per contract
Seven-year IBG insurance	£45 per contract
Ten-year IBG insurance	£60 per contract

Biomass – contract values up to £50,000

Two-year IBG insurance	£50 per contract
Five-year IBG insurance	£80 per contract
Seven-year IBG insurance	£120 per contract
Ten-year IBG insurance	£150 per contract

COMMERCIAL INSTALLATIONS

For commercial contracts, the IBG policy fee is 1% of the total cost of the installation subject to a minimum fee based on the domestic policy value. The policy fee charged will be the higher amount. So, if the commercial Solar PV installation is £50,000 then the IBG is £500. If the commercial Solar PV installation is £5,000 the IBG is £60 (not £50 at 1%). The commercial policy always has a “length of term” of up to 10 years.

Technology	Contract Fee	Minimum Policy Fee
Solar PV	1%	£60
Heat Pumps	1%	£80
Solar Thermal	1%	£60
Battery Storage	1%	£60
Biomass	1%	£150

When creating a certificate on the MID – the MID has automated functionality when a ‘commercial’ installation is selected to calculate the correct associated cost of the IBG.

How to purchase an IBG for your Consumer via MCS

In November 2020, MCS will launch a new flexible payment structure in the MID. This IBG product range will be available for optional purchase at the point of certificate creation for an installation.

Not only should it reduce the price that a Contractor pays to an insurance provider for their IBG, but it also simplifies the process. The Contractor can choose which IBG product they want and add it to the basket in the MID, then paying for the IBG at the point the MCS certificate is created.

IWA will then create the IBG policy and send it directly to the consumer on your behalf.

Please note: If you don't opt to purchase an IWA IBG via MCS at the point of creating the MCS certificate, you must put equivalent insurance in place with another provider.

Alternative IBG providers

There are a number of other insurance providers who offer IBG policies. MCS would encourage you to select the product and policy that best suits both the you and your consumer.

Insurance Provider	Website
Consumer Protection Association (CPA)	www.thecpa.co.uk
GGFi	www.ggfi.org.uk
Home Improvement Protection (HIP)	www.homeimprovementprotection.com
HomePro	www.homepro.com
QANW	www.qanw.co.uk
Quality Mark Protection/GDGC	www.qualitymarkprotection.com



MCS/IWA Insurance Policy Terms and Conditions

Guarantor

IWA, 18 & 19 Babbage House, Northampton Science Park,
Kings Park Road, Moulton Park, Northampton NN3 6LG

IWA is authorised and regulated by the Financial Conduct Authority.

All cover provided is subject to the terms and conditions
contained within the policy document once issued.

Relationship Definition

MCS are acting as an Affiliate service of IWA to provide a
cost-effective process that eases the process of raising of
an IBG insurance policy. MCS have adjusted the certificate
creation procedure in the MID so that purchasing an IBG
for an installation is an integrated step – making it simpler
to do.

MCS certified Contractors still have choice of IBG
products and insurance providers – we aren't mandating
IWA.

Taking this approach will provide greater protection to the
consumers of MCS certified Contractors. Other benefits to
this arrangement means that there is no additional annual
membership fee to the insurance provider, plus we have
been able to negotiate preferential rates on policy prices.

Valid IBG Policy

It is important for the contractor to pay for the policy at
the point of registering the consumer's installation with
MCS. A policy will only be valid once the premium has
been paid and the physical policy has been issued to the
consumer.

The period of cover should be equal to the maximum
guarantee period provided by the installer/contractor. The
maximum period of cover is up to 10 years. An insurance
policy cannot be greater than the guarantee provided by
the installer/contractor. If a policy is purchased for a lesser
period of the guarantee provided the cover will last for the
maximum period provided on the policy issued.

Use of IWA logo

The installer/contractor may use the IWA logo subject
to them a) Being MCS certified and b) provided the
contractor has not been refused insurance cover by
IWA. The contractor should not use the IWA logo or any
associated marketing support if the contractor uses
another insurance provider.

Annual checks

IWA reserve the right to credit check each contractor and will have an annual monitoring system in place to ensure companies meet the minimum terms of IWA's underwriting criteria. Once an initial check has been undertaken on the contractor, any ongoing monitoring will not have an adverse affect on the company's credit rating.

Data Sharing and Policy Issue

As you have chosen to purchase an Insurance Backed Guarantee from IWA via MCS, this policy will be issued directly to the consumer within 10 working days of the MCS certificate being created. In order to do this, we need you to provide the details of the system owner.

This information is required in order to provide an IBG directly to the System Owner, without this information IWA (the IBG provider) will not be able successfully process the application. Please only provide this information if you have been given permission from the System Owner to do so.

MCS will only collect the information you choose to give us, and we process it with your consent or on another legal basis. We only require the minimum amount of personal information that is required to resolve the IBG application. We do not sell this information to third parties, although we may be required to share it with other organisations who are involved in the IBG Application Process, such as a IBG provider. MCS is compliant with the General Data Protection Regulation (GDPR).

Please note: if the system owner does not have a valid email address, the policy will be sent via post to the installation address.

Claims Procedure

In the event of any defect arising in the works the matter should immediately be reported to the MCS certified Contractor. If a defect becomes apparent to the policy holder and the Installer has ceased trading, the IWA must be advised within 30 days. The policy holder must supply all details and proofs as may be reasonably called for by the IWA. IWA shall have the right to inspect the Works and the policy holder must complete the claims process in full. For full terms and conditions, the policy must refer to the policy document

Transferability

The Policy Holder can assign his interest under the IWA Guarantee to successors in title, provided:

- a. the successor is the owner occupier of the address of installation of the works.
- b. the period of Guarantee has not expired.
- c. the contractor has not ceased trading.
- d. the application for transferring to successor in title must be made within 30 days of receipt of the policy, from the previously named policy holder.

Enquiries and Complaints

Any enquiries or complaints you may have regarding your IBG should be addressed to IWA, 18 & 19 Babbage House, Northampton Science Park, Kings Park Road, Moulton Park, Northampton NN3 6LG. Please quote the MCS certificate number for the installation.

Contact

For more information about IWA,
please visit, www.iwa.biz

If you need any more information
around the MCS and IWA product
range, or if you need support with
the MID when purchasing an IBG,
please contact the MCS Helpdesk
Team on 0333 103 8130.

