

# Statement from Nick Ross: Regarding Enterprise Insurance Company (EIC) & DGCOS

*"The bottom line is: you should not feel unduly worried. The only guarantees that are affected are those where an installer has gone out of business, and even where that happens, you have the protection afforded by the FSCS."*



Nick Ross, (Former BBC Watchdog & Crimewatch Presenter)



## **DGCOS is in excellent health. It is successful, planning growth and has ample cash reserves.**

Normally this would not need saying but some customers and installers have had complicated letters from the EIC liquidator, Grant Thornton, which caused them to worry. It was a scattergun communication – sent to 326,000 people – and like many lawyers' or accountants' letters it was not written in plain English. **But, just so you understand: DGCOS is fine.**

### **So why the letters - what's the fuss about?**

DGCOS, like almost all assurance schemes, uses external insurance providers to spread risks. This insurance provides protection in the event the original installer has ceased to trade and is unable to fulfil the terms of its guarantee. The policies are known as insurance-backed guarantees (IBGs). Some of that insurance was placed with an underwriter in Gibraltar called Enterprise Insurance Company (EIC). This is a firm which was a well-established international insurer used by many large blue-chip companies and which underwrote various insurance products including motor related policies for the AA.

EIC was planning major expansion, hoping to become a £¼ billion company, but it appears to have overreached itself. On 22nd July 2016 the Gibraltar Financial Services Commission instructed EIC to cease issuing insurance policies of any sort. A large firm of accountants, Grant Thornton, was appointed to salvage what they could and it was their letter – ironically aimed mostly to allay people's fears and to inform them of its appointment as liquidator – which has caused misunderstanding.

### **So what's the reality – does it affect me in any way as a DGCOS customer or potential customer?**

If you are a new customer it is a definite no because since 23rd July 2016 all new DGCOS policies have been underwritten by another insurer.

The only customers affected are those whose insurance-backed guarantees were insured by EIC between July 2012 and July 2016.

Even if your guarantee was written between those dates the policies are all still live, valid and claimable in the normal manner.

In any case these IBG's are last-resort policies. Your installer would have to cease trading for these policies to be relevant.

Your original guarantee (rather than the final-recourse insurance-backed one) covers workmanship problems and product faults. I stress: your guarantee remains good and is unaffected. (For details you can check the guarantee wording provided by your installer, and should you ever have a problem you simply contact your installer in the normal way.)

### **So what happens if I have a claim, if it is upheld, if the installer goes out of business and if the insurance-backed guarantee was underwritten between July 2012 and July 2016?**

If that happens, request a claim form, in the normal manner, as detailed in your policy terms and conditions. The Insurance Backed Guarantee Company has been appointed to continue to manage claims for submission to the UK's Financial Services Compensation Scheme (FSCS) who cover 90% of the cost of all valid claims from eligible claimants. Further details regarding the FSCS can be found at [www.fscs.org.uk](http://www.fscs.org.uk).

### **What if I want to know more?**

There is not much more to say. Because EIC was mostly a business-to-business insurer, not one that advertised directly to the public, there is not a lot about it on the web. But if you are one of the 326,000 IBG policyholders sent a letter by Grant Thornton and if you still feel confused, please feel free to contact the liquidator directly – his address is below. If he caused confusion, it is up to him to explain:

Freddie White,  
Managing partner (and Liquidator, EIC),  
Grant Thornton  
6A Queensway  
P.O. Box 64  
Gibraltar.  
T: +350 200 45502

### **Summary**

The bottom line is: you should not feel unduly worried. The only guarantees that are affected are those where an installer has gone out of business, and even where that happens, you have the protection afforded by the FSCS.

**Nick Ross**  
DGCOS Ambassador

## **Contact DGCOS**

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