

IFS Limited

International Financial Security Ltd

Bowmore



Personal Guarantee Insurance

**Lenders' Personal Guarantee
Insurance (PGI)
An Introduction**

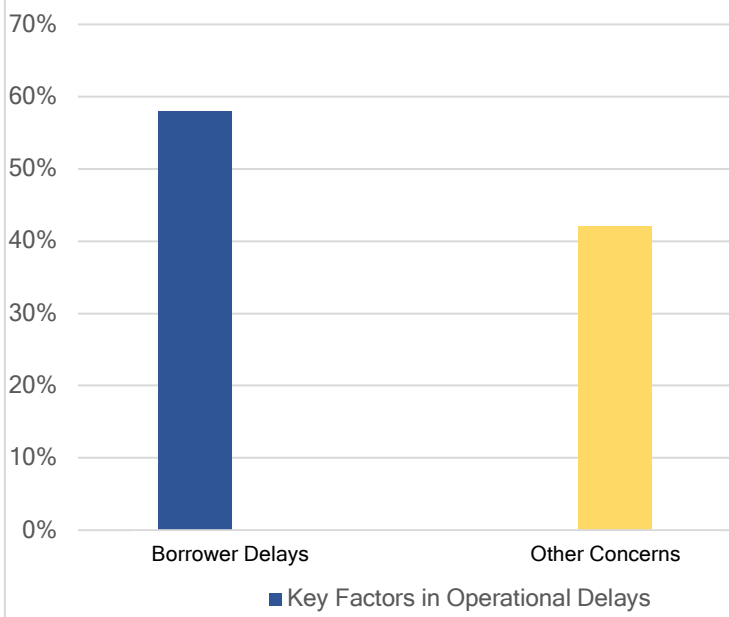
What is Bowmore Lenders' PGI?

1. A product made for lenders' protection & control

2. Why Bowmore Lenders' PGI?

3. Our Product

Key Factors In Operational Delays



Bowmore Lenders' PGI helps efficiency in the bridging and development finance market by reducing delays caused by borrowers having to source and purchase PG insurance. As the data from EY June 2024 demonstrates, Borrowers' delays are a major issue for all lenders and one we seek to reduce!

1. A product created for lender protection.

Most lenders aim to remove the risks associated with PG's failing to recover most losses after a default. Although PGs are reasonably effective security devices, they are by no means perfect. Bowmore Lenders' PGI has been designed to improve effectiveness of recovery for lenders post default.

Conventional PGI products are designed to protect borrowers' PGs, not the lenders exposure. A lender seeking PGI relies on their customer to purchase the insurance correctly. Delays often occur that can lead to aborted deals.

A claim on a standard PGI does not directly benefit the lender and recovery may be difficult. A lender who has an issue with a PGI product cannot get quotations or cover changed. Bowmore Lenders' PGI is positioned to fill this market gap.

Bowmore Lenders' PGI is:

- Designed for lenders
- Quoted directly to lenders
- Gives greater coverage to lenders for their loans
- Contributes to the administration cost of lenders
- Puts the lenders in the forefront of the claims process

Bowmore Lenders PGI delivers a simple, timely, bespoke quote to lenders in Bridging and Development Finance. We aim to provide all standard risks quotes within one working day.

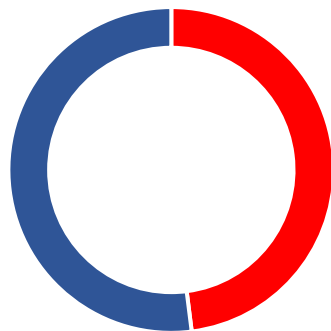
2. Why Bowmore Lenders' PGI?

Bowmore Lenders' PGI provides several key benefits to lenders in core business areas such as risk and lending, sales and administration, ease of use and bespoke coverage and sums insured.

Risk and Lending

- We cover 100% of the PG on standard risks. We also cover higher risks.
- Lenders reduce their losses on default. This is especially valuable for lenders when default risk increases.
- Lenders can free up capital for other ventures and increase return on capital employed.
- Insurer's underwriting scrutiny reduces the risk of human error and provides an extra level of risk control for the lenders.

Key Challengers to Lenders



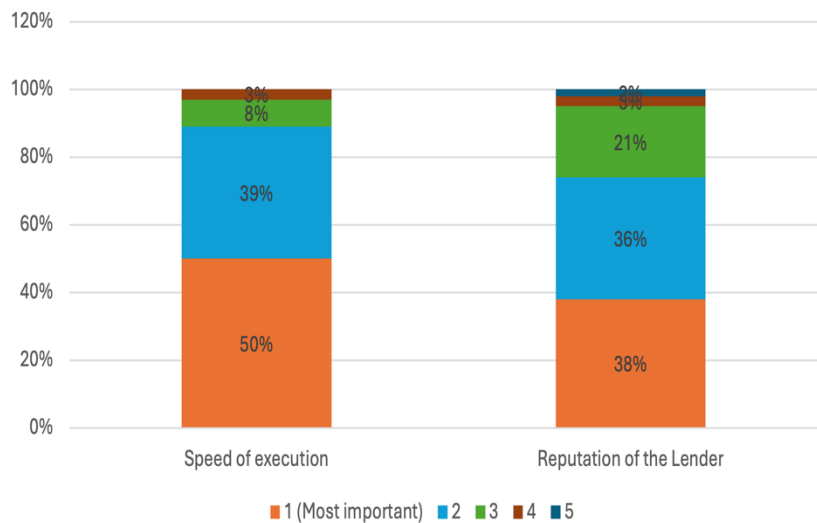
■ Default Risk ■ Other concerns

Market Surveys from EY 2024 above show that 48% of lenders see default risk as a top three issue. Bowmore Lenders' PGI better mitigates the risk of poor loan performance by reducing potential losses on loans that have Bowmore Lenders' PGI cover.

Sales and administration

- Lenders receive an approximate indication / quote within one working day on standard loans and can quickly combine the lenders' PGI premium and their loan as a single package. This adds more value by de-risking the Lender's sales offer.
- Closures rates increase as delays by borrowers sourcing PGI is reduced.
- Lenders are able to add an administration cost of £500 on to the loan.

How important are each of the following capabilities to a customer? 2024



Research by EY in June 2024 above, indicates that Bridging Lenders believe both speed and the lenders reputation are the most important factors for bridging loan customers. Bowmore Lenders' PGI offered directly to lenders is not only quicker than traditional policies in quotation but also adds to the reputation and credibility of the lender by providing a valuable service to their customer they cannot get themselves and with no extra hassle for them.

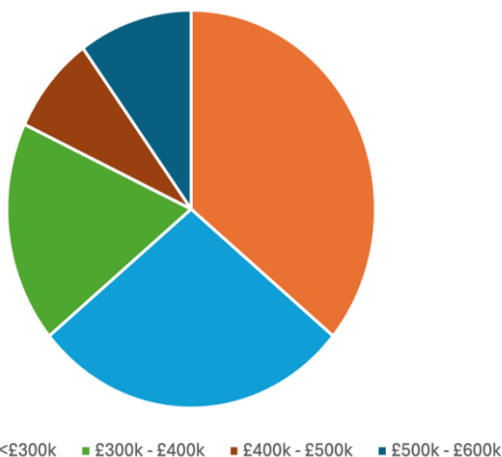
Ease of use and Bespoke coverage

- Lenders have direct access to the underwriter reducing handler times for quotations.
- Questions and queries can be directly answered.
- Our product is simple. Up to 100% of the PG is covered for the lender with no extra steps required by other policies.
- Coverage can be extended if additional loans are made.
- The Lender has direct access to their personal claim's handler in case of a claims. The claims process is simple and efficient. With a clear policy wording. All claim monies are paid to the lender directly.

Sums insured

- Bowmore Lenders' PGI can insure loans above the limits of other policies on the market. We can insure non-secured developer finance loans for ongoing developments
- Rates are attractive to sums insured above £1M

Average loan size



Research carried out by EY 2024, shows that the Bridging loan market has a strong appetite for loans over £600K, at over 36%! This is more than a third of the market. Only Bowmore Lenders' PGI can insure PGs of bridging and development finance of this magnitude. This demonstrates the value we can offer to all Lenders,

3. Our Product

Cover

Our standard coverage is 100% of the PG.

Unlike other similar insurances on the market, Bowmore Lenders' PGI can also cover PGs on loans with an LTV ratio of over 75%. Thus, giving the lender protection even on higher risk loans.

Bowmore Lenders' PGI offers broad coverage for sums insured with all our cover options available on PGs of all sizes. Even a PG of £5M could be covered for 100%

This is the broadest scope of cover available on the market for bridging and development finance loan PG's available for a lender.

Claims

All claims are dealt with directly with your personal claim's handler. With no PG holder in the way. The lender can deal with the claims handler directly and do not have to rely on the PG holder's responsiveness to recover losses.

The claim process is simple

- The policy must have been in existence for 90 days before a claim can be made.
- Notify us of a potential claim, within 30 days of a default.
- After repossession and sale of the security identify the amount of loss.
- Show that you followed your own due diligence process.
- Show that you recovered all you were able.
- Your claim will be paid within 30 days.
- There is a variable excess of 20% on all claims

This simple process makes Bowmore Lenders' PGI the ideal PGI for Lenders on the market.

Comparisons	Bowmore Lenders' PGI	Other PGI's on the market
Rated Insurers?	YES	YES
Deals with PG holders directly	NO	YES
Monthly Premium Payments?	NO- Premium upfront	YES
Covers multiple PGs for the PG holder?	NO	YES
Cover for over 12 Months?	YES	NO
Designed for bridging and development loans?	YES	NO
Design for Lender's needs?	YES	NO
Cover above £550K	YES- to £3M and above with referral	NO
Fixed excess during policy period for all loans	YES	No* Some secured loans by providers have a fixed excess.
Up to 100% cover on a PG?	YES	NO
Flexible excess cover options?	YES	NO
Lenders deal with their own personal claims manager.	YES	NO- only the borrower deals with the insurer
Can Lenders Claim directly?	YES	NO
VRI and quotes within one working day* Assuming all information is provided. The case is not complex & and not during holiday periods	YES	NO
Are the lenders Administration costs covered?	YES	NO

