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## **1. Accepting our Terms of Business**

By asking us to quote, arrange or administer your insurances, you are providing your informed agreement to these Terms of Business. For your own benefit and protection, you should read these terms carefully. If you are unsure about any aspect of our Terms of Business or have any questions regarding our relationship with you, please contact us at the details above. This agreement is subject to the law of England and Wales.

## **2. The Financial Conduct Authority**

Principal Insurance Limited is authorised and regulated by the Financial Conduct Authority (FCA). Our FCA Register number is 551900. You can check this on the Financial Services Register by visiting the FCA website, [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the FCA on 0800 111 6768.

## **3. Our Services**

You will not receive advice or a personal recommendation from us. We will ask sufficient questions to establish your demands and needs. Any quotation we give you will be consistent with those demands and we will identify the lowest price product(s) that meet those needs. You will then need to decide how to proceed and whether you consider if the product is suitable for you. We will supply you with a list of the insurers we may and do conduct business with. In arranging and administering your insurance we act as an insurance intermediary. We will not in any circumstance guarantee the solvency of any insurer.

Where we can arrange an instalment facility to pay the insurance premium, we act as a credit broker, not a lender. We only offer instalments from a single provider, ampFINANCEAGREEMENT2, and we do not offer advice in relation to this.

As an insurance intermediary, we act as your agent. We may also have relationships with insurers and act for them in a limited capacity. If we have binding authority or claims handling authority with an insurer we will disclose this. Some insurers appoint us as their agent for the receipt of premium and the issue of documents. They may also allow us to discount premiums in limited circumstances. We will advise you when these circumstances occur so you will be aware of any possible conflicts of interest and may need to gain your consent. We are subject to the laws of agency and will always act in your best interests.

## **4. What you will pay for our Services**

We are remunerated by commission from your premium and paid to us by your insurer. We may also charge you a fee. Where we receive no commission, we will agree a specific fee with you before you agree to buy. We may receive commission for arranging instalments from a premium finance provider or earn income from claims management companies. You have the right to ask us about our earning at any time.

**Fees and commissions are non-refundable.**

### Administration Fees

- New business: £45
- Renewal: £45
- Mid-term adjustment: £62.50
- New business cancellation before your policy has started: £55.00
- New business cancellation within your 14 day right to cancel: £55.00 and any time on cover charge your insurer may apply
- New business cancellation (outside of your 14 day right to cancel): £62.50 and any time on cover charge your insurer may apply
- Renewal cancellation before your policy has started: £40.00
- Renewal cancellation within 14 days of your renewal: £40.00 and any time on cover charge your insurer may apply
- Renewal cancellation (14 days after your renewal): £62.50 and any time on cover charge your insurer may apply

### Impound Insurance Administration Fees

- New business: £150
- Cancellation – **please note this policy is non-refundable**

### SORN Insurance Administration Fees

- New business: £45
- Renewal: £45
- Mid-term adjustment: £30
- Cancellation – **please note this policy is non-refundable**

### Commercial Van Administration Fees

- New business: £75
- Renewal: £75
- Mid-term adjustment: £62.50
- New business cancellation before your policy has started: £55.00
- New business cancellation within your 14 day right to cancel: £55.00 and any time on cover charge your insurer may apply
- New business cancellation (outside of your 14 day right to cancel): £62.50 and any time on cover charge your insurer may apply
- Renewal cancellation before your policy has started: £40.00
- Renewal cancellation within your 14 days of your renewal: £40.00 and any time on cover charge your insurer may apply
- Renewal cancellation (14 days after your renewal): £62.50 and any time on cover charge your insurer may apply

You will receive a quotation which will tell you the total price to be paid, and which identifies any fees, discounts, taxes and charges separately from the premium, before your insurance arrangements are concluded. Any premium refunds due as a result of cancellation or a change to the policy will be reduced by any service charge, any other sums owing in respect of the policy and subject to a clawback of any discounts applied at inception or renewal of the policy. This clawback will be calculated on a pro-rated basis.

Where a product is “net rated”, it means that the insurer has not included any commission in the price. In these cases, we will apply a higher fee instead of receiving commission. We will let you know if this applies to your policy.

## **5. Your Responsibilities**

**All Customers** – You must take reasonable care to provide complete and accurate answers to the questions we ask you when you take out, make changes to or renew your policy. If you are in doubt, please contact us. Insurance is based on the information that you give to the insurer and if this information is wrong or incomplete, claims may not be paid in full or at all, your policy may be cancelled, have special terms imposed, policy voided, and the premium may not be returned.

**Commercial Customers only** – If you are purchasing Insurance for purposes related to your trade, business or profession: In addition to the above, you must disclose all facts material to the insurance you wish to take out. The facts you need to reveal are all those which the insurer needs to estimate your risk and set the premium and terms. You must disclose this information in a way that is clear and substantially correct.

You must also inform us of any changes to your policy details during the life of your policy, including at renewal. Please carefully read all policy documents sent to you and inform us immediately of any incorrect information shown. If you have difficulty in understanding anything, please let us know and we will assist you.

## **6. Cancellations**

You can cancel your policy at any time by contacting us at the details above. In all instances, cancellation requests can only be made by the policyholder. If your policy is cancelled and a claim or has been made against your policy you must pay the remainder of your premium, this includes any instalment payments outstanding on your finance agreement.

By accepting this Terms of Business, you authorise us to cancel your policy on your behalf in the event that any of the balance remains unpaid when the request for payment is made or if you fail to provide the relevant documents when requested.

Consumers (excluding Commercial customers) have the right to cancel a policy within 14 days of the start date, or from the date policy documents are received, whichever is the latter. This is also known as a 'cooling off period' for you to decide whether you wish to proceed. No refund is offered in the event of cancellation of any additional products outside of your 14 days right to cancel.

If you cancel your policy, we will only process your refund once the return premium has been received from your insurer. This can take up to 60 days.

Any refund below £10 will not be issued.

Our arrangement with premium finance partners may be on a recourse basis which means you are liable to us for any outstanding balances due to them, including any interests, default and cancellation fees.

If you are paying your premium by way of instalments and have not paid all your instalments, any refund of insurer premium will be offset against any amount you owe, and you will be responsible for any amount outstanding if applicable.

If you do not settle an outstanding balance owed to us promptly, we will use any credit/debit card details you have authorised us to use to recover our fees and, time on cover charge your insurer applies and any outstanding balance due following cancellation of your premium finance arrangement.

If any payment premium remains unpaid, we may instruct a debt recovery agent to recover the outstanding amount on our behalf. The cost of debt recovery and associated charges may be added to the outstanding balance if a third party is engaged in the recovery process.

The terms of your policy may allow insurers to retain the premium in full or to charge short-period premiums in the event of cancellation before the policy expires.

Where you have paid your insurer directly for your premium rather than through us, if your policy is cancelled, you will be liable for any commission your insurer claws back from us upon cancellation.

Where you have cancelled a previous policy leaving an outstanding balance and incept a new policy within 90 days of the cancellation, we reserve the right to cancel the new policy and use any return premium against the balance outstanding for the previous policy.

If information you have provided to obtain insurance is proven to be false, your policy will be cancelled and any deposit or payments made may not be refunded.

## **7. Complaints**

We aim to provide a high level of customer service at all times, if you are not satisfied, please contact us at the details above. Most complaints are resolved by close of business on the third working day after receipt. For more complex issues, an acknowledgement will be sent confirming who is dealing with the complaint and when we will expect to respond to you in full. Within 8 weeks of the date we receive a complaint we will provide you with our final decision.

If you remain dissatisfied you can refer your case to the Financial Ombudsman Service, Exchange Tower, London E14 9SR, telephone 0800 023 4567 or fax 020 7964 1001.

Email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk). Web [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

## **8. Claims**

Claim enquiries are handled by Direct Accident Management Limited. Please also see your policy documents for the procedure to follow in the event of a claim. Generally, insurers require immediate notification of a claim or circumstances which might lead to a claim. We will employ due care and skill if we act on your behalf in respect of a claim. If you knowingly make a claim that is false or fraudulent in anyway, your policy will become void and no payment will be made against the claim.

If you opt to pay for your insurance over instalments through our premium finance partner, you are still required to continue to make your monthly payments in the event of a claim.

## **9. Renewals**

Prior to your renewal date, we will aim to provide you a quotation for the year ahead and include the details we hold regarding your existing policy. It is important you check your details to ensure the information we have is accurate and you inform us of any changes in your circumstances.

To ensure that the policy continues to meet your needs we may offer an alternative insurer at renewal, however if you would like to remain with your previous Insurer, please contact us to let us know. If you are happy with the quote and insurer offered there may be nothing further for you to arrange and your card or designated bank/building society may be automatically debited for your renewal. Further details of whether or not your policy will be automatically renewed will be confirmed on your renewal invitation.

If you do not wish us to renew your policy automatically, please inform us at least 7 days prior to your renewal date. If we do not hear from you, we will take this as your authority to accept the renewal terms and will accept the policy offered on your behalf. You can contact us at any time to opt-out of this benefit at the above details. Please note, if we confirm your policy will not be automatically renewed, cover will cease on your renewal date unless you contact us beforehand to make a payment.

## **10. Protecting your money**

We hold your premium payment under risk transfer as agent of the insurers and we do this by paying it into an insurer premium trust account until it is passed to the insurers. This is to protect your money and means that whilst your money is in the account, it cannot be used for any purpose other than paying the insurers or insurance intermediaries through whom we may have arranged your insurance.

We will retain any interest earned on the account.

## **11. Financial Services Compensation Scheme (FSCS)**

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of insurance and the circumstances of the claim. If you are eligible to claim from the FSCS, compensation is available as follows:

- Insurance advising and arranging is covered for 90% of the claim, without any upper limit.
- For compulsory classes of insurance (such as Third-Party Motor or Employers Liability), insurance advising and arranging is covered for 100% of the claim without any upper limit.

Further information is available from the FSCS on 020 7741 4100 or [www.fscs.org.uk](http://www.fscs.org.uk)

## **12. No Claims Bonus**

If you have informed us that you are entitled to No Claims Bonus but this is not validated with the relevant proof, your policy may be subject to an additional premium, it may be cancelled or be made null and void from the inception date of your policy.

## **13. Dealing with others on your behalf**

If you wish for a partner/spouse to contact us in connection with your insurance policy, subject to answering security questions, we will deal with a person whom we reasonably believe will be acting on your behalf, relating to your policy or claim.

## **14. Credit checks**

We and other companies involved in arranging your insurance, such as insurance companies, other insurance intermediaries and finance companies may use public and personal data from a range of sources including credit reference agencies. The information is used to ensure that we obtain our best deal and to ascertain the most appropriate payment options for you and to protect you from fraud. This search will appear on your credit report, whether or not your application proceeds but will not affect your credit rating. If you have any questions about this or any other matter, please contact us at the details above. Further details about how we process your data are found in our Privacy Notice.

## **15. Your Data**

For details on your data and how we treat it, please see our privacy policy [Our Privacy Policy - Principal Insurance](#)