



**The Package Travel Regulations came into effect in the UK on 1 January 1993. The legislation imposed certain responsibilities on all operators of Inclusive Package Holidays.**

One of the most onerous responsibilities is the need to provide security for passengers' holiday payments prior to and up to the completion of the Package Holiday in the event of financial failure of the Organiser.

International Passenger Protection Limited have negotiated an exclusive contract with major International Insurers together with Reinsurers whose combined assets exceed £100 billion, to provide cover to comply with this legislation. We believe our program will meet all your requirements at a reasonable cost and with the minimum of administration. We hope the following information will be of assistance to you.

### **THIS INSURANCE IS APPROVED BY ABTA & AITO**

#### **What is a Package Holiday?**

The Package Travel Regulations defines a package as a pre-arranged combination of two or more of the following three ingredients: (1) transport; (2) accommodation; (3) any other tourist services not ancillary to transport or accommodation and accounting for a significant proportion of the package. Item (3) would include such items as admission charges, theatre tickets etc. Packages of less than 24 hours and excluding overnight accommodation are exempt.

#### **Who has to comply with the legislation?**

Any tour operator who offers for sale in the EC (irrespective of destination) a package as defined above. The tour organiser must show evidence of security against repayment of all money paid by the passenger, including the cost of repatriation from abroad to the UK. Organisers could include hoteliers, schools, universities, coach operators, local authorities, activity centres and sports clubs.

#### **How can I provide financial security for my passengers?**

International Passenger Protection Limited has established a unique and exclusive insurance scheme which meets the requirements of this legislation.

#### **How can I join the program?**

Simply complete the attached confidential application form and submit it to International Passenger Protection Limited. Your application will receive immediate attention and will be treated in the strictest confidence.

### **Who will be eligible?**

We anticipate that successful applicants will have been trading for at least 2 years. Applications will, however, be considered from start up companies.

Newly formed companies will be considered but will require the following additional information:

- a CV of the Directors/Partners
- b A business plan
- c An opening balance sheet
- d Other information may be required at review stage

All applications will be subject to the Insurer's financial criteria and acceptance is not automatically guaranteed.

### **How much will it cost?**

The cost will obviously vary according to the financial standing of each applicant. However we do require £50 at application stage and on renewal each year to cover credit checking & administration fees.

### **How will the premium be paid?**

The Insurers will charge a minimum premium (non refundable) in order to effect cover. This will be geared to the anticipated holiday program of each operator. The lowest a deposit premium is £350, however this is calculated on a case by case basis. This will have to be paid in full at the inception of cover plus insurance premium tax, which as of 4<sup>th</sup> January 2011 is 20%. It is a declaration based scheme, thus declarations are made to us, via our online database at the point of booking. Premium is charged on bookings made and will be deducted from the deposit premium. If necessary subsequent premium will be paid monthly – normally by direct debit.

### **Do I have to cover all my passengers?**

The scheme is mandatory for all package holiday passengers. You do not need to cover passengers on day trips or other arrangements outside the definition of 'Package Holidays'. You should cover all package holiday clients regardless of whether the holiday is in a published brochure. The legislation applies to tailor-made holidays as well as brochure holidays.

### **What evidence of cover will my passengers have?**

We give you a logo, and wording to be displayed on your website, brochure and confirmation invoices.

**What should I do now?**

Complete the application form and return it to International Passenger Protection Limited immediately, together with:

- a The latest 3 years' signed Audited (if applicable) Accounts, including any Holding, Subsidiary or Associated Companies
- b One copy of your current brochure or website details
- c The Bank Position Statement form which must be completed and stamped by the bank
- d A cheque for £50.00 (non-refundable) for payment of our credit checking agency's expenses made payable to International Passenger Protection Limited
- e A statement of personal assets and liabilities for any non-Limited Company, signed by your Auditor or Accountant if a sole trader or partnership
- f Copy of your terms and conditions
- g Copy of public liability insurance (including emergency assistance cover)

**Other information may be required at review stage by Underwriter.**

**If a start up business, please provide the following:**

- a Opening Balance Sheet
- b Current brochure or website details
- c Bank position form as above
- d A cheque for £50.00 (non-refundable) for payment of our credit checking agency's expenses made payable to International Passenger Protection Limited
- e A statement of personal assets and liabilities for any non-Limited Company, signed by your Auditor or Accountant if a sole trader or partnership
- f Copy of your terms and conditions
- g Copy of public liability insurance (including emergency assistance cover)

**Other information may be required at review stage by Underwriter.**