

**A Guide for  
Insurance to meet  
the requirements of  
The Package Travel,  
Package Holidays and  
Package Tours  
Regulations 1992**

**for all TOUR ORGANISERS including**  
hoteliers, schools, universities, coach operators,  
local authorities, activity centres,  
sports clubs and additional organisations



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.

### **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 have established a unique and exclusive insurance scheme which meets the requirements of this legislation. The Department of Trade and Industry advise that the IPP program meets the requirements of the Package Travel Regulations.

### **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 3 years. Applications will, however, be considered from companies with a minimum of 2 years' trading records.

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

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. Any negative balance sheets or under-capitalised companies will be automatically declined.

### **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 deposit is expected to be a minimum of £250 or 0.1% of turnover, whichever is higher. This will have to be paid in full at the inception of cover plus tax at the prevailing rate. The deposit premium will entitle you to receive a number of insurance certificates.

When these certificates have been completed and you need to order further supplies, you will simply submit a stationery order form, together with your cheque, for the number of certificates required. In all cases, we will need to receive your remittance for the certificates before they can be issued to you.

### **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 will supply you with certificates of insurance which you will be required to issue.

The certificates will be in 2-part sets. You will simply have to enter the passenger's name, date of departure/arrival and date of issue on the certificate and hand the top copy to the passenger at the point of booking.

The carbon copy is retained. This copy should then be returned to International Passenger Protection Limited. It will be appreciated that this will be seen by passengers as complying with the law, and we are obliged to audit the control of certificates very strictly.

### **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 Accounts, including any Holding, Subsidiary or Associated Companies
- b One copy of your current brochure when available
- c The Bank Position Statement form which must be completed and stamped by the bank
- d A cheque for £25,00 (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

Send these documents to us for assessment and financial checking. A quotation will then be issued as soon as possible.

# SPECIMEN OF CERTIFICATE



## Certificate No: IPP/

Name of passenger:	
Name of organiser:	
Date of issue:	
Date of departure/arrival:	

## Certificate of Insurance

The person(s) named on the confirmation and deposit receipt will be indemnified subject to Policy and Conditions in respect of their net ascertained financial loss sustained arising from cancellation or curtailment of their travel arrangements due to the insolvency of the Policyholder.

This insurance will indemnify the Insured Person(s) up to and not exceeding £ ..... per person in respect of:

- 1 loss of deposit(s) or charge(s) paid in advance by the Insured Person(s) to the Policyholder, OR
- 2 additional costs reasonably and necessarily incurred following curtailment of the travel arrangements to enable the Insured Person(s) to either:
  - a **continue with and complete the scheduled travel arrangements**  
Liability hereunder is limited to the additional cost incurred by the Insured Person(s) in securing accommodation of the same or similar standard as enjoyed prior to the curtailment of the travel arrangements, OR
  - b **return to their original contracted destination in the United Kingdom**  
Liability hereunder limited to the additional cost incurred by the Insured Person(s) in respect of the same or similar standard of transportation as enjoyed prior to the curtailment of the travel arrangements.

**Claims Procedure:** International Passenger Protection Claims only - any occurrence which may give rise to a claim should be advised within 14 days to:

International Passenger Protection Claims Office  
IPP House  
Station Road  
West Wickham  
Kent BR4 OPR  
United Kingdom  
Telephone: +44 (0)208 776 3750 • Facsimile: +44 (0)208 776 3751

**ALL OTHER CLAIMS - REFER TO YOUR INSURANCE DOCUMENT AND SEE ALTERNATIVE CLAIMS PROCEDURE.**

This certificate is only a summary of the protection provided. A copy of the master policy wording providing full details of the terms and conditions of this insurance is available from the Policyholder upon request.