



**CORPORATE COVER FOR SCHEDULED AIRLINE FAILURE
SCHEDULE**

Policy Number: B0701LI2920 /

Insured:

Period of Insurance: 12 months at

Financial Loss: To indemnify the Insured in respect of their Net Ascertained Financial Loss sustained arising directly from the cancellation or curtailment of a Scheduled Airline Flight arising solely from the event of the Insolvency of the Scheduled Airline

Maximum Insured Loss: Up to and not exceeding £2,000 for any one airline ticket.
Maximum airline exposure schedule as listed and agreed

Territorial Limits: World-wide

Premium: As per IPP Debit Note dated dd/mm/yy

Special Conditions: Only airlines requested to be insured and subsequently agreed in writing will be covered by this policy subject to maximum limit of risk exposure.

Insurer(s): **100% - Underwritten by Lloyds Syndicates**
Registered in England and Wales
One Lime Street, London EC3M 7HA

This notice contains important information. Please read carefully.

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

08/94

LSWI001 (Insurance)

The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Signed for and on behalf of Lloyds Syndicates

Director:

International Passenger Protection Ltd


INTERNATIONAL
PASSENGER PROTECTION
PASSENGER PROTECTION INSURANCE POLICY

PPIP(B)

This Policy, the Schedule or proposal relating thereto and any endorsement hereto shall constitute the entire contract between the Insurer and the Insured and, shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or Schedule shall bear such specific meaning wherever it may appear. International Passenger Protection ("IPP") acts as agent only of the Insurer and does not accept any liability to the Insured on any account whatsoever.

Whereas the **Insured** named in the Schedule hereto (hereinafter called "The Insured") has by a Proposal and Declaration evidenced by the return of a signed and dated Quotation document applied to the Insurer for the insurance herein contained.

It is a pre-condition of the liability of the Insurer that:

- 1 the appropriate premium has been paid to the Insurer in full as and when it falls due for payment; and
- 2 the provisions of this Policy have been satisfied.

The Insurer agrees to indemnify the Insured subject to the terms and conditions contained herein or set out in the schedule of insurance or endorsed hereon in respect of their Net Ascertained Financial Loss sustained arising during the Period of Insurance directly from the cancellation or curtailment of a Scheduled Airline Flight arising solely in the event of the Insolvency of the Scheduled Airline **provided always that** the Insurers liability shall in no case exceed the Maximum Loss Insured stated in the Schedule to this Policy.

PROVIDED ALWAYS THAT:

Insurers liability shall in no case exceed the **sum insured** stated in the Schedule.

WARRANTIES

It is warranted by the Insured as a term and condition of this Policy that at inception of this Insurance:

- 1 The Insured has truthfully declared all material facts having diligently made all necessary enquiries to establish those facts likely to influence a prudent Underwriter in determining:
 - a whether or not to accept the risk
 - b the premium
 - c any conditions, exclusions and limitations.
- 2 The Insured has no knowledge or information of matter, fact or circumstance which is likely to give rise to a loss hereunder.

The Insured shall keep each of the Insurer and IPP fully and effectively indemnified against any loss or damage arising or resulting from any breach of warranty by the Insured.



DEFINITIONS

1 **Scheduled Airline Flight**

One of a series of flights which are undertaken between the same two places and which together amount to a systematic service operated in such a manner that the benefits thereof are available to members of the public generally from time to time seeking to take advantage of it.

2 **Scheduled Airline**

An airline operating Scheduled Airline Flights.

3 **Trip**

Travel comprising one or more sequential Scheduled Airline Flights to which the schedule of insurance issued hereunder relates.

4 **Insured**

The corporate body named on the schedule of insurance issued lawfully under this Policy **provided that:**

- a the Insured has booked a ticket(s) for one or more Scheduled Airline Flights
- b the Scheduled Airline is not bonded nor is the risk insured elsewhere.

5 **Net Ascertained Financial Loss**

- a If the Trip has not commenced prior to the Insolvency the Net Ascertained Financial Loss shall be the amount equivalent to the sum(s) paid by the Insured either as deposit, or as the case may be, as the full price of the Scheduled Airline Flight(s).
- b If the Trip has commenced prior to the Insolvency the Net Ascertained Financial Loss shall be:
 - i) provided that the Trip is nevertheless fully completed the sum equivalent to the price paid for the ticket(s) for such Scheduled Airline Flights forming part of the Trip as were cancelled as a direct result of the Insolvency; or
 - ii) if the Trip is curtailed forthwith upon the Insolvency the cost of direct return transportation to the United Kingdom to a similar standard to that originally booked as part of the Trip such return flight commencing at the point of curtailment of the Trip as the direct result of the Insolvency; or
 - iii) where the Trip is partially continued but not completed after the Insolvency the lesser of the sums which might otherwise have been payable under i) or ii) above.

PROVIDED ALWAYS that the Net Ascertained Financial Loss shall not exceed the Maximum Insured Loss shown on the schedule of insurance.



6 Insolvency

For the purposes of this Policy a scheduled airline shall be deemed to be Insolvent when:

- A any of the following occurs in respect of such airline:
- i) it is, or is deemed under prevailing law to be, unable to pay its debts (as they fall due) or becomes insolvent;
 - ii) it admits its inability to pay its debts as they fall due;
 - iii) the value of its assets is less than its liabilities (taking into account contingent and prospective liabilities as certified by an independent accountant at any point in time);
 - iv) It suspends making payments on any of its debts or announces an intention to do so; or
 - v) A moratorium (period of delay in payment) is authorised in respect of any of its indebtedness.

If a moratorium occurs in respect of the scheduled airline, the ending of the moratorium of itself will not end the Insolvency deemed to arise as a result of the moratorium.

- b any action, legal proceedings or other procedure or step is taken in relation to or with a view to:
- i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration (whether out of court or otherwise) or reorganization (by way of voluntary arrangement, scheme of arrangement, assignment or arrangement with any creditor of the scheduled airline);
 - ii) a composition, assignment or arrangement with any creditor of the scheduled airline;
 - iii) the appointment of a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, (court or otherwise) in respect of the scheduled airline or any of its assets;
 - iv) the enforcement of any security over any assets of the scheduled airline;
 - v) a documented meeting of the scheduled airline, its directors or its members being convened for the purpose of agreeing any resolution for, or to petition for, or apply for or to file documents with a court for its winding-up, administration (whether out of court or with any registrar or otherwise) or dissolution or any such resolution passed;
 - vi) any person presenting a petition or an application for the winding-up, administration (whether out of court or otherwise) or dissolution of the scheduled airline;
 - vii) the directors or other officers of the scheduled airline requesting the appointment of or giving notice of their intention to appoint or take any formal step with a view to appointing a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator (whether out of court or otherwise) or similar officer; or
 - viii) any analogous procedure or formal step is taken in any jurisdiction to include, without limitation, filing for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code.

EXCLUSIONS

The Insurers will only be liable in respect of insured costs or losses arising as a result of the Scheduled Airline failing to fulfil its contractual obligation to provide air travel where such failure is caused by the Insolvency of the Scheduled Airline.

The Insurers shall not be liable in respect of any loss directly or indirectly caused by, consequent upon, contributed to, or resulting from any of the following:



- 1 Actual or threatened war invasion acts of foreign enemies hostilities or warlike operations (whether war be declared or not) civil war rebellion revolution insurrection civil commotion assuming the proportions of or amounting to an uprising military or usurped power martial law confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any Government or public or local authority;
- 2 Civil commotion assuming the proportions of or amounting to a popular rising riot, strikes, lockouts, martial law or the act of any lawfully constituted authority;
- 3 Any loss which at the time of the happening of such loss is insured or guaranteed by or would but for the existence of the Policy be insured or guaranteed by any other existing Policy, Policies or bond or in respect of which any third party accepts liability for payment as re-imburement or which is capable of recovery pursuant to any other legal rights of the Insured;
- 4 Any loss sustained by the Insured when the Policy or other evidence of coverage was effected after the date of the first threat of insolvency, as defined, of the Scheduled Airline.
- 5 Any claim not received at the offices of International Passenger Protection within six months of the airline default.
- 6 Any losses that are not directly associated with the incident that caused you to claim. For example, loss due to being unable to reach your pre booked hotel, villa, car hire or cruise following the financial failure of an airline.
- 7 Any fraud, misrepresentation, mis-description or non-disclosure in any material particular either in the Proposal on which this Policy is based or in relation to any other matter affecting this Insurance shall render this Policy null and void and all claims hereunder shall be forfeited.
- 8 If the Insured shall make any claim knowing the same to be false or fraudulent, this Policy shall become null and void and all claims and premiums paid hereunder shall be forfeited.

POLICY TERMS & REQUIREMENTS

- 1 If the premium in the Schedule is subject to adjustment, the Insured shall keep the record necessary to enable the premium to be adjusted on the basis specified in the Schedule and shall at all reasonable times permit the Insurer's representatives to examine and verify such records. At the end of each period specified in the Schedule and at the expiry of this Policy the Insured shall declare to the Insurers such particulars for premium adjustment and pay any additional premium due;
- 2 In the event of any claim under this Policy the Insurer shall be entitled to take over and/or conduct in the name of the Insured but at its own expense and for its own benefit any proceedings or actions, whether before or after any payment is made hereunder, and the Insured shall give the Insurer all reasonable assistance in connection therewith;
- 3 Maintenance of Records Clause: The Insured shall maintain adequate records in connection with the subject matter insured and such records will be available to the Insurers upon reasonable notice to the Insured;



- 4 This Policy shall be governed by the Laws of England whose Courts shall have jurisdiction in any dispute arising hereunder;
- 5 No provision or condition of this Policy may be waived or modified except by an endorsement signed by an authorised official on behalf of the Insurers;
- 6 Unless the context otherwise requires, words used in this policy importing the masculine gender shall be construed as importing the feminine gender;

Non-Assignment Clause

No title, right or interest under this policy may be assigned, transferred, conveyed or otherwise disposed of without the consent in writing of the Insurer hereon. Any attempt to assign rights or interests without the Insurer's written consent is null and void.

CLAIMS PROCEDURE

In the event of any happening likely to give rise to a claim the Insured shall:

- 1 Give immediate notification (but in no event, without good reason, later than 14 days after the event giving rise to the claim) to International Passenger Protection Ltd (Claims Office) IPP House, 22-26 Station Road, West Wickham, Kent BR4 0PR United Kingdom.
- 2 Where practicable not incur any costs without the prior written consent of the Insurer.
- 3 Provide to the Insurer all information reasonably required by it for the purpose of proving the loss to the satisfaction of the Insurer and without prejudice to the generality of the foregoing assist in the assessment of any claim under this Policy by producing for inspection all books and documents and giving all information and explanations which are reasonably necessary to establish and assess the indemnity hereunder.
- 4 IPP will only accept claims submitted up to six months after the failure. Any claims submitted after the six month period will NOT be covered hereunder.