
STATUTORY INSTRUMENTS

2018 No. 634

**The Package Travel and Linked Travel
Arrangements Regulations 2018**

PART 5

Insolvency protection

Insurance

22.—(1) Where an organiser, for the purpose of regulation 19(5), relies on the arrangements under this regulation, the organiser must have insurance under one or more appropriate policies with an insurer authorised in respect of such business in the United Kingdom, a member State, the Channel Islands or the Isle of Man, under which the insurer agrees to indemnify travellers in the event of the insolvency of the organiser.

(2) The organiser must ensure that travellers are insured persons under the policy required under paragraph (1) in respect of the costs referred to in paragraph (4)(b).

(3) The organiser must ensure that it is a term of every package travel contract that the traveller acquires the benefit of a policy of a kind mentioned in paragraph (1) in the event of the organiser's insolvency.

(4) In this regulation, “appropriate policy” means one which—

(a) does not contain a condition which provides (in whatever terms) that no liability arises under the policy, or that any liability so arising ceases—

(i) in the event of some specified thing being done or omitted to be done after the happening of the event giving rise to a claim under the policy;

(ii) in the event of the policy holder not making payments under or in connection with other policies; or

(iii) unless the policy holder keeps specified records or makes available to, or provides the insurer with, information from those records; and

(b) covers the costs of—

(i) refunding all payments made by or on behalf of travellers for any travel service not fully performed as a consequence of the insolvency, taking into account the length of the period between down payments and final payments and the completion of the packages; and

(ii) if the carriage of passengers is included in the package, and the performance of the package is affected by the insolvency, repatriating the traveller and, if necessary, financing the traveller's accommodation prior to the repatriation.