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STATUTORY INSTRUMENTS

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**2018 No. 634**

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

**PART 5**

**Insolvency protection**

**Insurance where monies are held in trust**

**24.**—(1) This regulation applies to any organiser who, for the purpose of regulation 19(5), makes arrangements under regulation 23.

(2) Where the organiser offers packages which include the carriage of passengers, the organiser must have insurance under one or more appropriate policies with an insurer authorised in respect of such business in accordance with regulation 22(1), under which, in the event of the insolvency of the organiser, the insurer agrees to cover the costs of—

- (a) repatriating the traveller who has purchased a relevant package; and
- (b) if necessary, financing the traveller’s accommodation prior to the repatriation.

(3) Where paragraph (4) applies, an organiser—

- (a) is not required, under regulation 23(1)(a), to ensure that all monies paid by a traveller under or in contemplation of a package travel contract are held in accordance with regulation 23; and
- (b) may, instead, ensure that a part of those monies only (the “lesser sum”) is held in accordance with regulation 23, as the case may be.

(4) This paragraph applies if the organiser has insurance under one or more appropriate policies with an insurer authorised in respect of such business in accordance with regulation 22(1), under which, in the event of the insolvency of the organiser, the insurer agrees to cover the relevant amount.

(5) Where paragraph (2) or (4) applies, the organiser must ensure that it is a term of the relevant package travel contract that the traveller acquires the benefit of a policy of a kind mentioned in paragraph (2) or (3) in the event of the organiser’s insolvency.

(6) In this regulation, an “appropriate policy” means one which does not contain a condition which provides (in whatever terms) that no liability arises under the policy, or that any liability so arising ceases—

- (a) 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;
- (b) in the event of the policy holder not making payments under or in connection with other policies; or
- (c) unless the policy holder keeps specified records or provides the insurer with, or makes available to, the insurer information from those records.

(7) In paragraph (4), “the relevant amount” means such amount in excess of the lesser sum, as may be required to cover the costs of refunding the traveller 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 package.