



**Swiss Re**  
Corporate Solutions

# Travel Bonding Germany



# Background to Travel Bonding in Germany

- According to the European Package Travel Directive (PTD) of 1990 and its transformation into German Law (§651 k BGB) all Tour Operators (TO) are legally obliged to obtain insolvency protection for conducting business
- TO need a valid contract for Travel Bonding with an insurance company
- With the so called “Sicherungsschein” the TO gives notice to their customers that the required cover is in place (contact address of insurer, duration, scope of the insurance)
- No supervisory system in place for TO to be registered
- Maximum liability of 110m EUR for each TO and for each insurer´s portfolio per year
- Obligation of the insurer to handle claims

# Standard Wording of the “Sicherungsschein”

## Sicherungsschein für Pauschalreisen

### gemäß § 651 k des Bürgerlichen Gesetzbuches

Die Gültigkeit dieses Sicherungsscheines ist begrenzt auf Reiseleistungen des unten angegebenen Unternehmens mit **Reiseantritt zwischen dem 01.01.2018 und dem 31.12.2018**. Maßgeblich ist der auf der Reisebestätigung ausgewiesene Beginn der ersten Reiseleistung für die vom jeweiligen Kunden gebuchte Reise.

Hiermit stellt die

Swiss Re International SE, Niederlassung Deutschland, Arabellastraße 30, 81925 München ("Kundengeldabsicherer")

für den .....**“Reiseveranstalter”**.....gegenüber dem Reisenden sicher, dass von ihr erstattet werden:

- der gezahlte Reisepreis, soweit Reiseleistungen infolge Zahlungsunfähigkeit oder Eröffnung des Insolvenzverfahrens über das Vermögen des Reiseveranstalters ausfallen, und
- notwendige Aufwendungen, die dem Reisenden infolge Zahlungsunfähigkeit oder Eröffnung des Insolvenzverfahrens über das Vermögen des Reiseveranstalters für die Rückreise entstehen.

Die vorstehende Haftung des Kundengeldabsicherers ist begrenzt. Er haftet für alle durch ihn in einem Jahr insgesamt zu erstattenden Beträge nur bis zu einem Betrag von 110 Mio. Euro. Sollte diese Summe nicht für alle Reisenden ausreichen, so verringert sich der Erstattungsbetrag in dem Verhältnis, in dem ihr Gesamtbetrag zu dem Höchstbetrag steht. Die Erstattung fälliger Beträge erfolgt erst nach Ablauf des Jahres (01.01. – 31.12.), in dem der Versicherungsfall eingetreten ist.

Bei Rückfragen wenden Sie sich an Swiss Re International SE, Niederlassung Deutschland, MesseTurm, 60308 Frankfurt Tel: Fax:.

# Main Participants in the German Travel Bonding Market

- **Swiss Re** Focus on large and multinational TO; European approach; strong focus on solvability; also active in regular surety business
- **Zurich Insurance** Focus on large and multinational TO; European approach; strong focus on solvability; also active in regular surety business
- **R+V Versicherung** Focus on small and medium sized TO; also offers travel insurance products and regular surety business; strong focus on solvability; only Germany
- **Hanse Merkur** Travel insurance company; focus on small and medium sized TO; only Germany and Austria

## Further Participants in the German Travel Bonding Market

- **Generali** Market leader in terms of clients; will exit the German market end of 2017; major losses in 2015 and 2016
- **DRS (Deutscher Reisepreis Sicherungsverein)** closed shop; only insures TUI, DERTOUR and Ameropa (Dt. Bahn); no further appetite

**No bank competition due to claims handling and risk estimation.**

# Swiss Re Target Markets within Europe

 = key target markets

→ IATA coverage for the whole of Europe



# Participants in the European Travel Bonding Market

- **Swiss Re and Zurich** are the only Travel Bond providers who have a European approach and offer solutions in different European countries (strong focus on solvability and major/multinational TO)
- **AXA, Generali, AIG** have a Semi-European approach and are active in few selected European countries
- **Local competitors in all countries**; most of them combine travel insurance products with travel bonding (strong focus on travel insurance, restricted bonding capacity)
- **Funds** in some European countries: UK, Netherlands, etc. (Focus only on travel bonding)

# Important Topics

- **Maximum liability:** Model with fixed parameters (% of the yearly turnover); estimated max. risk; open limit
- **Claims Handling:** official authority in place for claims handling vs. claims handling done by the insurer/third party
- **Beneficiary:** Travel bonds in favor of an official authority (such as Scandinavia) or the final customer (such as Germany)
- **Other important topics:** payment conditions (amount of advanced payments 10% to 40%; final payment before departure 20 days to 60 days) – this is relevant for the evaluation of a theoretical loss



# Main changes for German Travel Bonding from the new PTD

- **Extension of scope of cover:** Travel Agents (TA) selling “linked travel arrangements” will need to obtain insolvency protection
  
- **Reduction of turnover to be insured:**
  - Hotel-only bookings sold by a TO are not to be insured anymore
  - providers of just a villa/camping holiday do not need insolvency protection anymore
  
- **Research project:** After implementation of the new PTD into German law the Department of Justice will instruct a research project for evaluating the effectiveness of the new insolvency protection

Thank you for your attention



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