

PROFESSIONAL INDEMNITY INSURANCE FOR TOUR OPERATORS

I. Insuring Agreement

Subject to the terms, limits, exclusions and other conditions contained in this policy and schedule, and in consideration of the Insured having paid or agreed to pay the premium MAPFRE Middlesea p.l.c. (hereafter called "the Insurer") agrees to indemnify the Insured, but not exceeding the aggregate limit stated in the Schedule,

1. up to the limit of indemnity stated in the Schedule for any sum which the Insured may become legally liable to pay arising from any claim being first made in writing against him during the policy period stated in the Schedule

for breach of duty of any profession as stated in the Schedule, by reason of any negligent act, error or omission committed or alleged to have been committed during the policy period (and retroactive period, if any) and within the territory stated in the Schedule, of

- a) the Insured and/or
- b) any person at that time employed by the Insured

in the conduct, by or on behalf of the Insured, of any business in the professional capacity as stated in the Schedule,

2. the costs and expenses incurred with the Insurer's written prior consent in the defence and/or settlement of any claim. However, if a payment in excess of the limit of indemnity available under this insurance has to be made to dispose of a claim, the Insurer's liability in respect of such costs and expenses incurred shall be in the same proportion as to the amount of indemnity available under this insurance to the total amount paid to dispose of the claim.



**MARTIN GALEA
CHAIRMAN**



**FELIPE NAVARRO
PRESIDENT &
CHIEF EXECUTIVE OFFICER**

II. Limits of Indemnity

1. Any one Claim

The liability of the Insurer for all compensation costs and expenses payable to any claimant or number of claimants in respect of any one occurrence shall not exceed the sum stated in the Schedule as the limit of indemnity for any one claim.

Claims Series Event

A claims series event as defined below shall be deemed to be one occurrence and the date of loss shall be the date when the first claim of the claims series event is made in writing against the Insured.

A claims series event shall be defined as follows:-

- all claims for losses which are different consequences or results of one negligent act, error or omission. It is deemed to be one negligent act, error or omission if more than one act omitted or committed was due to the same or similar cause or source, provided the respective matters were legally or financially connected;
- more than one act omitted or committed resulting in the same loss; and/or
- one claim made against more than one liable person insured under one policy.

2. Aggregate Limit

The liability of the Insurer for all compensation costs and expenses payable in respect of all claims made during any one period of indemnity shall not exceed the aggregate limit as stated in the Schedule.

III. Insured's Deductible

The Insurer shall be liable, in respect of each and every claim hereunder, only for that part of the claim (which for the purpose of this clause shall be deemed to include all costs and expenses incurred by the Insurer investigating and defending the claim) which exceeds the Insured's deductible stated in the Schedule; it is understood and agreed that if any expenditure is incurred by the Insurer which, by virtue of this clause, is the responsibility of the Insured, then such amount shall be reimbursed forthwith to the Insurer by the Insured on demand.

IV. Exclusions

This policy shall not cover any claim or claims arising out of:-

1. any negligent act, error or commission in connection with services and activities performed that go beyond the scope of the professional services of a tour operator under domestic legislation, ethical codes and rules;
2. the owning or running of a travel agency;

3. full or partial reimbursement of travel costs for which the Insured was obliged to perform according to contract;
4. ownership or management of hotels, restaurants or bars;
5. bodily injury, property damage or any consequential loss resulting therefrom;
6. tours conducted with the tour operator's own ships or aircraft;
7. any claims which are connected to the use of owned, leased or operated vehicles and usually indemnified by motor third party liability insurance;
8. liability assumed by the Insured by contract or any other agreement (including any express or implied warranty or guarantee), unless such liability would have attached even in the absence of such contract or agreement;
9. loss of documents (of any nature whatsoever) whether written, printed or reproduced by any other method or any computer-based or electronically stored information or material property which has been lost, mislaid or destroyed while entrusted to, or in the care, custody or control of the Insured;
10. insolvency or bankruptcy of the Insured;
11. miscalculations and wrong applications of tariffs;
12. any error or breach of obligations relating to book-keeping, accounting or financial transfers or arising out of misappropriation by the Insured's employees;
13. any intentional, dishonest, malicious, criminal or illegal act by the Insured or his employees;
14. libel or slander;
15. fines, penalties, punitive or exemplary damages or any other damage resulting from the multiplication of compensatory damages;
16. any financial loss directly, indirectly or allegedly caused by or contributed to, by or arising from, pollution of air, water or soil;
17. any neglect, error or omission by the Insured in affecting or maintaining insurance;
18. claims filed by the Insured under the policy against each other or filed by any party
 - which is directly or indirectly owned, controlled, operated or managed by the Insured;
 - in which the Insured is a partner, consultant or employee or relative (including spouse);

19. any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or riot), civil war, terrorism, rebellion, revolution, insurrection or military or usurped power;
20. the Year 2000 exclusion.

V. Conditions

This policy any endorsement thereon and the Schedule 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 of the Schedule shall bear such specific meaning wherever it may appear.

1. The Insured shall take all reasonable precautions to prevent or minimise injury, illness, loss or damage which may give rise to a claim under this policy.
2. In the event of any incident or circumstance which may give rise to a claim for indemnity under this policy, the Insured shall give immediate notice in writing to the Insurer.
3. The Insured shall not admit liability or settle or make or promise any payment in respect of any claim which may be the subject of indemnity hereunder, or incur any costs or expenses in connection therewith, without the written consent of the Insurer which shall be entitled to take over and conduct in the name of the Insured the defence and/or settlement of any such claim, for which purpose the Insured shall give all the information and assistance that the Insurer may reasonably require.

The Insurer will not settle any claim without the consent of the Insured. If, however, the Insured refuses to consent to any settlement recommended by the Insurer and elects to contest or continue any legal proceedings then the liability of the Insurer shall not exceed the amount for which the claim could have been so settled plus the costs and expenses incurred with their consent up to the date of such refusal.

4. The Insurer may pay to the Insured the maximum sum payable under this policy in respect of any occurrence or any lesser sum for which the claim or claims arising from such occurrence can be settled and the Insurer shall not be under any further liability in respect of that occurrence except for the payment of costs and expenses of litigation incurred prior to such payment.
5. If at the time of any occurrence or claim there is or but for the existence of this policy would be any other policy of indemnity or insurance in favour of or effected by or on behalf of the Insured applicable to such occurrence or claim the Insurer shall not be liable under this policy to indemnify the Insured in respect of such occurrence or claim except as far as concerns any excess beyond the amount which would be payable under such other indemnity or insurance had this policy not been effected.
6. Where a retroactive date is specified in the Schedule, this insurance does not apply to claims made against the Insured by reason of any negligent act, error or omission committed, occurred or alleged to have been committed or occurrence prior to the said retroactive date.

7. The Insured shall at all times
 - a) maintain accurate descriptive records of all professional services which shall be available for inspection and use by the Insurer or its duly appointed representatives insofar as they pertain to any claim hereunder;
 - b) give to the Insurer or its duly appointed representatives such information, assistance and signed statements as the Insurer may require, and
 - c) assist in the defence of any claim at its own expense.
8. The due observance and fulfilment of the terms, provisions and conditions so far as they relate to anything to be done or complied with by the Insured and the truth of the statements in the proposal made by him (which shall be the basis of this contract and held to be incorporated herein) shall be conditions precedent to any liability of the Insurer.
9. In the event of any dispute arising between the Insured and the Insurer, this insurance shall be governed by the law of the country specified in the schedule whose courts only shall have jurisdiction in any dispute arising hereunder.
10. It is hereby agreed that if any payment is made under this insurance in respect of a claim, the Insurer is thereupon subrogated to all the Insured's rights of recovery in relation thereto.
11. If the Insured makes any claim knowing the same to be fraudulent or false, as regards the amount or otherwise, this Insurance shall become void and all claims thereunder shall be forfeited.
12. This insurance shall not be called upon in contribution and shall only pay such loss if and so far as it is not recoverable under any other insurance.
13. The indemnity provided by this policy is restricted to apply in respect of
 - a) compensation resulting from Judgement rendered by or obtained from a court of competent jurisdiction in the territory stated in the Schedule
 - b) charges, expenses and legal costs incurred and recoverable in the territory stated in the Schedule.
14. In the absence of local legal regulation regarding cancellation, this insurance may be cancelled by the Insured at any time by giving written notice to the Insurer. This insurance may also be cancelled by or on behalf of the Insurer by registered, certified or other first class mail to the Insured's address as shown in this schedule, containing written notice about when, not less than 30 days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this insurance shall terminate at the date and hour specified in such notice.
15. If this insurance is cancelled by the Insured the Insurer shall refund the customary short rate proportion of the premium hereon.

If this insurance is cancelled by, or on behalf of, the Insurer for any reason other than non-payment of the premium or any breach of contract by the Insured, the Insurer shall refund the pro rata proportion of the premium hereon.

16. Payment or tender of any unearned premium by the Insurer shall not be a precondition for the validity of cancellation, but such payment shall be made as soon as practicable.
17. If the period of limitation relating to the giving of notice is prohibited or made void by any law or statutory provision, such period shall be deemed to be amended so as to be equal to the maximum period of notice permitted by such law or statutory provision.
18. This Contract of Insurance shall for all effects and purposes be deemed to be a Maltese Contract and shall be governed by and according to Maltese Law and subject to the exclusive jurisdiction of the Maltese Courts.

The indemnity provided herein shall apply only to judgements or orders that are delivered by or obtained from a Court within the Maltese Islands. Furthermore, the Indemnity shall not apply to a judgement or order obtained in Malta for the enforcement of a judgement obtained elsewhere or to costs and expenses of litigation recovered by any claimant from the Insured, which costs and expenses of litigation are not incurred in the Maltese Islands.