

GENERAL INSURANCE DIVISION

The Phoenix Insurance Company Ltd.

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CANCELLATION OF FLIGHT INSURANCE POLICY

This policy is a contract between The Phoenix Insurance Company Ltd. (hereinafter: **"the insurer"**) and the insured whose name is stated in the policy schedule (hereinafter: **"the insured"**) according to which the insurer undertakes, in consideration of the premium, to indemnify the insured for an insured event which occurs during the period of insurance up to the sums insured and subject to the policy conditions. The premium, the period of insurance and the sums insured stated in the policy schedule constitute an integral part of this policy.

1. DEFINITIONS

1.1 The insurer	The Phoenix Insurance Company Ltd.
1.2 The insured	The proposer, an individual or group of individuals stated by name in the policy schedule forming an integral part of this policy.
1.3 Tourism service provider	A vendor of tourism services, travel agency or airline company holding statutory licenses, from whom the flight / supplementary tourism services / tour packages are purchased.
1.4 Policy	This insurance contract between the insured and the insurer containing details of the cover, the policy conditions and its extensions.
1.5 Proposal form	The information and declaration submitted to the insurer and confirmed by the insured in a document forming the basis for the insurance cover.
1.6 Policy schedule	A document attached to the policy, forming an integral part thereof, containing, amongst other things, the policy number, the details of the persons insured under the policy, the date and details of the flights, details of the services covered and the sum insured.
1.7 Overseas	Any geographical area outside of the State of Israel and its occupied territories.
1.8 Overseas flight	A flight via a schedule airline company including a charter flight from Israel to an overseas country which has been purchased via a tourism services provider whose details are stated in the policy schedule.

1.9 Return flight	A flight via a schedule airline company including a charter flight to Israel from an overseas country which has been purchased via a tourism services provider whose details are stated in the policy schedule.
1.10 First segment of the flight	The first segment of the itinerary/travel route of the insured in an overseas flight or return flight.
1.11 Supplementary tourism services	Tourism services purchased separately and as a supplement to the overseas flight or return flight ticket, including transit flights after the first segment of the flight, internal transit flights overseas, ground services and various services following the first segment of the flight, including sailing, transfers, hotels, car hire, tickets for shows and concerts abroad, renting equipment, which the insured has declared and are stated in the policy schedule.
1.12 Tour package	A tour package from Israel to an overseas country and returning to Israel, or from an overseas country to Israel and returning to an overseas country, including flight tickets and ground services, including organised tours or short breaks where all components have been purchased as a single unit, which the insured has declared and are stated in the policy schedule.
1.13 Cancellation of the flight	Cancellation solely at the initiative of the insured of the first segment of the flight and/or cancellation of the entire tour package solely at the initiative of the insured.
1.14 Notice of cancellation of the flight	Notice from the insured to the tourism service provider of the cancellation of the flight, or notice to the insurer of the cancellation of the entire tour package.
1.15 Amounts relating to cancellation of the flight/ tourism products	Amounts paid in advance by the insured for purchasing a flight ticket from Israel overseas, or from overseas to Israel / supplementary tourism services / tour package, which the insured has declared and are stated in the policy schedule, for which the insured is not entitled to a refund from any third party in the event of their cancellation at the initiative of the insured, or amounts that the insured is due to pay in the event of cancellation at their initiative as aforementioned.

1.16	Service call centre	A customer telephone call centre for the customers of the insurer.
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1.17	Internet site	The internet site of the insurer or its representatives at www.tripguaranty.co.il for providing services to insureds.
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2. THE PERIOD OF INSURANCE

2.1		<p>The period of insurance will commence on the latest of the following dates:</p> <p>2.1.1. The inception date as stated in the policy schedule however not more than 365 days before the overseas flight.</p> <p>2.1.2. After the insured has provided the insurer with valid payment means to pay the premium.</p>
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2.2		<p>The period of insurance cover will expire on the earliest of the following dates:</p> <p>2.2.1. 12 hours before the departure time of the first segment of the flight as stated in the policy schedule.</p> <p>2.2.2. As soon as an insured event occurs.</p> <p>2.2.3. If the policy is cancelled by the insured or the insurer.</p>
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3. THE INSURED EVENT

The cancellation of a flight for any reason which is not excluded under this policy, solely at the initiative of the insured, following which the insured incurs amounts for cancelling the flight / tourism services, subject to all of the following terms and conditions:

3.1		On condition that the flight is cancelled during the period of insurance.
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3.2		Subject to providing documentary evidence stating the date on which the insured provided notice of the cancellation to the tourism service provider.
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3.3		<p>If the insured fails to comply with the aforementioned duty to advise the insurer of their notice to the tourism services vendor/ airline company that the tourism services they have purchased are cancelled, and if the insurer sustains any loss due to this, the insurer is entitled to reduce the indemnity payments by the amount of the loss they have sustained.</p> <p>This directive will not apply in any of the following cases:</p> <p>A. The duty was not complied with at all or was delayed for justifiable reasons;</p>
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	B. The failure to comply or the delay in complying did not prevent the insurer from clarifying its liability and did not hinder the clarification.
3.4	If the insured or the beneficiary acted intentionally to prevent the insurer from clarifying its liability or hindered it, the insurer is only liable to pay the amount that it would have been liable to pay if nothing would have been done.
4. INDEMNITY PAYMENTS AND RATES OF INDEMNITY	
4.1	The insurer will indemnify the insured for amounts which the insured incurs, due to cancellation of the flight / tourism services, solely for the services which have been insured under the policy and which are stated in the policy schedule due to an insured event as stated in clause 3 above, and according to the rates of indemnity as stated in clauses 4.6 and 4.7 hereunder.
4.2	The indemnity will apply solely to the services which the insured has declared and which have already been purchased at the time of purchasing the policy. Services which have been purchased from travel agents, tourism service providers or flights which are not stated in the policy schedule will not be covered.
4.3	If the cost of the tour package has been changed by the insured after purchasing the insurance policy without advising the insurer of this and/or if the premium has not been revised accordingly, the insurer will only be liable for the sum insured / limit of liability which is stated in the policy schedule and according to which the premium has been set.
4.4	Indemnity payments will be paid to the insured as a refund on the credit card on which the premium was paid or by bank transfer to the account of the insured.
4.5	Currency conversion Whereas the currency of the policy is denominated in US Dollars it is agreed that premium amounts and indemnity payments will be refunded or paid to the insured in the foreign currency in which the policy is denominated or in NIS according to the known representative rate on the date on which the insured is paid the amount they are owed.

	<p>Representative rate – The representative rate of the policy currency published by the Bank of Israel.</p> <p>“Policy currency” – The currency in which the sum insured and premium is stated in the policy schedule.</p>
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Limit of liability / sum insured

4.6	The rate of indemnity payable to the insured due to the loss of actual amounts arising from an insured event will be 80% of the amount that the insured has incurred or has undertaken to pay in the event of notice of cancellation of the first segment of the flight and as a result thereof – cancellation of the supplementary tourism services that they have purchased or any tourism services package they have purchased, arising from their cancellation.
4.7	The liability of the insurer under this policy will not exceed the actual amount of the loss arising from the cancellation of the flights and/or the tourism services and/or the tour package, as aforementioned, or the sum of US\$ 20,000, the lower of these amounts.

5. EXCLUSIONS TO THE LIABILITY OF THE INSURER

The insurer will not be liable to indemnify the insured for any of the following cases:

5.1	In respect of flight tickets, supplementary tourism services or any other product or service which has not been declared at the time of purchasing the policy and which is not stated in the policy schedule.
5.2	In respect of flight tickets or supplementary tourism services or any other product or service which was purchased with vouchers or with frequent flyer points or frequent flyer miles or any other similar benefit.
5.3	Cancellation / change of a transit flight which is not a result of the cancellation of the first segment of the flight or partial cancellation of the tour package by the insured.

5.4	Curtailement / change / cancellation of a flight or tour package by the insured for any reason after commencement of the first segment of the planned trip from/to Israel to/from an overseas country.
5.5	Consequential loss of any type.
5.6	Cancellation of flight / tour package for any reason, including due to force majeure, at the initiative of a tourism service provider, airline company, ground services at the airport in Israel or overseas or cancellation by any other party other than the insured. This exclusion will not apply if insured provided notice of cancellation of the first segment of the flight before the date on which the cancellation was published by the tourism / flight service provider in the media or on the internet or by any other manner of communication.
6. PRESCRIPTION	
The prescription period of a claim for indemnity payments is 3 years from the occurrence date of the insured event.	
7. CLAIMS	
7.1	The insured must cooperate with the insurer before and after filing the claim and must do everything required to enable the insurer to clarify its liability for payment under the policy and its scope.
7.2	The insured must notify the insurer if the flight / tour package is cancelled at their initiative immediately after deciding to cancel them. The notice must state the date on which notice of cancellation has been submitted to the airline company / tourism service provider.
7.3	<p>To prove their claim for indemnity payments, the insured must provide the insurer with all of the documents concerning their entitlement to indemnity as stated in clause 7.2 above, and as stated in clauses 7.3.1 - 7.3.7 hereunder or a copy thereof.</p> <p>7.3.1. A "Notice of Cancellation" form containing all of the details required and as stated in this clause. The form can be downloaded from the internet site or will be sent by e-mail on request by contacting the service call centre.</p>

	<p>7.3.2. The flight tickets and other services which have been declared and are stated in the policy schedule.</p> <p>7.3.3. Confirmations from the tourism services provider including confirmation of cancellation of the first segment of the flight or the tour package and confirmation of the cancellation of the other tourism products that have been cancelled by the insured due to cancellation of the first segment of the flight which have been declared and are stated in the policy schedule.</p> <p>7.3.4. Receipts together with a copy of the credit card statement or photocopies of cheques and official documents showing payments and deposits for the flight tickets / tour packages and/ or additional services that have been cancelled which have been declared and are stated in the policy schedule.</p> <p>7.3.5. Invoices together with a copy of the credit card statement or photocopies of cheques and official documents showing payments and deposits for the flight tickets / tour packages and/ or additional services that have been cancelled which have been declared and are stated in the policy schedule, including details of the amounts that the insured had paid in advance or is charged in the event of cancellation at their initiative.</p> <p>7.3.6. Receipts of credits which the insured has received due to their cancellation notice.</p> <p>7.3.7. Other certificates and documents as may be requested by the insurer showing the direct cancellation amounts which the insured has incurred due to the insured event.</p>
<p>7.4</p>	<p>Indemnity payments will be made to the insured within 30 days of the date on which the insurer is in possession of the information and the documents required for clarifying its liability.</p>

8. DISCLOSURE AND CHANGES TO MATERIAL FACTS

This policy was issued based on the replies provided by the insured to the insurer to all of the questions posed in the proposal form which serves as the basis for the policy, or in any other manner as requested (hereinafter: "material facts") and relying on the assumption of the insurer that the insured provided complete and honest replies to the questions posed and did not withhold with fraudulent intention any matter which they knew to be material to the insurer for the purpose of assessing the risks insured.

If the insured did not provide complete and honest replies regarding material facts, or withholds with fraudulent intent any material facts, the insurer will be entitled to cancel the policy in accordance with the provisions of sections 6, 7, 8 and 43 of the Insurance Contract Act, and may be exempt from liability or may reduce the scope of its liability.

9. PAYMENT OF THE PREMIUM

The premium will be paid by the insured to the insurer at the time of arranging this policy.

10. CANCELLATION OF THE POLICY BY THE INSURED

The insured is entitled to cancel the policy other than due to the occurrence of an insured event at any time during the period of insurance by written notice to the insurer. The insurer will cancel the policy within 3 days of receiving the cancellation request. The premium due in the event of cancellation of the policy in accordance with this clause will be calculated as follows: The premium for the entire policy multiplied by the number of days from the date of cancelling the policy until the expiry of the period of insurance, divided by the total number of days of the period of insurance as stated in the policy schedule (hereinafter: "pro-rata calculation"). The costs of the insurer (expenses and risk cost) will be deducted from the pro-rata refund of the premium at a rate of 20% of the premium for the entire period of insurance.

It is hereby noted and agreed that notwithstanding that stated in this clause the insured will not be entitled in any case to a return premium for cancelling the policy during the last quarter of the period of insurance and/or within the seven days before the expiry of the period of insurance, the longer of the two periods.

The premium will be refunded to the insured as soon as possible and no later than 14 days from the date on which the cancellation takes effect.

For example:

Premium	US\$	60
Duration of the policy	100	days
Cancellation after	20	days
Number of days remaining until the expiry of the period	80	days
Premium calculation (pro-rata)	US\$	48
Less insurer's expenses 20% of the premium paid	US\$	12
Refund to their insured	US\$	36

11. DOUBLE INSURANCE

11.1	The insured must provide immediate written notice to the insurer after becoming aware of the existence of any other insurance (hereinafter: "double insurance") which has been arranged to the benefit of the insured covering the risks insured under this policy.
11.2	In the event of double insurance the insurers are liable jointly and severally to the insured for the overlapping sum insured. The insurers will reconcile the amounts which they are liable to pay between themselves according to the ratio between the respective sums insured.

12. SUBROGATION

12.1	If the insured is also entitled to compensation or indemnity from a third party due to an insured event other than by virtue of this insurance contract, this right is assigned to the insurer, as soon as it has paid indemnity to the beneficiary, up to the amount paid.
12.2	The insurer is not entitled to use the right assigned to it in accordance with this clause in a manner which will prejudice the right of the insured to obtain compensation or indemnity from the third party in excess of the payment received from the insurer.
12.3	If the insured received compensation or indemnity from a third party that was due to the insurer in accordance with this clause, they must remit it to the insurer; if the insured made a compromise, waiver or other action that prejudices the right assigned to the insurer, they must compensate the insurer accordingly.

13. JURISDICTION

Any legal action in accordance with or arising from this policy shall be adjudicated on solely in accordance with the laws of the State of Israel and solely and exclusively in competent courts in Israel only.

14. APPLICATION OF LAW

The policy is subject to the provisions of the **Insurance Contract Act - 1981**.

