

Important Information Regarding: Adria Airways Bankruptcy

Issued: 16th December 2010

Applies for the **Options Policies only**

News reports have revealed that Adria Airways may file for bankruptcy as it struggles to repay debt.

“Adria Airways d.d., Slovenia’s state-owned airline, may go into receivership or even file for bankruptcy as it struggles to repay debt, broadcaster Televizija Slovenija reported, citing Maks Tajnikar, the chairman of the company’s management board.

The Brnik-based carrier has outstanding loans of 86 million euros (\$114.5 million) and the banks are unwilling to extend their them or approve new ones, Tajnikar said in an interview.”

Whilst Adria Airways continues to operate normally, cover for Adria Airways is withdrawn for all policies purchased on or after 16th of December 2010.

Please also note that exclusion 2 under Section 1 – Travel Services Provider Insolvency, of our Policy states:

We Will Not Pay For:

2. *Insolvency of a Travel Services Provider if at the Relevant Time, the Travel Services Provider was Insolvent or a reasonable person would have reason to expect the Travel Services Provider might become Insolvent.*

“Relevant Time” in respect of:

- a) *Single Trip policies means the issue date of the policy.*
- b) *Annual Multi-Trip means the first time at which any part of the relevant trip is paid for or the time at which the policy is issued, whichever occurs last.*

As the possibility now exists that the airline may become insolvent, cover under the Insolvency benefit has been withdrawn.

This advice will be updated if new information comes to hand.

Should you have any further enquiries please contact our Customer Service Team on 0800 500 225.