

## Important Information Regarding:

### Velvet Sky

Issued: 27<sup>th</sup> February 2012

### Applies to Options policies

The following information was published on the 24<sup>th</sup> of February 2012:

<http://www.iol.co.za/business/business-news/velvet-sky-airline-hits-more-turbulence-1.1241945>

*"She said communication to passengers from Velvet Sky management had also been slow and lacked in reassurance that the airline would be making departures at all on Friday.*

*She said, however, that meal vouchers had been given to passengers when they were told their flights had been delayed.*

*It seems, however, that Velvet Sky Aviation may be grounded indefinitely. All flights were cancelled on Thursday, with the airline facing provisional liquidation proceedings by BP Southern Africa, brought before the Pietermaritzburg High Court on Friday."*

Please also note that exclusion 2 under Section 1 – Travel Services Provider Insolvency, of our Options 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 airline is now facing provisional liquidation proceedings, cover under the Insolvency benefit for any policy purchased on 25/2/2012 or after has been withdrawn.

### **ADDITIONAL ACCOMMODATION AND TRANSPORT EXPENSES FOR POLICY HOLDERS THAT HAVE ALREADY COMMENCED THEIR JOURNEY**

There is provision to claim reasonable Additional Accommodation or Transport Expenses if you were booked on a Velvet Sky flight that has been cancelled due to insolvency.

We will also pay the reasonable Additional Accommodation and Transport costs you incur to return to your home in New Zealand if you were booked on a Velvet Sky flight that has been cancelled due to insolvency.

Please note that the cover is limited to the same or similar standard of accommodation or transport that you had originally booked, and we will not pay more for re-arranging any part of your journey than the non refundable costs for cancelling that part of your journey.

### **AMENDMENT OR CANCELLATION COSTS FOR POLICY HOLDERS THAT HAVE NOT YET COMMENCED THEIR JOURNEY**

There is provision to claim for Amendment or Cancellation costs for the part of your journey that has been directly affected due to the insolvency of Velvet Sky.

The policy will provide coverage for amendment costs where the cost of altering/deferring is less than the cost of cancellation charges for the part of a customer's trip which has been affected. If the cost of altering/deferring is not less than the non-refundable value of the part of the customer's trip which has been affected, then the policy will provide coverage for this non-refundable unused portion.

No cover will be provided for the utilised portion of a customer's travel and accommodation expenses.

### **Corporate and Annual Multi-Trip Policies**

The above advice also applies to Corporate and Annual Multi-Trip policies, however please note there is an additional requirement that your original travel arrangements must have been booked prior to the 25<sup>th</sup> of February 2012.

### **Customers stuck overseas who cannot return home**

For customers who hold a Travelsure policy issued prior to the 25<sup>th</sup> of February 2012 and cannot return home on their original return date due to the insolvency of Velvet Sky, their policy will automatically extend free of charge to allow them to return by the quickest and most direct route.

As this extension is automatic, customers and agents do not need to do anything.

### **IMPORTANT - GENERAL ADVICE**

This information must be read in conjunction with the Travelsure Policy Wording as certain restrictions and exclusions apply.

These exclusions and restrictions are detailed in the Travelsure Wording and in particular we draw your attention to "The Benefits" and "General Exclusions" sections of the wording.

**This advice will be updated as new information comes to hand.**

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