

Policy No

POLICY WORDING

BILLING AND SETTLEMENT INSURANCE - IATA

Credit insurance cover for IATA on behalf of members and participating Airlines participating in the Billing and Settlement Plan (BSP) India.

This Policy, the Schedule, the IATA data questionnaire and agent registration form provided to the Insurer to obtain the Policy must 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 Schedule will bear such specific meaning wherever it may appear.

WHEREAS the International Air Transport Association (hereinafter "IATA" or the "Insured") named in the attached Schedule has by a Proposal and Declaration and/or any other statement in writing applied to the Insurer named in the Schedule (hereinafter called "the Insurer") for the Insurance hereinafter contained and has paid the premium as consideration for such Insurance.

The INSURER agrees to indemnify the Insured subject to the term and conditions contained in this Policy or endorsed hereon against their Net Ascertained Financial Loss (as defined) sustained or incurred during the Period of Insurance arising solely from Default by the Agent. This Policy is paid for by the Insured. The Insured may charge the agent towards such payment for this Policy but it is acknowledged and agreed that the policy is solely for the Insured's benefit and that the Agent has no rights under or to this Policy.

1 Definitions

The definitions listed below and in the Policy Schedule will apply to this Policy. Any term not defined will have the meaning given to it in the applicable IATA Resolutions, which existed at the time of this Policy became effective unless any changes to those Resolutions which may affect the Policy have been confirmed by the Insured to the Insurer, and noted and agreed by them.

Claims Handling Agent

A person or entity, appointed locally by the Insurer whose role is to handle claims under this Policy.

Claim Notification

A Claim Notification is the notification sent by the Insured to the Insurer following Default by an Agent, to make the Insurer aware that the Insured may make a claim under this Policy. The Claim Notification will not include the total claim amount.

Claim Submission

A Claim Submission is the notification sent by the Insured to the Insurer to confirm the claim is being made and the total amount to be claimed under this Policy.

IATA Resolutions

The IATA Resolutions, as agreed and amended from time to time by the Passenger Agency Conference and which apply to the Accredited Agent

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Net Ascertained Financial Loss

The sum of all monies in respect of all Accountable Transactions due or overdue by the Agent at the time the Agent was declared in Default in accordance with IATA Resolutions applicable to the IATA BSP as named in the attached Schedule, except for those monies that have been settled with the BSP or a Member Airline.

Period of Insurance

From the commencement date to the expiry date of the Policy, signed with the Insurer, as stated in the Policy Schedule, or further endorsed by the Insurer.

Repayment Agreement

An agreement between the Agency Administrator and the Agent under which the Agent must pay the balance of the remaining outstanding amount due, to IATA following its Default.

[Reported Sales

In an operation having Reported Sales as their payment model, the full billing amount is settled to the Participants irrespective of funds collected. Any shortfall is covered by a credit or overdraft facility provided by the Clearing Bank through the Hinge Account. Any recovery of shortfall from BSP Airlines or Agents will immediately follow after the Settlement.]

Security Providers Evaluation Criteria

The Security Providers Evaluation Criteria establish the criteria that a provider of securities and its product(s) must meet in order to provide a financial security to an Agent.

Termination of Passenger Sales Agency Agreement

The Agent is terminated or its Passenger Sales Agency Agreement is terminated in accordance with the IATA Resolutions.

2 Duty of Disclosure

The Insured warrants to the Insurer, at the date this Policy is effected and on each day during the Period of Insurance that it is not aware of any matter, fact or circumstances relating to the Agents which is likely to give rise to a loss under this Policy.

3 General Exclusions

The Insurer will not be liable in respect of any loss directly or indirectly caused by, consequent upon, contributed to, or resulting from any of the following:

- a. War (whether before or after the outbreak of hostilities) between any of the following powers: People's Republic of China, France, United Kingdom, the United States of Americas and the Russian Federation.
- b. any act of terrorism.

For the purpose of this clause an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious,

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ideological, ethnic purposes or reasons, or similar purposes or reasons including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This clause also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a) and/or (b) above.

If the Insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this reinsurance the burden of proving the contrary shall be upon the Policyholder.

In the event any portion of this clause is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

- c. Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising there from or any consequential loss
- d. Any legal liability of whatsoever nature

Directly or indirectly by or contributed to or arising from:

- i. Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste form the combustion of nuclear fuel
- ii. The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- e. Civil commotion assuming the proportions of or amounting to a popular rising, riot, strikes, lockouts, martial law or the act of any lawfully constituted authority.
- f. Any loss sustained by the principles of the Insured where evidence of coverage by way of the Policy Schedule or other evidence of coverage were issued after the date of default by the Agent.
- g. Any loss which at the time of the happening of such loss is insured or guaranteed by or would be recoverable from any other concurrently existing guarantee, policy, policies or bond with the policy holder/ beneficiary and of which the policy/holder beneficiary is aware of, except the amounts over and above the limits recoverable under such other guarantee, policy, policies or bond. In such instances, this policy will only be called upon to pay the amount above the limits provided by the aforementioned alternative covers.'
- h. Any fraud, misrepresentation, mis-description or non disclosure in any material particularly by the Policy Holder / Beneficiary in relation to a claim or the status of an Agent will render this Policy null and void and all claims under this Policy will be forfeited.

4 Conditions

4.1 General

4.1.1The Insurer agrees to indemnify, defend and protect the Insured and all BSP Airlines participating in the IATA BSP, as stated on the attached Schedule for any damages, loss (including reasonable legal fees) that they may suffer under this Policy, subject to the terms and conditions of this Policy.

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4.1.2 The coverage must be restricted to the maximum SUM INSURED (indemnity limit) indicated in the Schedule in respect of the particular Agent against whose Default a Claim Submission has been made.

4.1.3 Cover under this Policy is in consideration of the premium payable to the Insurer by the Insured..

4.1.4 This Insurance is in addition to all other applicable Financial Security provided by the Agent and held by IATA, whether primary, excess, contingent or on any other basis

4.2 Coverage

4.2.1 It is always provided that the Insurer's liability will in no case exceed the SUM INSURED stated in the Schedule.

4.2.2 The Insurer agrees that no Agent will be covered under this Policy longer than the Period of Insurance, or at any time when this Policy is not in effect, including if the Policy has expired or has been terminated under clause 4.5.

4.2.3 Cover for agents declared in default under this Policy commences from the next billing period after which the Insured receives the Policy Schedule or other written confirmation from the Insurer that an Agent has been endorsed under this Policy with cover only valid during the "Period of Insurance" as stated in the attached Schedule.

4.2.4 The Insured will have the right to request for an increase in the aggregate limit of SUM INSURED, as stated in the Schedule, for any one Agent, and/or the aggregate limit SUM INSURED, as stated in the Schedule, for all Agents insured, by a written notification to the Insurer.

4.2.5 The Insurer must provide to the Insured a written acknowledgement, and approval or disapproval of the increased SUM INSURED within fourteen (14) calendar days of the date of the request. Any approved increase to the SUM INSURED will be effective immediately upon receipt by the Insured.

4.3 Claim and payment

4.3.1 In order to claim under this Policy, the Insured must establish and provide that there is a Net Ascertained Financial Loss sustained or incurred during the Period of Insurance arising solely from a Default by Agent.

4.3.2 If the Agency Administrator and/or Insured become aware of any circumstances that are likely to give rise to a claim against the Agent, the Insured will:

- a. Not make any admission of liability on the part of the BSP Airlines without the prior written consent of the Insurer
- b. Send the Insurer a written Claim Notification informing the Insurer that the Agent has failed to pay the Insured the amount due to the Insured under the terms of IATA Resolutions.

4.3.3 The Insured's Claim Notification must be submitted to the Insurer, or Claims Handling Agent, not later than fifteen (15) working days following Default by the Agent.

The potential Claim Notification must include:

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- a. Name and IATA codes of the Agent declared in Default, including the Head Office, Administrative Office and all their Branch codes and Sales Activity codes affected by the Default
- b. A copy of IATA's letter declaring the Agent in Default

4.3.4 Provided that the Insured has provided the Claim Notification within the timeframe as stipulated in 4.3.3, the Insurer will accept the Claim Submission to be received by the Insurer, or locally appointed Claims Handling Agent, as soon as practicable, but in any event no more than 7 working days following the Termination date of the Passenger Sales Agency Agreement of the Agent.

For each Agent the Claim Submission must include:

- a. Name and IATA codes of the Agent declared in Default, and subsequently being terminated, including the Head Office, Administrative Office and all their Branch codes and Sales Activity codes affected by the Default
- b. Copies of IATA's letter(s) declaring and concerning the Agent's Default
- c. A copy of the breached Repayment Agreement (if one has been signed with the Agent)
- d. The Insurer's claim form, per Appendix I
- e. Default amount due:
 - i. Broken down by billing period
 - ii. Broken down by Airline
 - iii. Less any partially collected dues
 - iv. Statement of Agent's net sales through the BSP 12 months preceding the Default by the Agent
 - v. Details of the Insured's bank accounts, to which the Insurer must pay the amount claimed by the Insured

4.3.5 In the event of a Claim Submission under this Policy, the Insurer must inform the Insured on whether the claim is accepted or denied within ten (10) working days of receiving all documents in relation to the Claim Submission as defined in point 4.3.4. Where the Insurer accepts the claim, the Insurer must pay the declared Net Ascertained Financial Loss to the Insured within thirty (30) calendar days of receipt of the Claim Submission.

4.3.6 Claims will only be considered and paid if the Insured has fully completed the Insurer's claim form and supplied the information as per clause 4.3.4 (i-v) above.

4.3.7 All correspondence and documentation regarding claims must be sent to: IFFCO-TOKIO General Insurance Company Ltd., IFFCO Tower, 2nd Floor, Plot No.3, Sector 29, Gurgaon – 122001, Haryana

4.4 Subrogation

4.4.1 If the Insurer becomes liable for any payment under this Policy in respect of loss, damage or liability, regardless of what percentage their maximum limit of liability bears to the total exposure at risk, the Insurer will be subrogated, to the extent of such payment, to all the rights and remedies for the Insured against any party in respect of such loss, damage or liability, before any other party up to their full limit of liability.

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4.4.2 Subject to 4.4.1 the Insurer will be entitled at their own expense to sue in the name of the Insured. Upon request from the Insurer, the Insured will give to the Insurer all such assistance in his power as the Insurer may require to secure their rights and remedies and, at Insurer's request, will execute all documents necessary to enable the Insurer to effectively bring suit in the name of the Insured including the execution and delivery of the customary form of loan receipt within ten (10) working days of payment in full of the Insurer's liability under the Policy claimed by the Insured. The Insurer will have legal subrogation rights under this Policy to recover from any non-paying Agent within seven (7) working days of payment in full of the claim submitted by the Insured.

4.4.3 If at any time during the Period of Insurance the cover for a said IATA Agent requires an increased limit over and above the limits stated in the Policy Schedule and where this additional coverage is not provided by the Insurer then the Insured will have rights against any party in respect of such a loss before the Insurer up to the Insured's full uninsured loss over and above the Insurer's rights in 4.4.1 above. Any recovery by the Insured in excess of the Insured's uninsured loss will then be due to the Insurer.

4.5 Termination

4.5.1 Either the Insurer or the Insured may terminate this Policy, without cause, upon giving six (6) months' written notification to the other party and to the Agent/s.

4.5.2 The Insured may terminate this Policy for the following reasons with sixty seven (67) calendar days' written notification to the other party and to the Agent/s:

- a. If the Insurer does not continue to meet the Security Providers Evaluation Criteria
- b. If the Insurer does not adhere to the terms of this Policy

4.5.3 The Insurer may terminate this Policy for the following reason with sixty seven (67) calendar days' written notification to the Policy Holder/Beneficiary and to the Agent/s:

- a. If the Insured does not adhere to the terms of this Policy
- b. If the Insured does not pay the premium due against an Agent, provided that in such a case the Policy shall not be terminated and only cover for that particular Agent shall cease.
- c. If an agent does not meet the Insurers financial review during the policy period

4.5.4 The Insurer acknowledges that, if a notice of termination is sent to the Insurer, or received from the Insurer, in accordance with clauses 4.5.1-4.5.3 the Insured has the right under IATA Resolutions to request Agents covered by the Policy to provide an alternative financial security type that can take effect any time after the notice of termination is provided.

4.6 Renewal

4.6.1 If the Insurer wishes to continue to provide this Insurance coverage for a further period of 12 months after the expiry of this Policy, the Insurer must satisfy the Insured's request to complete and submit various documents required by the Insured for the process to consider to accept or to not accept the Insurer for a new Period of Insurance. The completed documents must be provided to the Insured for approval not later than one hundred and twenty (120) calendar days prior to the date of expiry of this Policy.

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4.6.2 If the completed documents referred to in 4.6.1 are supplied later than one hundred and twenty (120) calendar days prior to the date of expiry of this Policy, the Insured has the right under the IATA Resolutions to request Agents to provide an alternative financial security, effective at any time during the one hundred and twenty (120) day period.

4.6.3 The renewal terms must be provided to the Insured for approval not later than ninety (90) calendar days prior to the date of expiry of this Policy.

4.6.4 If the renewal terms are supplied later than ninety (90) calendar days prior to the date of expiry of this Policy, the Insured has the right under the IATA Resolutions to request Agents to provide an alternative financial security, effective at any time during the ninety (90) day period.

4.6.5 If the Insurer wishes to renew the Policy for another Period of Insurance following expiry of this Policy, the new Policy must be signed by both the Insurer and the Insured not later than sixty (60) calendar days prior to the expiry of this Policy.

4.6.6 If the Policy for the new Period of Insurance (following expiry of this Policy) is not signed by both the Insurer and the Insured sixty (60) calendar days prior to the expiry of this Policy, the Insured has the right under the IATA Resolutions to request Agents to provide an alternative financial security, effective thirty (30) days prior to the expiry date of this Policy.

4.6.7 Notwithstanding any other term of this Policy, the Insurer shall have the right to refuse renewal of this Policy at its sole discretion.

5 Other

Grievance and redress procedures shall be in accordance with guidelines of the Insurance Regulatory and Development Authority [IRDA] and Laws of India.

5.1 Governing law

This Policy is governed by the Laws of the country as stated in the attached Schedule under applicable law and jurisdiction, excluding its conflict of law provisions, whose courts will have jurisdiction in any dispute arising under this Policy.

5.2 Sanctions clause:

The Insurer shall be deemed to provide cover and shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would be illegal under any law or in violation against any sanction regime applicable to the Insurer and its re-insurers.

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POLICY SCHEDULE

BILLING AND SETTLEMENT INSURANCE - IATA

Credit insurance cover in respect of IATA Travel Agents participating in the Billing and Settlement Plan [India]

POLICY NUMBER:	XXXXXXXX
POLICY HOLDER:	INTERNATIONAL AIR TRANSPORT ASSOCIATION
INSURED:	TRAVEL AGENTS NAMED IN THE SCHEDULE
BENEFICIARY:	PARTICIPATING AIRLINES
PERIOD OF INSURANCE:	12 months from XX.XX.XXXX
COVERAGE:	To indemnify the Insured for their Net Ascertained Financial Loss sustained or incurred during the Period of this Insurance arising solely from Default by the IATA Agent/s named in the list attached to this Schedule, or subsequent endorsements attached hereto, in making payments in accordance with the terms of the Passenger Sales Agency Agreement.
SUM INSURED:	<p>Up to but not exceeding the Insured's Net Ascertained Financial Loss. The limit for any one Agent is not to exceed its "SUM INSURED" as indicated in the Attachment to the Schedule listing all Agents with their "SUM INSURED"</p> <p>If any updated limit per Agent or updated aggregate limit for all Agents, of the SUM INSURED in accordance with this Policy, is agreed, the addendum will be attached to this Policy and replace SUM INSURED as defined in this schedule.</p> <p>The maximum payable in respect of any one ticket is INR XXXXXX or equivalent in local currency.</p>
TERRITORIAL LIMITS:	Worldwide
APPLICABLE LAW:	Indian Law
JURISDICTION:	India
PREMIUM:	The premium payable by the Agent is determined by the Insurer.
CURRENCY:	Indian Rupees
SPECIAL CONDITIONS:	This insurance has been purchased by the Insured for or on behalf of the BSP Participating Airlines and solely for their benefit. The IATA Agent has no rights under or to this Policy.

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Date XX.XX.XXXX

Signed for and on behalf of

IFFCO-TOKIO General Insurance Company Ltd