

## **77% of travel insurance policies do not cover scheduled airline failure**

A recent report by independent financial research company Defaqto suggests independent holidaymakers should seriously review their travel insurance policy to see whether it covers the failure of scheduled airlines as only about 20% of insurance policies provide this feature.

Brian Brown, author of the report and Head of Research at Defaqto said: “While many give cover of £1,500 or more for scheduled airline failure the limit may not be sufficient to cover all of the other pre-booked and paid for items such as hotel accommodation, excursion tickets and car hire so it is essential that travelers review the details of their policy before they set off on their travels.”

Defaqto encourages consumers to consider the following which could also help give some peace of mind when booking holidays this season:

1. Travelling with an ATOL or ABTA bonded organization offers considerably more protection than independent arrangements as the problems of airline failures and the volcanic ash cloud have highlighted.
2. Travelers should use their credit card when booking as using a credit card on purchases of £100 to £30,000 provides some statutory protection if the company or supplier goes bust or if there is a problem with the goods or services.

Mr Brown concluded: “Not everyone has the same needs for their travel insurance arrangements so it is important to take some time to review features carefully. We reviewed 885 products for our travel insurance Star Ratings across single trip, multi trip and gap year travel so there is a lot of choice available. Consumers can use our Star Ratings as a guide to what is on offer. 1 or 2 Star Rated policies offer a lower level of features than 4 or 5 Star policies.”

Information on Defaqto’s Star Ratings can be found at [www.defaqto.com/stars](http://www.defaqto.com/stars)

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### **Notes to Editors:**

The following table shows the percentage of travel insurance policies that provide cover for scheduled airline failure:

Type of travel insurance	% of travel insurance policies providing cover for scheduled airline failure		
	Cover included as standard	Optional cover available	Not covered
Single trip insurance policy	21%	2%	77%
Annual travel insurance policy	20%	2%	78%

Extended trip travel insurance	14%	1%	85%
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About Brian Brown, Head of Research

Brian joined Defaqto in November 1998 from RSA where for five years he was their market intelligence manager. Prior to that he spent eight years working for both Royal Insurance and British Gas as an IT technical consultant. Brian heads up Defaqto's Research Centre, comprising a large team that collect and interpret product information, alongside a group of senior consultants who use that information to provide analysis and consultancy services across the financial services market including the pensions, investment, protection, general insurance and banking arenas.

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**About Defaqto:** [www.defaqto.com](http://www.defaqto.com)

Defaqto is an independent financial research company specialising in rating, comparing and analysing financial products.

Since 1994, Defaqto has built the largest, whole of market, financial product database and become one of the leading providers of financial product data in the UK. We now cover over 30,000 products across banking, life, pensions, investments and general insurance.

Our experts validate and analyse the data to provide insight and consultancy to all layers of the financial services sector including IFAs, mortgage and general insurance brokers, providers, web aggregators and the public sector.

Our products and services include the following:

**Defaqto Star Ratings**

Our Star Ratings reflect the quality of a financial product and help to identify the range of features and benefits in each one. We review and assess every financial product across various categories and award a Star Rating from 1 to 5. The ratings are aimed at helping consumers and advisers decide which product suits their specific needs. Providers also use the ratings to ensure they offer products to meet differing consumer demands.

**Aequos Online**

An extensive, independent, financial product analysis and comparison database available in the UK. The database contains feature, rate and fees information on more than 30,000 products from nearly 2,000 providers. Our customers include leading insurance and assurance companies, banks and building societies and investment organisations.

### **Defaqto Engage**

An integrated system for independent financial advisers (IFAs) and insurance brokers. The system makes the reporting, analysis, recommendation and review process easy, delivering the perfect product to meet client needs.

### **Defaqto Compare**

An interactive, comparison tool enabling consumers to easily compare product features against each other on a host of key features, using a simple 'traffic light' system.

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