

Gard products

Your contact



The Tour Operator Passenger Liability Cover

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The main features are cover for pre and post journey passenger liabilities, as well as passenger liabilities arising out of incidents during shore excursions or other off-ship activities organised by the cruise operator

Risks Covered

Liabilities incurred by the Assured in its capacity as carrier or tour operator in relation to the passenger or his estate in respect of:

- Illness, injury or death
- Loss of or damage to property
- Delay or other consequential losses
- Indemnities given to third parties (subject to prior review and approval)

The cover extends to pre and/or post journey transportation as well as hotel accommodation and shore side excursions/activities prior to, during or after the sea journey not arising in direct connection with the ship.

Who can be covered?

- Gard clients with underlying P&I cover

Limit of cover

- USD 10 million per event (higher limits by special agreement)

Important exclusions

- Passenger liabilities recoverable under the P&I Cover cannot be covered under the Tour Op Cover
- Refunds of passenger fare, substitute journeys and future journey discounts unless such are reasonably incurred for purposes of avoiding or minimizing a named risk

Practical examples where the cover will respond

1. Injury at inland hotel between ferry crossings

A French passenger purchases a package tour from a Paris travel agent which includes ferry transport from Denmark to Norway, one week at a luxury hotel in the mountains, and return to France via Denmark with another ferry in the same fleet. Whilst at the hotel, the passenger sustains a slip and fall injury when trying to enter a Jacuzzi. It is later found that the Jacuzzis were generally in poor condition. Instead of suing the owner of the Norwegian hotel the passenger sues the travel agent under the French Package Tour Act. The travel agent passes the claim on to the tour operator who decides to settle quickly for a nominal amount to avoid greater costs.

The liability did not arise in direct connection with the operation of the entered ship and would fall outside the scope of P&I Cover. However Tour-Op Cover responds to liability to passengers before or after the sea journey, and would respond to any legal liability in connection with the injury. Gard automatically acquires the right of recourse against any third party, such as the hotel in Norway.

2. Extraordinary expenses due to delay

The package tour offered by the client includes air flights and one night accommodation in the embarkation port. A hurricane causes delay of the vessel's arrival in port. The client incurs expenses in accommodating passengers for an extra hotel night while waiting ashore and in rebooking flights for those who are delayed in disembarking.

Client would need the Tour OP Cover to respond to liability for those passengers waiting ashore (P&I cover would only respond to liability for passengers that have already embarked the vessel). Tour Op Cover would respond to extra costs for additional accommodation (food expenses, lodging etc.), including extra travel expenses if the trip is cancelled due to the hurricane.

3. Indemnity given to the owner of a shore terminal

In order to allow the vessel to use shore facilities the Tour Operator is required to provide an indemnity to the owners of the shore terminal. A passenger falls in the shore terminal and suffers injuries that require hospital treatment. The passenger sues the owners of the shore terminal and owners then seek to enforce the terms of the indemnity against the Tour Operator.

If the indemnity has been approved by Gard then cover will respond. Obviously, Gard would wish to ensure that members do not enter into all types of indemnity (Gard are happy to provide assistance on the wordings used in any indemnity provision) and only agree to those indemnities where it is essential to do so.