



## PRESS RELEASE No 120/24

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Judgment of the Court in Joined Cases C-771/22 and C-45/23 | HDI Global and MS Amlin Insurance

### **Covid-19: the security against a package travel organiser's insolvency also applies where the traveller has cancelled the trip, prior to the insolvency, due to unavoidable and extraordinary circumstances**

In 2020, travellers in Austria and Belgium cancelled their package trips to Gran Canaria and the Dominican Republic, respectively, due to the Covid-19 pandemic. Following the insolvency of their travel organisers, they are asking the insurers of those organisers to provide them with a refund of the payments made.

The insurers have refused to make those refunds on the ground that they provided insurance solely in respect of the risk that the trip would not be performed as a result of the organiser's insolvency. In the present cases, the trips were not performed due to the fact that the travellers had cancelled them. The organiser's insolvency occurred only at a later stage.

The Austrian and Belgian courts before which those disputes were brought have asked the Court of Justice to interpret the Package Travel Directive <sup>1</sup>. That directive provides that Member States are to ensure that organisers provide security for the refund of all payments made by travellers insofar as the relevant services are not performed as a consequence of the organiser's insolvency.

In its answer, the Court holds that **the security conferred on travellers against the insolvency of the package travel organiser also applies where a traveller cancels the trip because of unavoidable and extraordinary circumstances and, following that cancellation, the organiser becomes insolvent** <sup>2</sup>.

Regarding that security, there is no reason why travellers whose package travel cannot be performed as a consequence of the organiser's insolvency and travellers who have cancelled their package travel because of unavoidable and extraordinary circumstances should be treated differently.

In particular, the Directive provides that the traveller is entitled to a full refund of any payments made in the event of cancellation due to unavoidable and extraordinary circumstances. That entitlement would be deprived of its effectiveness if, where the organiser's insolvency occurs after that cancellation, the security against such insolvency did not cover the corresponding refund claims.

**NOTE:** A reference for a preliminary ruling allows the courts and tribunals of the Member States, in disputes which have been brought before them, to refer questions to the Court of Justice about the interpretation of European Union law or the validity of a European Union act. The Court of Justice does not decide the dispute itself. It is for the national court or tribunal to dispose of the case in accordance with the Court's decision, which is similarly binding on other national courts or tribunals before which a similar issue is raised.

Unofficial document for media use, not binding on the Court of Justice.

The [full text and, as the case may be, the abstract](#) of the judgment are published on the CURIA website on the day of delivery.

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<sup>1</sup> [Directive \(EU\) 2015/2302](#) of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements.

<sup>2</sup> This presupposes, moreover, that the traveller has not, prior to the occurrence of that insolvency, received a full refund of any payments made to which he or she is entitled.