

## Target market of the Insurance Product

### Travel insurance for Tour Operators (TOs) and ticket sellers

Our insurance company offers insurance protection for customers of travel agencies and customers of ticket sellers for single trips within the Czech Republic or from the Czech Republic to abroad. The length of a single trip is always defined for a specific CK product. A customer of a travel agency can choose from two insurance options - basic and comprehensive, and a customer of a ticket seller can choose either cancellation insurance or comprehensive travel insurance.

Both options offer the possibility of insurance to Europe as well as worldwide. The difference in the variants is the scope of insurance cover and the options for additional insurance.

#### For whom the product is intended - positive definition

- customers travelling with the travel agency abroad and in the Czech Republic,
- customers who, in addition to the basic insurance and always included insurance of medical expenses and assistance services, are interested in comprehensive travel insurance extended according to the specific package, e.g. accident, liability, personal belongings, trip cancellation, delayed luggage or unused vacation for medical reasons (hospitalization), including the possibility of trip cancellation insurance, either in the basic insurance package or in the form of additional insurance,
- customers interested in insuring risks related to COVID-19, either in the basic insurance package or in the form of supplementary insurance,
- customers whose purpose of travel is mainly for normal tourism or normal recreational sports,
- the extension for winter sports activities is intended for customers of TOs specializing in winter holidays, including damage to winter equipment or rental of replacement equipment, unused winter holidays or extension of stay due to an avalanche,
- the extension for hazardous sports is intended for customers of TOs specializing in adventure holidays,
- the extension Vehicle is intended for customers of TOs specializing in trips where clients use their own transport, for cases of a broken vehicle, alternative transport and accommodation, and for the deductible in the event of an accident to the rented vehicle.
- the extension cancellation insurance without additional insurance is intended for customers of ticket sellers who are only interested in cancellation insurance; however, customers can also choose a comprehensive travel insurance option (with or without risk of COVID-19 illness) which, in addition to medical expenses, assistance services, accident, personal belongings, liability and cancellation insurance, also includes air carrier bankruptcy insurance and air carrier compensation.

#### For whom the product is not intended – negative definition

- customers who do not travel abroad with TOs,
- customers whose trip duration exceeds 24 days,
- customers traveling to areas where the Ministry of Foreign Affairs has advised against travel
- the extension Winter sports is not intended for customers who are not interested in practicing winter sports; the same applies to the extension of Hazardous sports or the extension of Vehicle,
- customers planning to travel to areas affected by war or other security risks,
- customers involved in expeditions to areas with extreme natural conditions or professional sports activities,
- customers who are interested in insuring what is stated in the terms and conditions as exclusions, such as consumption of alcohol, narcotic or psychotropic substances.

#### When product misspecification can occur and how to prevent it – product risks and mitigation measures

- within the positive definition of the target market, the insurance company has not identified any risks, as the product is bought by customers who travel once with a TO,
- a potential risk is the failure to include all necessary insurance coverage considering the purpose of the customer's trip and the nature of foreign travel,

- any risk in product setup can be effectively prevented by analysing the customer's insurance interests, including asking additional questions from the TO or the customer, which should be answered truthfully and thoroughly by the customer at the time of insurance arrangement.

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