



Committee of Advertising Practice  
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## Committee of Advertising Practice (Non-broadcast)

### Help Note on Compulsory Holiday Insurance

CAP Help Notes offer guidance for non-broadcast marketing communications under the British Code of Advertising, Sales Promotions and Direct Marketing (the CAP Code). For advice on the rules for TV or radio commercials, contact Clearcast [www.clearcast.co.uk](http://www.clearcast.co.uk) for TV ads or the RACC [www.racc.co.uk](http://www.racc.co.uk) for radio ads.

These guidelines, drawn up by the Copy Advice team, are intended to help marketers, agencies and media interpret the rules in the British Code of Advertising, Sales Promotion and Direct Marketing as far as they relate to the subject discussed. They are based on previous ASA cases and neither constitute new rules nor bind the ASA Council in the event of a complaint about a marketing communication that follows them.

Many travel agents nowadays offer holiday deals that are conditional on taking out their holiday insurance. This requirement is not always stated in the marketing communication. If the requirement is stated, the likely cost of the insurance often is not. This non-disclosure of information causes frustration and annoyance to prospective holidaymakers, particularly if the insurance cost is higher than market rates. In some cases the cost of the insurance might add 40% or more to the marketed cost of the holiday. Furthermore, the lack of transparency in pricing means that consumers cannot make meaningful comparisons between offers.

The Code states "Prices quoted in marketing communications addressed to the public should include VAT and other non-optional taxes and duties imposed on all buyers" (**clause 15.2**). The Copy Advice team met ABTA to discuss how this clause should be applied to marketing communications quoting holiday prices that are subject to taking out compulsory insurance. As a result we have drawn up the following guidelines:

1. If a marketed holiday is subject to the compulsory purchase of holiday insurance from the marketer, except as in 6, below, this condition should be stated. So, too, should the typical cost of the insurance. For

example, "One week holiday in Paris £269 ... plus insurance, typically £32 per person".

2. The typical insurance cost should be prominent so that it will be seen easily by the reader. If it is in a footnote, it should be linked to the basic price of the holiday by an asterisk.
3. The typical insurance cost should be the premium payable by a person between the ages of 18 and 65 years old, in good health and holidaying for the marketed number of days at the advertised destination(s).
4. If the marketing communication features various destinations and the typical insurance cost varies according to the destination, the typical cost for each destination, or group of destinations, should be given. This situation is likely to occur only if the marketing communication features destinations in more than one continent.
5. If the marketing communication features holidays of different duration and the rate of insurance varies according to duration, either all typical costs or the most expensive cost relative to the duration should be given. For example, if the marketing communication features holidays of one and two week's duration and the typical insurance costs are £32 and £48, the marketing communication should state either both costs or just the cost of £32 for a week.
6. Marketers may, if they wish, quote prices that include compulsory insurance, in which case they should state this and calculate the insurance element in accordance with 3, above.

Advice on specific marketing communications is available from the Copy Advice team by telephone on 020 7492 2100, by fax on 020 7404 3404 or by email on [copyadvice@cap.org.uk](mailto:copyadvice@cap.org.uk). The CAP website at [www.cap.org.uk](http://www.cap.org.uk) contains a full list of Help Notes as well as access to the AdviceOnline database, which has links through to relevant Code rules and ASA adjudications.