

Response to EC consultation on Package Travel Directive

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Related documents:

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Market developments

Q1. Why do travellers choose packages instead of booking travel services separately?

- Packages save time when planning trips.
- It is easier to find all the services at one point of sale.
- It allows travellers to do trips which they would not have organised on their own, such as visiting 'exotic' places.
- The price for packages is more attractive.
- Packages offer more guarantees.
- Other reasons

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- The price for packages is more attractive.
- Packages offer more guarantees.

Q2. The PTD aimed to increase consumer protection and to ensure fairer competition through broadening the definition of packages. Did you observe any of the following trends since July 2018, the date when the PTD started applying?

- Most traders accepted their (new) role as package organisers, including for combinations of travel services which had previously not been classified as packages (or where this was unclear).
- Many traders changed their business model/booking processes in order not to be considered as package organisers.
- Many traders claim that they are not organising packages, although, in fact they do.
- Other changes observed.
- Do not know.

- Do not know

Q3. In your view, how well is the PTD adapted to market trends, including the constant expansion of sales by online booking and of bookings on mobile devices?

- very well adapted
- reasonably well adapted
- not well adapted
- Do not know

- very well adapted

3a. Please specify the reasons and propose solutions.

Insurance Europe takes the view that the PTD is fit for purpose and ensures an appropriate level of consumer protection. In the view of travel insurers and travel insolvency insurers (surety insurers) alike, neither a change to the PTD, nor an extension of its scope is currently required in light of changing market trends.

Q4. Have you observed any of the following changes in business practices, including in contract terms, in relation to packages after the start of the COVID-19 health crisis and during crisis?

- More possibilities for travellers to make changes to the package or to terminate the contract without paying fees.
- Organisers hesitating to offer packages.
- Other changes.

- More possibilities for travellers to make changes to the package or to terminate the contract without paying fees

Definitions and scope of application

In initial feedback from stakeholders, there were comments on the scope of the PTD and the definitions, suggesting, amongst other things, that, in certain situations, it may be difficult to distinguish between packages and linked travel arrangements (LTAs).

Q5. The PTD defines 'package' as a combination of at least two different types of travel services (e.g. transport and accommodation) for the same trip or holiday where certain criteria, indicating a close link between the services, are met. What are your views on the current definition of package?

- It should be maintained.
- It should cover more combinations of travel services.
- It should cover fewer combinations of travel services.
- It should be clarified.
- Do not know.

- It should be maintained

Q6. Do you think that, through a change in the current definitions, traders that book different travel services for the same trip or holiday for travellers, even where these services are selected jointly at one point of sale, should not be liable as organisers anymore?

- Agree, even if there is an inclusive or total price for the selected travel services.
- Agree, but not if there is an inclusive or total price for the selected travel services.
- Agree, but exclusively for packages sold face-to-face (i.e. not for online bookings).
- Agree, but exclusively for small physical travel agencies (i.e. not for large physical travel agencies and not for online bookings).
- Agree, but exclusively for online bookings in the form of a "shopping basket".
- Agree, but only if there is clear information that, in such cases, travellers are not protected by the rules on packages.

Disagree.

Disagree.

Q7. *Do you consider that the definition of "click-through packages" should be maintained or changed? Click-through packages (Article 3(2)(b)(v) of the PTD): online bookings made at different points of sale which are defined as 'packages' if the trader with whom a first contract is concluded transmits the customer's name, email address and payment details to the provider of a second travel service and the second contract is concluded within 24 hours of the first contract.*

- This definition should be maintained because such 'click-through' bookings address a booking model that should be regulated and qualified as a package.*
- This definition should be maintained, but transfer of payment details from one trader to a second trader should not be required in order to consider more combinations as packages.*
- This definition should be repealed, as it has no or very limited practical value or is difficult to apply in practice.*
- Other changes should be made to this definition.*
- Do not know.*

This definition should be maintained because such 'click-through' bookings address a booking model that should be regulated and qualified as a package.

Q8. *Currently, combinations of accommodation and tourism services other than transport or car rental are not considered as packages, i.e. are exempted from the PTD, if the value of the other tourism service(s) (e.g., massages and other spa services at a hotel) is below 25% of the overall value of the combination. Do you think that such combinations of travel services should be exempted from the PTD even if the value of the other tourism services is higher than 25% of the total price?*

- Yes, they should be exempted.*
- No, they should not be exempted.*
- No, they should not be exempted, but the rules should be amended otherwise.*
- Do not know.*

Yes, they should be exempted.

Q9. *Would you like to propose any other changes to the definitions of 'traveller', 'travel service', 'package' or the scope of the PTD? If so, please explain.*

N/A

Cancellations, liquidity and reimbursements

The Package Travel Directive (PTD) allows travellers to terminate the package travel contract at any time before the start of the package and receive a refund of any payments made minus an appropriate termination fee. In addition, travellers (and organisers) have the right to terminate the package travel contract where its performance is significantly affected by 'unavoidable and extraordinary circumstances' (Article 12(2), Article 12(3) and Article 3(12) PTD). In such cases, travellers are entitled to a full refund of their pre-payments within 14 days without any termination fee.

The COVID-19 pandemic led to mass cancellations of trips, but often travellers received refunds much later or had to accept vouchers instead of refunds. Organisers invoked liquidity problems caused by the COVID-19 pandemic and that they were unable to reimburse travellers because they had not received refunds from service providers, such as airlines. Furthermore, there were sometimes disagreements between organisers and travellers on whether a cancellation was justified.

There are no provisions in the PTD on the possibility to offer vouchers and their characteristics and, consequently, no requirement to provide insolvency protection for vouchers. In its Recommendation (EU) 2020/648 of 13 May 2020, the Commission developed principles to make vouchers more attractive for travellers, e.g. by providing insolvency protection for them.

Q10. Do you support any of the following statements on cancellation rights for packages?

- The current rules on cancellation rights are sufficiently clear.
- The current rules on cancellation rights could be better explained through non-binding guidance.
- The current rules on cancellation rights are not sufficiently clear and should be amended.
- Do not know.

- The current rules on cancellation rights are sufficiently clear.

Q11. Should the PTD specifically regulate the consequences of 'official travel warnings', e.g. their legal value in connection with cancellations because of unavoidable and extraordinary circumstances?

- Yes
- No
- Other views

- No

Q12. Should the PTD specify that organisers may issue vouchers instead of a refund within 14 days provided that (a) travellers agree, (b) that there is a guarantee that travellers will receive their money back if the voucher is not used within its validity period, and (c) that vouchers have to be protected against the insolvency of the issuer?

- Yes.
- No.
- Do not know.

- No

Q. 13. According to the PTD, travellers have to be informed about the identity of the organiser of the package. If the contract is terminated, the organiser is obliged to refund any pre-payments to travellers. Where a package is sold via a retailer, some Member States provide that retailers are responsible for refunds as well. However, in practice, travellers may not always understand the role of different traders and which trader is responsible for a refund. Which of the following statements do you support?

- The current rules are clear enough and do not need to be amended.
- Both organisers and retailers should be legally liable for refunds in all Member States.
- Traders should be obliged to inform travellers clearly which trader is acting as an organiser, retailer or service provider in connection with a package and about their obligations towards travellers.
- Do not know.

- The current rules are clear enough and do not need to be amended.

Q14. Under the PTD, where a package travel contract is terminated by the organiser or the traveller, organisers, and not the individual service providers, must reimburse package travellers, since organisers are responsible for packages as a whole and since travellers may not know the price of individual services. Following the same logic, the Air Passenger Rights Regulation (EC) No 261/2004, confirms that, where a flight is part of a package which is not carried out, the organiser and not the air carrier is responsible for reimbursing travellers. At the same time, some organisers claim that it is difficult for them to reimburse package travellers if they do not receive refunds from service providers. In this context, which of the following statements do you support, if any?

- No change should be made to the current rules.
- Package travellers should obtain a direct right to a refund against service providers, such as airlines or hotels. Service providers should be able to refuse the refund if they have already paid the refund to the organiser.
- Organisers should have the right to a refund against service providers, such as airlines or hotels, within a specific deadline, to enable them to reimburse travellers.
- Organisers should have the right to a refund against service providers, such as airlines or hotels, within a specific deadline, to enable them to reimburse travellers, but only where the services concerned have been cancelled by the service providers.
- Other changes should be made.

- No change should be made to the current rules.

Q15. Currently, where package travel contracts are terminated because of unavoidable and extraordinary circumstances, the period for refunds is 14 days from the termination of the contract. This period is consistent with other EU consumer protection acts. By contrast, refund periods for stand-alone tickets cancelled by the transport service provider vary between seven days and one month, depending on the means of transport. Which of the following statements do you support, if any?

- The current 14-day period in the PTD should be maintained for all packages.
- The refund period for packages should depend on the means of transport included in a package and correspond to the periods applicable to stand-alone tickets in relation to the relevant means of transport.
- Neither of the two statements above.

- The current 14-day period in the PTD should be maintained for all packages.

4. Insolvency protection, pre-payments and preparation for a liquidity crisis

The PTD leaves it to Member States to determine the details of their insolvency protection systems, including the choice of a public or a private travel guarantee fund(s) or a system based on insurance policies or bank guarantees. However, the PTD includes criteria for the effectiveness of the national systems, and, during the transposition of the PTD, the Commission had regular exchanges with the Member States on how to ensure effective insolvency protection.

Following the Thomas Cook insolvency in 2019 and in the context of the COVID-19 pandemic, questions about potential gaps in some national insolvency protection systems and the availability of insurance solutions have appeared. Furthermore, initial feedback from stakeholders suggests that unlimited guarantees may not always be realistic.

Therefore, further harmonisation, additional mechanisms and/or restrictions on pre-payments, as well as ways to ensure refunds in a liquidity crisis, may be explored.

Q. 16. In your view, are the insolvency protection standards for organisers (and, where applicable, retailers) considerably lower in some Member States as compared to other ones?

- Yes
- No
- Do not know

- Do not know

16a. Please provide examples.

There is great variation in how insolvency protection is organised across member states, and it is often tailored to local circumstances and practices. This is why insurers welcome the fact that the Directive allows for the necessary flexibility in terms of how it is implemented at national level.

Q17. *In your view, do the remaining differences between the national insolvency protection systems have any of the following consequences?*

- Insufficient protection of travellers in some Member States.*
- Unfair competition within the internal market.*
- They can influence the decision of companies where to conduct their business or where to organise their insolvency protection.*
- Other consequences.*
- Do not know.*

- Do not know.*

Q18. *Concerning the effectiveness and robustness of national insolvency protection systems, which of the following suggestions do you support?*

- The current rules of the PTD are appropriate and should not be changed.*
- The Commission should enforce the rules better in relation to the Member States.*
- The national insolvency protection systems should be further harmonised.*
- A back-up system (e.g. a fund) at EU-level should be created as a safety net for cases where the insolvency protection of an organiser is insufficient to cover all refunds and repatriations, even if there is no general crisis.*
- Other suggestions.*

- The current rules of the PTD are appropriate and should not be changed.*

Q19. *Currently, the PTD requires organisers to obtain security for the refund of all payments from travellers 'where the relevant services are not performed as a consequence of the organiser's insolvency'. This protection does not necessarily cover refund rights or vouchers issued before an organiser becomes insolvent. With which of the following statements do you agree?*

- Refund rights against an organiser should be protected in case of insolvency.*
- Vouchers issued by organisers should be protected in case of insolvency.*
- Claims for price reduction or compensation for improper performance existing before an organiser becomes insolvent should be protected in case of insolvency.*
- None of the above. The existing insolvency protection is sufficient. An extension of the protection would imply excessive costs.*

- None of the above. The existing insolvency protection is sufficient. An extension of the protection would imply excessive costs.*

Q20. *Do you see any other possibilities to improve the effectiveness, efficiency and sustainability of insolvency protection under the PTD? If so, please explain.*

N/A

Q21. *In your experience, to what extent do protection mechanism through payment systems, for instance credit cards (charge backs) and systems such as PayPal, contribute to protecting payments from package travellers where contracts are terminated or where an organiser becomes insolvent?*

- Large contribution*
- Moderate contribution*
- Works only in specific situations.*
- Depends on the Member State concerned.*

- Depends on the Member State concerned.*

Q22. *Restrictions on pre-payments for packages and LTAs before the performance of the service could reduce the need for insolvency protection and problems related to refunds. At the same time, they may increase costs for travellers. Which of the following statements do you support?*

- Pre-payments for packages and LTAs should be prohibited completely.*
- Pre-payments for packages and LTAs should be limited to a maximum of 20% at the time of booking. The rest would be paid shortly before departure (e.g. 3 days in advance).*
- Pre-payments for packages and LTAs should be limited to 50% and to be paid at the earliest one month before departure. The rest would be paid shortly before departure (e.g. 3 days in advance).*
- Package organisers should give travellers the option of deferring payment until shortly before departure.*
- Other restrictions should be introduced.*
- There should be no prohibitions or limitations of prepayments for packages.*
- Do not know.*

- Pre-payments for packages and LTAs should be limited to a maximum of 20% at the time of booking. The rest would be paid shortly before departure (e.g. 3 days in advance).

22a. Possibility to provide further comments.

The limitation of pre-payments is an appropriate means to facilitate the insurability of travel organisers. Limitation of pre-payments also reduces the exposure of travelers. Therefore, pre-payments should be generally restricted to an amount which is legally justified

Q22b. *Do you agree that pre-payments for packages should be prohibited only if other travel service providers, including airlines and other carriers, are subject to similar restrictions?*

- Yes
- No

- No

Q23. *Do you support the idea of a crisis fund, to ensure that organisers have enough liquidity to be able to grant timely refunds for package travellers in case of mass cancellations due to unavoidable and extraordinary circumstances?*

- Yes. The PTD should require the Member States to create national crisis funds.*
- Yes. A crisis fund should be created at EU-level. Other ideas to address a liquidity crisis .*
- No such fund is necessary. The existing rules in the PTD, plus ad hoc State aid measures by the Member States, are sufficient.*
- No. The costs to travellers of such a fund would outweigh the possible benefits.*

- No such fund is necessary. The existing rules in the PTD, plus ad hoc State aid measures by the Member States, are sufficient.

Q24. *If a national or an EU crisis fund to ensure timely refunds for package travellers were to be created, who should contribute to it?*

- Organisers (and, where appropriate, retailers) through regular contributions.*
- All package travellers with a mandatory contribution per package.*
- Providers of travel services (e.g. transport and accommodation) forming part of a package, insofar as they receive pre-payments.*
- Intermediaries, including online platforms, insofar as they receive pre-payments for a package.*
- Traders established in non-EU/EEA Member States offering packages in the EU/EEA, based on relevant EU/EEA turnover or turnover in the relevant Member State(s).*
- Each Member State through financing with public funds, in full or in part.*

- The Member States jointly via an EU fund.
- Other parties.

N/A

24a. Possibility to provide further comments.

No EU crisis fund is necessary. The existing rules in the PTD, plus member states' measures, are sufficient.

Q25. *If an organiser becomes insolvent during the trip or holiday, the PTD guarantees the repatriation of travellers. In addition, the PTD states that 'continuation of the package may be offered'. Should the PTD refer to continuation of the holiday as standard solution, so that repatriation before the planned end of the holiday should take place only where continuation is impossible or very difficult?*

- Yes.
- No. The PTD provides sufficient flexibility for appropriate solutions.

Linked Travel Arrangements (LTAs)

LTAs were created as a category between packages and stand-alone travel services. There are two types of LTAs defined in Article 3(5)(a) and (b), relating to different booking scenarios. (See this flowchart for more information.)

In contrast to packages, no trader is responsible for the performance of the trip or holiday as a whole and most rights applicable to packages do not apply. Travellers benefit from insolvency protection (Article 19(1)) if the trader facilitating the LTA receives pre-payments from travellers (which is not always the case) and for as long as that trader has not forwarded the money to a service provider. Repatriation is included if the trader facilitating the LTA is a carrier.

In relation to potential LTAs, travellers must be informed through compulsory forms in Annex II to the PTD that the rules on packages do not apply but that their payments to the trader facilitating the LTA will benefit from insolvency protection.

According to initial feedback, there are concerns that the rules on LTAs may be too complex, difficult to enforce and confusing for travellers.

Both types of LTA are considered separately in the questions below, except for the last question.

Q26. *According to Article 3(5)(a) of the PTD, there is a 'linked travel arrangement' (LTA) if the traveller books different types of travel services on the occasion of a single visit or contact with a point of sale (e.g. a travel agency or an online booking site) but selects and pays for the services separately (e.g. first for a flight and then hotel accommodation, or vice versa). Do you think that the provisions on this type of LTA have improved the protection for travellers, while contributing to fair competition?*

- Yes, they have.
- No, they have not. (Possible reasons can be indicated in the next question.)

- Yes, they have.

Q27. *Should any changes be made to the rules on LTAs as defined in Article 3(5)(a) of the PTD?*

- No changes are necessary, since the current rules are sufficiently clear and effective.
- There should be a definition or official guidance on the criterion 'single visit or contact', to better distinguish LTAs from mere stand-alone services.
- In the information forms (Annex II, Parts A, B and C), travellers should be informed about insolvency protection before concluding the contract only in cases where they will actually benefit from such protection, in order to avoid false expectations.

- Where travellers benefit from insolvency protection, they should receive confirmation on this protection and its limits after the conclusion of the contract (currently such information is not compulsory), so that they can invoke it, if necessary.
- This type of LTA should be abandoned without any substitute rules.
- Other changes
- Do not know.

- No changes are necessary, since the current rules are sufficiently clear and effective.

Q28. Under Article 3(5)(b) of the PTD, there is a 'linked travel arrangement' (LTA) where, after the traveller booked a travel service with one trader, that trader (e.g. a carrier) facilitates in a targeted manner the booking of at least one additional travel service from another trader, and if an additional booking occurs within 24 hours after the confirmation of the first booking. In contrast to Article 3(5)(a) PTD, bookings are made at two or more points of sale (e.g. websites).

According to initial feedback from stakeholders, this LTA-model is rarely used in practice as it is often not clear when the facilitation is considered as 'targeted' and since traders facilitating such LTAs often do not receive information from other traders that a second booking was made within 24 hours. In addition, travellers often have no evidence showing that an LTA was formed and whether they are entitled to insolvency protection.

Do you think that the provisions on this type of LTA (Article 3(5)(b) PTD) have improved the protection for travellers, while contributing to fair competition?

- Yes, they have.
- No, they have not. (Possible reasons can be indicated in the next question.)

- Yes, they have.

Q29. Should any changes be made to the rules regarding LTAs as defined in Article 3 (5)(b) of the PTD?

- No changes are necessary, since the current rules are sufficiently clear and effective.
- A definition or official guidance should be provided on how to interpret the criterion 'facilitates in a targeted manner'.
- The obligation for traders with whom a traveller makes a second booking within 24 hours to inform the trader facilitating an LTA about the second booking should be enforced.
- Traders should be obliged to confirm to travellers that an LTA has been formed if there is insolvency protection, so that travellers can invoke this right, if necessary.
- This type of LTA should be abandoned and/or be replaced with simpler rules (Please see Q30 below.)
- This type of LTA should be abandoned without any substitute rules. Other changes.
- Do not know.

- No changes are necessary, since the current rules are sufficiently clear and effective.

Q30. If in Q27 and/or Q29 you indicated that the LTA concept under Article 3(5)(a) and/or (b) should be abandoned and/or be replaced with simpler rules, which aspects would you consider important in this context?

- Whether, as under the current rules, traders remain obliged to inform travellers that further bookings will not lead to the creation of a package (so that travellers can make an informed choice).
- Whether general pre-contractual information requirements exist for all traders assisting in the booking of travel services (e.g. an obligation to identify the liable party and specify who receives the traveller's payments).
- Whether transport providers (e.g. airlines) will become obliged to take out insolvency protection, independently of whether they facilitate the booking of LTAs (The Commission is assessing options for adequate financial protection of passengers against the risk of a liquidity crisis or an insolvency regarding the reimbursement of tickets and, if needed, repatriation, in connection with its Smart and Sustainable Mobility Strategy).

- Whether all traders assisting in the booking of travel services and receiving pre-payments become obliged to obtain insolvency protection.
- Other factors.
- Do not know.

N/A

Other questions

- Q31.** *Should the PTD be amended with the aim to reduce the environmental impacts of travel and tourism?*
- No new rules are necessary in the PTD. Environmental impacts of travel and tourism should be addressed in sector-specific legislation, e.g. on transport.
 - The PTD should oblige traders to inform travellers about the environmental footprint of packages before booking.
 - There should be information on the environmental footprint of packages (as in the previous option). In addition, the PTD should help reduce the environmental impacts of travel and tourism also in other ways.

- No new rules are necessary in the PTD. Environmental impacts of travel and tourism should be addressed in sector-specific legislation, e.g. on transport.

- Q32.** *Should there be EU rules on professional liability insurance for package organisers, covering, for instance, compensation claims and the risk of having to replace travel service providers?*

- Yes
- No

- No

- Q33.** *Do you see any other aspects not mentioned above which should be regulated in the PTD to enhance consumer protection and/or the functioning of the internal market? Please explain.*

N/A

- Q34.** *The PTD requires Member States to have adequate and effective means to ensure compliance and to ensure that penalties must be effective, proportionate and dissuasive (Articles 24 and 25), but contains no further details. Other consumer protection directives¹ oblige Member States to lay down specific rules on penalties, including fines for widespread cross-border infringements with a maximum amount of at least 4% of the trader's annual turnover in the Member State(s) concerned.*

What should be done to improve the enforcement of the PTD in all Member States?

- There is no need for additional provisions on enforcement and fines in the PTD.
- There should be specific rules on penalties also for infringements of national provisions transposing the PTD.
- There should be fines for widespread cross-border infringements with a maximum amount of at least 4% of the trader's annual turnover in the Member State(s) concerned.
- Other measures should be taken to improve the enforcement of the PTD.

- There is no need for additional provisions on enforcement and fines in the PTD.

¹ See Directive (EU) 2019/2161 of the European Parliament and of the Council of 27 November 2019 amending Council Directive 93/13/EEC and Directives 98/6/EC, 2005/29/EC and 2011/83/EU of the European Parliament and of the Council as regards the better enforcement and modernisation of Union consumer protection rules, OJ L 328, 18.12.2019, p. 7

Additional questions for providers of insolvency protection

Q65. *Since July 2018, have you noticed an increase of the amounts paid for insolvency protection (e.g. higher volume of contributions to guarantee funds, additional insurance contracts or extension of existing contracts etc.) due to the broader definition of packages or the new insolvency protection obligation for some LTAs?*

- Yes. Significant increase due to the broader definition of packages.*
- Yes. Significant increase due to the introduction of LTAs.*
- Yes. Significant increase due to both the broader definition of packages and the introduction of LTAs.*
- Yes. Significant increase, but not clear whether this is due to the broader definition of packages or the introduction of LTAs.*
- No significant increase.*

- Yes. Significant increase due to the introduction of LTAs.*

65a. Possibility to provide further comments.

The introduction of LTAs has led to a growth in the number of companies that have to protect themselves against the risk of insolvency. This increase cannot, however, yet be quantified.

Q66. *Please describe the effect of the Thomas Cook insolvency on providers of insolvency protection.*

Thomas Cook's insolvency has led to the adoption of new rules in some markets. For example, in Germany new legislative requirements for insolvency protection came into force in November 2021.

Q67. *Please describe the effect of the COVID-19 health crisis on insolvency protection for packages, including cover to be provided (including for cancellation refunds and vouchers), costs, the number of insolvencies and other challenges.*

The COVID-19 pandemic led to considerable economic problems for package travel operators. These economic problems persist which dramatically increases the risk of insolvency and consequently make insolvency protection more difficult. This development has led to a further reduction of insurers offering insolvency protection.

The scope of insurance cover against pandemic risks varies in the typical travel insurance lines (luggage, cancel, interruption, health). The market is developing very dynamically and offers additional packages depending on the desired cover. This also applies to the question of whether the risks of the pandemic are insured. Regardless of this, unexpected serious illnesses, for example a broken leg, are of course insured – even during the pandemic. It should also be noted when insuring against pandemic risks that the package traveller is already protected by the PTD.

Q68. *How would you assess the impact on the existing insolvency protection systems if refund rights (existing before the insolvency of an organiser/retailer) and vouchers had to be covered permanently by insolvency protection?*

Insolvency protection should not be extended to refunds and vouchers. The PTD rules on insolvency are fit for purpose and ensure an appropriate level of coverage.

Q69. *What rules could be added to the PTD to make the insolvency protection systems more effective, efficient and sustainable?*

In the view of travel insolvency insurers (surety insurers), neither a change to the PTD, nor an extension of its scope, is currently required.

Q70. *Would an EU-Fund (privately and/or publicly funded), as a support mechanism for the national insolvency protection systems, be a good idea, and, if so, under what conditions, and how should the contributions to it be organised?*

No, there is no need for an EU support mechanism. The current insolvency protection system works well in practice.

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