

MEMORANDUM

PAC/RESO/1095

To: All Members, Passenger Agency Conference
Accredited Representatives

From: Executive Director, Financial Services, BSP & CASS

Date: 27 April 2026

Subject: **MAIL VOTE (A727)**
PAC123 (Mail A727)
Updates to Resolutions 850p and 866- Sunsetting of the Global Default Insurance (GDI)

Submitted by IATA

Background Information

Global Default Insurance (GDI) was introduced by IATA in 2017 as part of its broader modernization initiative, NewGen ISS (New Generation of IATA Settlement Systems). GDI offers a flexible alternative to traditional financial security instruments such as bank guarantees and insurance bonds. It is accepted by IATA from Agents during the accreditation process to meet financial security requirements.

Traditional financial security types were often costly and rigid. The introduction of GDI aimed to create a more inclusive, secure, and adaptable financial ecosystem.

However, despite initial expectations for widespread adoption, GDI usage by agencies has declined over the past year. In September 2025, only 239 policies remained active out of a total of 25,828 financial securities - no longer justifying the significant maintenance efforts required from IATA.

In addition, the way the Resolution wording portrays the GDI as a globally accepted form of coverage has created expectations that have not materialized, leading to dissatisfaction among the Travel Agent community.

PSG/137 endorsed the sunsetting of the GDI, ensuring that affected agents receive sufficient notice and communication of the change.

It was also noted that Resolution changes would be required to remove any reference to GDI. The proposal, together with the corresponding Resolution amendments, was subsequently presented and discussed during the PSG/138 online meeting, where the PSG members endorsed it.

Effective Date

The proposed effective date of these changes is 1 July 2026.

Proposed Action

Conference to adopt the changes to the Resolutions 866 and 850p as per Attachment 'A'.
The timetable for this Mail Vote is as follows:

Voting Period: 27 April -11 May

Filing Period: 12 - 26 May

Effectiveness: 1 July 2026

To cast a vote, Members are asked to access the application from the following link:
[2026 First mail vote cycle – Fill out form](#)

Please note that no other form of voting will be accepted. Voting will conclude at close of business MAD time on **Monday, 11 May 2026**. Votes not cast by that deadline will be deemed to be affirmative.

In conformity with the Mail Vote procedure endorsed by PAConf in October 2009, this Mail Vote has been provided in advance to representatives of the agency associations ECTAA, UFTAA and WTAAA for review and/or comment.

No comments were received.

Any Member seeking clarification on any aspect of the mail vote or the mail vote process is invited to contact the IATA Passenger Governance team by email to pac-gov@iata.org.

A handwritten signature in black ink, appearing to read 'J. Rodriguez', with a large, sweeping flourish above the name.

Juan Antonio Rodriguez
Executive Director, Financial Services, BSP & CASS
PAConf & PSG Secretary

RESOLUTION 850p

[...]

2. ACCEPTABLE FINANCIAL SECURITY TYPES

2.1 The following individual financial security types provided by a Bank:

2.1.1 Bank Guarantee

2.1.2 Standby Letter of Credit

2.1.3 Letter of Credit

2.2 The following individual financial security types provided by a Provider:

2.2.1 Insurance bond

2.2.2 Surety bond

2.3 Default Insurance Programme

~~2.4 Global Default Insurance~~

~~2.45~~ 2.5 Cash Deposit

~~2.56~~ Any Provider of the acceptable financial security types in 2.2–2.3 is required to meet the criteria as referred to in section 3 of Resolution 850p.

~~2.67~~ Any Provider of the acceptable financial security type under 2.4 is required to meet the criteria referred to in section 4 of Resolution 850p.

[...]

~~4. EVALUATION OF THE GLOBAL DEFAULT INSURANCE AND PROVIDERS~~

~~4.1 IATA will establish criteria for the evaluation of the Global Default Insurance and Providers. The criteria will be subject to review and amendment by IATA annually or more frequently as may be necessary due to changes in the insurance market or the Providers.~~

~~4.2 IATA will assess the performance of the Global Default Insurance and Providers considering the annual renewal process.~~

~~4.3 The results of the annual evaluation will be reported to the Passenger Agency Conference Steering Group and subsequently to the Passenger Agency Programme Global Joint Council.~~

RESOLUTION 866

DEFINITIONS OF TERMS USED IN PASSENGER AGENCY PROGRAMME RESOLUTIONS

[...]

SECTION 1—DEFINITIONS OF TERMS USED IN ALL RESOLUTIONS

[...]

FORM OF CONCURRENCE means that form to be completed by non-IATA air carriers wishing to participate in IATA Billing and Settlement Plans as provided for by Resolution 850 Attachment 'E'.

GENERAL SALES AGENT (sometimes referred to as 'GSA') means, for the purposes of the Sales Agency Rules, any Person to whom a Member or a non-IATA carrier has delegated general authority to represent it for purposes of sales of passenger and/or cargo air transportation in a defined territory. This may include a non-Airline GSA appointed under the provisions of Resolution 876.

~~**GLOBAL DEFAULT INSURANCE** means an insurance policy issued in the name of IATA to cover the liabilities of the listed Agents as defined in the policy. For each Agent a maximum coverage amount will be specified.~~

GLOBAL DISTRIBUTION SYSTEM (sometimes referred to as 'GDS') means a computerised system containing information about schedules, availability, fares and related services, and through which reservations can be made, or tickets issued, and which makes some, or all, of these facilities available to subscribers.

HEAD OFFICE LOCATION means an Accredited Agent's principal place of business which is an Approved Location.

HINGE ACCOUNT means the bank account into which agents' remittances are paid and from which monies are distributed to participating Airlines.

IATA means the International Air Transport Association and is represented by the Agency Administrator.

IATA AGENCY PROGRAMME see Agency Programme.

[...]