



## **SAFETY DECISION 14-2016**

**Issued: 4<sup>th</sup> December 2016**

**Revision 01 (CORRECTED)**

### **SUBJECT**

MINIMUM INSURANCE REQUIREMENTS FOR AIRCRAFT OPERATORS

### **APPLICABILITY**

1. The requirements stipulated in this Safety Decision shall apply to all aircraft operators flying within, into, out of, or over the territory of the UAE.
2. The requirements stipulated in this Safety Decision shall not apply to:
  - a. State aircraft as referred to in Article 3(b) of the Convention on International Civil Aviation, signed at Chicago on 7 December 1944;
  - b. model aircraft with an MTOM of 25 kg or less;
  - c. aircraft qualified as light sport aircraft and falling under CAR PART II Chapter 11;
  - d. kites;
  - e. parachutes (including parascending parachutes);

### **DATE OF APPLICABILITY:**

15<sup>st</sup> December 2016

### **REASON FOR REVISION**

The purpose of this revision is to:

1. simplify the requirements structure without changing the intent; and
2. introduce conditional flexibility provisions for aircraft operators operating aircraft as referred to in Section "APPLICABILITY".

**This correction to revision 1 is made to correct the date of issue, date of applicability and a formatting issue.**



## PURPOSE

This Safety Decision aims to:

1. cancel and supersede IB 06-2010 after amendment of on the value in respect of baggage and cargo liabilities.
2. inform all UAE and Foreign Aircraft Operators on the minimum insurance requirements laid down in attachment A herein after in respect of liability for passengers, baggage and cargo and third-party.
3. ensure a proper minimum level of insurance as reviewed by the International Civil Aviation Organization (ICAO) by reference to the inflation factor that corresponds to the accumulated rate of inflation since the date of entry into force of the Montreal Convention which the UAE is one of the State parties.

## BACKGROUND

The UAE concluded the Convention for the Unification of Certain Rules Relating to International Carriage by Air, agreed at Montreal on 28 May 1999 (Montreal Convention), which lays down new rules on liability in respect of the international carriage by air of persons, baggage and cargo. These rules are expected to replace those of the Warsaw Convention of 1929 and its subsequent amendments.

Article 50 of the Montreal Convention requires parties to ensure that air carriers are adequately insured to cover liability under that Convention. Warsaw Convention of 1929 and its subsequent amendments will continue to exist alongside the Montreal Convention for an indefinite period. Both Conventions provide for the possibility of unlimited liability.

Article 7(6) of Federal Law (20) of 1991 establishing the UAE Civil Aviation law requires aircraft Operators to be insured to cover liability in case of accidents, in particular in respect of passengers, baggage, cargo, mail and third parties, albeit without specifying minimum amounts and conditions of insurance.

It is, then, necessary to define minimum insurance requirements to cover passengers, baggage, cargo and third parties for aircraft operators flying within, into, out of, or over the territory of the UAE, including its territorial waters.

## DEFINITIONS

- 'aircraft operator' means an operator undertaking an air transport activity with a valid Air Operator Certificate or equivalent document;



- 'UAE aircraft operator' means an operator undertaking an air transport activity with a valid Air Operator Certificate or equivalent document granted by GCAA in accordance with applicable CAR-OPS;
- 'foreign aircraft operator' means an operator undertaking an air transport activity with a valid Air Operator Certificate or equivalent document granted by a State other than UAE;
- 'flight' means:
  - with regard to passengers and unchecked baggage, the period of transport of the passengers by aircraft including their boarding and disembarkation,
  - with regard to cargo and checked baggage, the period of transport of baggage and cargo from the moment the baggage or cargo is handed to the air carrier until the moment of delivery to the entitled recipient,
  - with regard to third parties, the use of an aircraft from the moment when power is applied to its engines for the purpose of taxiing or actual take-off until the moment when it is on the surface and its engines have come to a complete stop; additionally, it shall mean the moving of an aircraft by towing and push-back vehicles or by powers which are typical for the drive and the lift of aircraft, particularly air streams;
- 'SDR' means a Special Drawing Right as defined by the International Monetary Fund;
- 'MTOM' means the Maximum Take Off Mass, which corresponds to a certified amount specific to all aircraft types, as stated in the certificate of airworthiness of the aircraft;
- 'passenger' means any person who is on a flight with the consent of the air carrier or the aircraft operator, excluding on-duty members of both the flight crew and the cabin crew;
- 'third party' means any legal or natural person, excluding passengers and on-duty members of both the flight crew and the cabin crew;
- 'commercial operation' means an operation for remuneration and/or hire.

## **PRINCIPLES OF INSURANCE**

### **Mandatory Requirement 1:**

- (a) Aircraft operators operating aircraft referred to in Section "APPLICABILITY" shall be insured in accordance with this Safety Decision (paragraphs (b) and (c) below) as regards their aviation-specific liability in respect of passengers, baggage, cargo and third parties.*
- (b) The requirements contained in ATTACHMENT A shall be complied with for insurance certificates or other evidences of valid insurance which have been first issued, amended, or renewed on or after 1<sup>st</sup> May 2017.*
- (c) Notwithstanding (b) above, insurance certificates or other evidences of valid insurance which have been first issued, amended, or renewed before 1<sup>st</sup> May 2017 may remain valid until 1<sup>st</sup> January 2018 if in compliance with ATTACHMENT B.*



30 <sup>th</sup> April 2017>	<1 <sup>st</sup> May 2017 <-> 31 <sup>st</sup> December 2017>	<1 <sup>st</sup> January 2018
All insurance certificates or other evidences of valid insurance shall comply with ATTACHMENT A or ATTACHMENT B.	All insurance certificates or other evidences of valid insurance first issued, amended, or renewed within this period shall comply with ATTACHMENT A.  All insurance certificate or other evidence of valid insurance established in accordance with ATTACHMENT B before 1 <sup>st</sup> May 2017 shall remain acceptable to the GCAA until 1 <sup>st</sup> January 2018.	All insurance certificates or other evidences of valid insurance shall comply with ATTACHMENT A regardless of their first date of issued, date of amendment, or date of renewal.

**Mandatory Requirement 2:**

*On or after date of applicability of this Safety Decision, Aircraft operators operating aircraft referred to in Section "APPLICABILITY" shall:*

- (a) ensure that any insurance certificate or other evidence of valid insurance first issued, amended, or renewed to comply with the requirements of ATTACHMENT A includes a declaration indicating that the minimum insurance values prescribed by this Safety Decision are complied with; and*
- (b) ensure a copy of the insurance certificate or other evidence of valid insurance is carried on board the aircraft.*

**Mandatory Requirement 3:**

*On and after date of applicability of this Safety Decision, Aircraft operators operating aircraft referred to in Section "APPLICABILITY" shall:*

- (a) demonstrate by the supply to the GCAA of a deposit of an insurance certificate or other evidence of valid insurance; and*
- (b) notify the GCAA of any change to their insurance coverage that may impact their level of compliance.*

*This requirement does not apply to Aircraft Operators holding an AOC or equivalent authorisation issued by a foreign State.*



## **ENFORCEMENT AND SANCTIONS**

Sanctions for infringement of these above mentioned requirements shall be those stated in the Federal Act No. 20 of 1991 and applicable Civil Aviation Regulations.

With regard to UAE aircraft operators, these sanctions may include the withdrawal of the operating licence, subject to and in accordance with the relevant provisions of UAE Civil Aviation law.

With regard to foreign aircraft operators using aircraft registered outside the UAE, the sanctions may include refusal of the right to land on the territory of the UAE.

Where the GCAA is not satisfied that the conditions of this Safety Decision are met, the GCAA may not allow an aircraft to take off, before the aircraft operator has produced evidence of adequate insurance cover in accordance with this Safety Decision.

## **AMENDMENT OF VALUES SET IN THIS SAFETY DECISION**

The values referred to in this Section may be amended, as appropriate, where amendments in the relevant international treaties indicate the necessity thereof.

## **CONTACTS:**

- Aircraft Operators holding an AOC or equivalent authorisation issued by the GCAA:  
[airworthiness@gcaa.gov.ae](mailto:airworthiness@gcaa.gov.ae)
- Aircraft Operators holding an AOC or equivalent authorisation issued by a foreign State:  
[foa@gcaa.gov.ae](mailto:foa@gcaa.gov.ae)



## ATTACHMENT A – NEW MINIMUM INSURANCE VALUES

The insured risks shall include acts of war, terrorism, hijacking, acts of sabotage, unlawful seizure of aircraft and civil commotion.

### INSURANCE IN RESPECT OF LIABILITY FOR PASSENGERS, BAGGAGE AND CARGO

For liability in respect of passengers, the minimum insurance cover shall be 250,000 SDRs per passenger. However, in respect of non-commercial operations by aircraft with a MTOM of 2,700 kg or less, the GCAA may accept a lower level of minimum insurance cover, provided that such cover is at least 100 000 SDRs per passenger.

For liability in respect of baggage, the minimum insurance cover shall be 1131 SDRs per passenger in commercial operations.

For liability in respect of cargo, the minimum insurance cover shall be 19 SDRs per kilogram in commercial operations.

This Section shall not apply with respect to flights over the territory of the UAE carried out by non-UAE aircraft operators using aircraft registered outside the UAE which do not involve a landing on, or take-off from, the territory of the UAE.

### INSURANCE IN RESPECT OF LIABILITY FOR THIRD PARTIES

In respect of liability for third parties, the minimum insurance cover per accident, for each and every aircraft, shall be:

Category	Aircraft Mass (MTOM-Kgs)	Minimum Insurance Coverage-SDRs
1	MTOM≤500	750,000
2	500<MTOM≤1,000	1,500,000
3	1,000<MTOM≤2,700	3,000,000
4	2,700<MTOM≤6,000	7,000,000
5	6,000<MTOM≤12,000	18,000,000
6	12,000<MTOM≤25,000	80,000,000
7	25,000<MTOM≤50,000	150,000,000
8	50,000<MTOM≤200,000	300,000,000
9	200,000<MTOM≤500,000	500,000,000
10	MTOM>500,000	700,000,000



If at any time insurance cover for damage to third parties due to risks of war or terrorism is not available to any aircraft operator on a per-accident basis, such aircraft operator may satisfy its obligation to insure such risks by insuring on an aggregate basis. The GCAA will closely monitor the application of this provision to ensure that such aggregate is at least equivalent to the relevant amount set out in the table.



## ATTACHMENT B – EXISTING MINIMUM INSURANCE VALUES

The insured risks shall include acts of war, terrorism, hijacking, acts of sabotage, unlawful seizure of aircraft and civil commotion.

### INSURANCE IN RESPECT OF LIABILITY FOR PASSENGERS, BAGGAGE AND CARGO

For liability in respect of passengers, the minimum insurance cover shall be 250,000 SDRs per passenger. However, in respect of non-commercial operations by aircraft with a MTOM of 2,700 kg or less, the GCAA may accept a lower level of minimum insurance cover, provided that such cover is at least 100 000 SDRs per passenger.

For liability in respect of baggage, the minimum insurance cover shall be 1000 SDRs per passenger in commercial operations.

For liability in respect of cargo, the minimum insurance cover shall be 17 SDRs per kilogram in commercial operations.

This Section shall not apply with respect to flights over the territory of the UAE carried out by non-UAE aircraft operators using aircraft registered outside the UAE which do not involve a landing on, or take-off from, the territory of the UAE.

### INSURANCE IN RESPECT OF LIABILITY FOR THIRD PARTIES

In respect of liability for third parties, the minimum insurance cover per accident, for each and every aircraft, shall be:

Category	Aircraft Mass (MTOM-Kgs)	Minimum Insurance Coverage-SDRs
1	MTOM≤500	750,000
2	500<MTOM≤1,000	1,500,000
3	1,000<MTOM≤2,700	3,000,000
4	2,700<MTOM≤6,000	7,000,000
5	6,000<MTOM≤12,000	18,000,000
6	12,000<MTOM≤25,000	80,000,000
7	25,000<MTOM≤50,000	150,000,000
8	50,000<MTOM≤200,000	300,000,000
9	200,000<MTOM≤500,000	500,000,000
10	MTOM>500,000	700,000,000



If at any time insurance cover for damage to third parties due to risks of war or terrorism is not available to any aircraft operator on a per-accident basis, such aircraft operator may satisfy its obligation to insure such risks by insuring on an aggregate basis. The GCAA will closely monitor the application of this provision to ensure that such aggregate is at least equivalent to the relevant amount set out in the table.