



INFORMATION BULLETIN

06/2010

(21 January 2010)

SUBJECT	: MINIMUM INSURANCE REQUIREMENTS IN THE UAE
ORIGINATOR	: DEPARTMENT OF AVIATION SAFETY
STATUS	: MANDATORY
ADDRESSED TO	: ALL UAE AND FOREIGN OPERATORS
DATE	: JANUARY 21, 2010

1. OBJECTIVE

- 1.1. In the interest of public protection, it is important to ensure a proper minimum level of insurance to cover liability of air carriers and aircraft operators in respect of passengers, baggage, cargo and third parties.
- 1.2. The objective of this Information Bulletin (IB) is to inform all UAE and Foreign Operators on the minimum insurance requirements for civil registered aircraft operating to/from the territory of the UAE in respect of passengers, baggage, cargo and third party liabilities.
- 1.3. This IB is considered as a Directive issued by the GCAA. Bodies concerned under Paragraph (3) of this IB shall provide evidences of compliance at or before the Implementation Plan stipulated in Paragraph (6).

2. LEGAL REFERENCES

- 2.1. Article 50 of the Montreal Convention 1999 requires ensuring that air carriers are adequately insured to cover liability under the Convention.
- 2.2. Article 7 (6) of UAE Civil Aviation Law No. 20 of 1991.

3. APPLICABILITY

- 3.1. The requirement stipulated in this IB **shall apply** to all civil registered aircraft, air carriers and aircraft operators operating to/from or overflying in the territory of the UAE.
- 3.2. The requirements stipulated in this IB **shall not apply** to State aircraft as referred to in Article 3(b) of the Chicago Convention; Model aircraft with MTOM of less than 20 kg; foot-launched flying machines (including powered paragliders and hang gliders); captive balloons; kites; parachutes (including parascending parachutes);
- 3.3. The insurance obligations relating to the risks of war and terrorism shall not be applicable in respect of aircraft, including gliders, with a MTOM of less than 500 kg, and microlights, which are used for non commercial purposes, or that are used for local flight instruction which does not entail the crossing of international borders.

4. EFFECTIVITY

The requirements as stipulated in this IB shall enter into force on 1st February 2010 and shall remain in force indefinitely unless earlier revoked, rescinded or modified.

5. DEFINITIONS

For the purpose of this IB, the following definitions apply:

- 5.1. '*Air carrier*' means an air transport undertaking with a valid Air Operator Certificate (AOC);
- 5.2. '*Aircraft operator*' means the person or entity, not being an air carrier, who has continual effective disposal of the use or operation of the aircraft; the natural or legal person in whose name the aircraft is registered shall be presumed to be the operator, unless that person can prove that another person is the operator;
- 5.3. '*Flight*' means any time from the moment when all the aircraft external doors are closed following embarkation until the moment when any such door is opened for disembarkation;
- 5.4. '*SDR*' means a Special Drawing Rights as defined by the International Monetary Fund;
- 5.5. '*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;
- 5.6. '*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;
- 5.7. '*Third party*' means any legal or natural person, excluding passengers and on-duty members of both the flight crew and the cabin crew;
- 5.8. '*Commercial operation*' means an operation for remuneration and/or hire.

6. IMPLEMENTATION PLAN

- 6.1. The Concerned Departments of Civil Aviation shall inform the GCAA before the 1st of March 2010 about the status of insurance coverage by all the air carriers and aircraft operators operating to/from its respective airport.
- 6.2. All air carriers and aircraft operators starting to operate to/from the territory of the UAE after 1st of April 2010 shall provide the GCAA with evidence of compliance with the minimum insurance requirements stated below, before commencing its operations to/from the territory of the UAE.
- 6.3. Effective from 1st of July 2010, any air carrier or aircraft operator operating to/from the territory of the UAE that has not provided the GCAA with evidence of compliance with the minimum insurance requirements stated below shall suspend their operations/services to the UAE territory until providing satisfactory evidence of conformity with the below requirements.
- 6.4. Effective from 1st of January 2011, any air carrier or aircraft operator overflying the territory of the UAE that has not provided the GCAA with evidence of compliance with the minimum insurance requirements stated below, shall not overfly the UAE territory until providing satisfactory evidence of compliance to the below requirements.

7. GENERAL REQUIREMENTS

- 7.1. The insurance shall cover aviation-specific liability in respect of passengers, baggage, cargo and third parties. Regarding passengers, baggage and cargo, insurance should include coverage for death and personal injury caused by accidents and for loss or destruction of or damage to baggage and cargo. Regarding third parties, insurance should include coverage for death, personal injury and damage to property caused by accidents.
- 7.2. All air carriers and aircraft operators shall provide the GCAA with evidence that at all times the minimum insurance requirements to cover its liability are complied with. Policies shall include an obligation from the insurer company to notify the GCAA, in advance of, any circumstance that may affect the insurance validity.
- 7.3. With respect to over-flights in the territory of the UAE by foreign registered aircraft which do not involve a landing on or take-off, the GCAA may, in accordance with the International Law, request evidence of compliance with these insurance requirements by carrying out random checks.
- 7.4. The GCAA shall be notified in advance by the air carrier or aircraft operator about any cancellation of/changes to the respective insurance cover.

8. PRINCIPLES OF INSURANCE

- 8.1. All civil registered aircraft shall be insured in accordance with the requirements as stipulated by this IB as regards their aviation-specific liability in respect of passengers, baggage, cargo and third parties. The insured risks shall include acts of war, terrorism, hijacking, acts of sabotage, unlawful seizure of aircraft and civil commotion.
- 8.2. All air carriers and aircraft operators shall ensure that insurance coverage exists for each and every flight, regardless whether the aircraft operated is at their disposal through ownership or any form of lease agreement, or through joint or franchise operations, code-sharing or any other agreement of the same nature,

9. COMPLIANCE - INSURANCE IN RESPECT OF THIRD PARTY LIABILITIES

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

Category	Aircraft Weight (MTOM - Kgs)	Minimum Insurance Coverage - SDRs
1	< 500	750,000
2	> 500 < 1,000	1,500,000
3	> 1.000 < 2,700	3,000,000
4	> 2.700 < 6,000	7,000,000
5	> 6.000 < 12.000	18,000,000
6	> 12.000 < 25.000	80,000,000
7	> 25.000 < 50.000	150,000,000
8	> 50.000 < 200.000	300,000,000
9	> 200.000 < 500.000	500,000,000
10	> 500.000	700,000,000

10. COMPLIANCE - INSURANCE IN RESPECT OF LIABILITY FOR PASSENGERS, BAGGAGE AND CARGO

10.1. All air carriers and air operators shall demonstrate compliance with the insurance requirements set out in this IB in respect of liability for passengers, baggage and cargo by providing a valid insurance certificate or other evidence of valid insurance as follows:


- i. For liability in respect of passengers, the minimum insurance coverage 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 minimum insurance cover shall be at least 100,000 SDRs per passenger.
- ii. For liability in respect of baggage, the minimum insurance coverage shall be 1000 SDRs per passenger in commercial operations.
- iii. For liability in respect of cargo, the minimum insurance coverage shall be 17 SDRs per kilogram in commercial operations.

10.2. Paragraphs (i), (ii) and (iii) above shall not apply with respect to flights over the territory of the UAE which are conducted by foreign registered aircraft and do not involve a landing or take-off

11. ENFORCEMENT AND SANCTIONS

11.1. Failure to comply with this IB may lead to the withdrawal of the operating license to the air carrier and to the refusal to land or take off from the relevant airport until the requisite insurance cover has been evidenced to the satisfaction of the GCAA.

11.2. Sanctions for infringement of the requirements as stipulated in this IB shall be those stipulated in articles 68 and 69 of the UAE Civil Aviation Law No. 20 of 1991 and the applicable Civil Aviation Regulations.



P.P.
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Director General