# UNITED KINGDOM

# AERONAUTICAL INFORMATION CIRCULAR

**AIC 46/2005**
**(Yellow 170)**
**26 May**

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Content: 020-7453 6330 (CAA - Airline Licensing)
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**INSURANCE REQUIREMENTS FOR AIR CARRIERS AND AIRCRAFT OPERATORS - REGULATION (EC) NO 785/2004**

## 1 Introduction

1.1 Regulation (EC) No 785/2004 applies to all air carriers and to all aircraft operators flying within, into, out of or over the territory of an EC Member State to which the Treaty applies. Its objective is to establish minimum insurance requirements for air carriers and aircraft operators in respect of passengers, baggage, cargo and third parties. Both the EC Regulation and UK regulations supporting its implementation - namely the Civil Aviation (Insurance) Regulations 2005 - will come into force on **30 April 2005.**

1.2 The EC Regulation does not apply to:

(a) State aircraft;
(b) model aircraft less than 20kg;
(c) foot launched flying machines;
(d) captive balloons;
(e) kites;
(f) parachutes, including parascending parachutes.

1.3 War risk cover is not required for aircraft, including gliders, with a maximum take-off mass (MTOM) less than 500kg and microlights, which are used either for non-commercial purposes, or local flight instruction, which do not cross international borders.

1.4 Where an aircraft is registered and is not in a condition to be flown, then provided a declaration is made by the applicant or registered owner that it will not be flown until evidence of valid insurance has been provided to the Aircraft Registration Section, then there shall be no requirement for passenger and third party insurance.

## 2 Minimum Levels of Insurance Cover

2.1 Passenger Liability. Insurance cover shall be 250,000SDRs* per passenger. For aircraft less than 2,700kg and engaged on non-commercial operations, the minimum cover is 100,000SDRs*. Aircraft operators may declare the maximum number of passengers that they will carry and insure accordingly. If more than that declared number of passengers is carried it will be a breach of the regulations and may result in prosecution.

2.2 Baggage. For commercial operators the liability shall be 1,000SDRs*.

2.3 Cargo. The minimum Liability shall be 17SDRs* per kilogram.

2.4 Third Party Insurance. The regulation identifies 10 categories of aircraft:

| Category | MTOM (kg) | Minimum Insurance (Million SDRs*) |
|---|---|---|
| 1 | less than 500 | 0.75 |
| 2 | 500 - 999 | 1.5 |
| 3 | 1,000 - 2,699 | 3 |
| 4 | 2,700 - 5,999 | 7 |
| 5 | 6,000 - 11,999 | 18 |
| 6 | 12,000 - 24,999 | 80 |
| 7 | 25,000 - 49,999 | 150 |
| 8 | 50,000 - 199,999 | 300 |
| 9 | 200,000 - 499,999 | 500 |
| 10 | 500,000 or above | 700 |

*1 SDR (Special Drawing Right) is approximately 1 US$. Because of exchange rate fluctuations all operators are reminded to buy sufficient insurance cover to ensure that the minimum are met at all times.

2.5 War Risk. With the exception of aircraft, including gliders, with a MTOM less than 500kg used solely for a non-commercial purpose or local instruction which does not entail crossing international borders, War Risk insurance is required for all aircraft and is set at the same levels as those set for Third Party insurance.

2.6 Combined Single Limit. Many operators choose to buy insurance on a combined single limit basis. When doing so they should ensure that the amount covers the different categories identified above.

## 3 Changes to UK Legislation

3.1 The Civil Aviation (Insurance) Regulation 2005 will come into force on 30 April 2005. This UK Regulation effects the EC regulations requirements for enforcement and sanction measures within the UK.

3.2 Regulation 6 will require evidence insurance as part of the registration and re-registration of UK registered aircraft.

## 4 Enforcement - UK Registered Aircraft

4.1 Within the UK, compliance will be ascertained through checks of insurance documentation during the existing air carrier licensing; upon initial and subsequent registration of aircraft with the CAA and by random checks of any aircraft operating within the UK.

4.2 The evidence required will be the original, or a copy, of the certificate of insurance, in English.

4.3 Generally, where a random check is carried out, the form of the audit will constitute a 'notice to produce' in accordance with Regulation 6 of the Regulations. Where evidence is not supplied within a reasonable period (which normally means not more than 14 days in practice) then action will be taken to de-register the aircraft.

4.4 In the event that CAA determines that an aircraft is inadequately insured it shall issue a direction not to fly in accordance with Regulation 10.

4.5 If the CAA have reason to believe that an aircraft is continuing to be flown without adequate insurance the matter will be referred, through the Aircraft Registration Section (AR), CAA, to Aircraft Regulation and Enforcement. In the event that CAA determines that an aircraft is inadequately insured it shall issue a direction not to fly and may take action to prosecute the operator, in accordance with Civil Aviation (Insurance) Regulations 2005.

## 5 Enforcement - Foreign Registered Aircraft

5.1 Foreign registered aircraft operating under a permission granted by the Department for Transport under article 113 or 115 of the Air Navigation Order 2000 will be subject to random checks by the CAA, which will normally form part of the ramp inspections of such aircraft, which are carried out for safety purposes. If an aircraft operator is unable to produce evidence of insurance the CAA will issue a 'notice to produce' in accordance with Regulation 6 of the Regulations and refer the matter to AR. In the event of the operator failing to produce valid evidence of insurance, AR will refer the matter to the Department for Transport for follow up action. In the event that CAA determines that an aircraft is inadequately insured it shall issue a direction not to fly.

5.2 Foreign registered aircraft, which are not operating under a permission granted by the Department for Transport under article 113 or 115 of the Air Navigation Order 2000, will be subject to a number of random checks carried out by the CAA each year. If an aircraft operator is unable to produce evidence of insurance the CAA will issue a 'notice to produce', in accordance with Regulation 6 of the Regulations, and refer the matter to AR. If an aircraft operator is found to be inadequately insured the CAA will issue a direction not to fly. In the case of an EU-registered aircraft, the matter will normally be referred to the state of registration. Where an aircraft is not registered either in the UK or EU, the matter will be referred to the aircraft's state of registry.

## 6 Further Information

6.1 Further information or guidance can be obtained from:

Aircraft Registration Section
Civil Aviation Authority
45-59 Kingsway
London
WC2B 6TE

Telephone: 020-7453 6666
Fax: 020-7453 6670
Email: aircraft.reg@caa.co.uk
Web: www.caa.co.uk/aircraftregister

6.2 A copy of Regulation (EC) No 785/2004 may be viewed at:

http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/l_138/l_13820040430en00010006.pdf

6.3 A copy of the Civil Aviation (Insurance) Regulations 2005 may be viewed at:

http://www.caa.co.uk/default.aspx?categoryid=213&pagetype=90&pageid=2323

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This Circular is issued for information, guidance and necessary action.

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