

Democratic Socialist Republic of Sri Lanka



Civil Aviation Authority of Sri Lanka

Directive

(Issued under Section 75 of the Civil Aviation Act No. 14 of 2010)

LIMITS OF LIABILITY & INSURANCE REQUIREMENTS
FOR AIRCRAFT OPERATORS

Directive Reference Code: CA - D - LA&E -2021- 001

Issue Date: 07.10.2021

It is hereby directed under the powers vested in Section 75 of the Civil Aviation Act that all aircraft operators flying within, into, out of, or over Sri Lanka in engaging civil operations shall comply with the limits of liability & adequate insurance coverage stipulated herein.

This Directive supersedes the previous Directive issued by the Director General of Civil Aviation (DGCA) on 31st January 2006 on the above subject '*Insurance Requirements for Airlines & Aircraft Operators*'.

This Directive shall come into force from the **08th October 2021** and remain in force unless revised or revoked.

Attention is also drawn to Section 103 of the Act, which states *inter alia* that failure to comply with a Directive is an offence.

Civil Aviation Authority of Sri Lanka
No.152/1, Minuwangoda Road,
Katunayake,
Sri Lanka.

Capt. Themiya Abeywickrama
Director General of Civil Aviation and
Chief Executive Officer

No	Subheading	Requirement
1	Purpose	The purpose of this directive is to establish separate Insurance Requirements for <i>International & Domestic Aircraft Operators</i> regarding the Liability in respect of Passengers and Third Parties as per the applicable Conventions & Legislation.
2	Application	<p>This directive shall apply to any Aircraft Operator holding an Air Operator Certificate (AOC) or Foreign Air Operator Certificate (FAOC) issued by the DGCA and all aircraft operators flying within, into, out of, or over Sri Lanka. (Refer Table III)</p> <p>All aircraft operators shall ensure that insurance cover exists for each and every flight, regardless of 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 same nature as per this Directive.</p> <p>A person or entity who/which applies to CAASL for the initial issue of an Air Operator Certificate/a Foreign Air Operator Certificate must submit a suitable certificate of insurance to CAASL before an Air Operator Certificate/ a Foreign Air Operator Certificate is issued to the applicant.</p> <p>Existing Air Operator Certificate holders or Foreign Air Operator Certificate holders must submit a new certificate of insurance to CAASL on each occasion that an insurance contract is commenced, varied or renewed prior to commencing operations.</p>
3	Limit of Liability in respect of Passengers, Baggage and Cargo	<p>As per the Gazette Notification No 2211/68 dated 22nd January 2021, issued by the Minister of Tourism under Section 6 of the <i>Carriage by Air Act No 29 of 2018</i>; the following limitations shall apply to all International & Domestic Carriage:</p> <ul style="list-style-type: none"> (a) For liability in respect of passengers, the Limit of Liability shall be 128,821 Special Drawing Rights per passenger; (b) For liability in respect of damage caused by delay in the carriage of persons, the Limit of Liability shall be 5,346 Special Drawing Rights per passenger; (c) For liability in respect of baggage, in any case of destruction, loss, damage or delay the Limit of Liability shall be 1,288 Special Drawing Rights per passenger; (d) For liability in respect of cargo; in any case of destruction, loss, damage or delay Limit of Liability shall be 22 Special Drawing Rights per kilogram.
4.	Insurance Requirement in respect of damage caused to Third Parties in	(a) For International Carriage the carrier/operator shall be required to maintain adequate insurance covering liability for damages per accident caused to Third Parties as per the values of Table I ;

	<i>International Carriage</i>	<p style="text-align: center;">TABLE I</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Category</th> <th style="text-align: center;">Maximum Take Off Mass (MTOM) in Kilograms (kg)</th> <th style="text-align: center;">Minimum Insurance Cover in Special Drawing Rights (SDR)</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">1</td><td style="text-align: center;">Up to 499</td><td style="text-align: center;">750,000</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">500 - 999</td><td style="text-align: center;">1,500,000</td></tr> <tr><td style="text-align: center;">3</td><td style="text-align: center;">1,000 – 2,699</td><td style="text-align: center;">3,000,000</td></tr> <tr><td style="text-align: center;">4</td><td style="text-align: center;">2,700 – 5,999</td><td style="text-align: center;">7,000,000</td></tr> <tr><td style="text-align: center;">5</td><td style="text-align: center;">6,000 – 11,999</td><td style="text-align: center;">18,000,000</td></tr> <tr><td style="text-align: center;">6</td><td style="text-align: center;">12,000 – 24,999</td><td style="text-align: center;">80,000,000</td></tr> <tr><td style="text-align: center;">7</td><td style="text-align: center;">25,000 – 49,999</td><td style="text-align: center;">150,000,000</td></tr> <tr><td style="text-align: center;">8</td><td style="text-align: center;">50,000 – 199,999</td><td style="text-align: center;">300,000,000</td></tr> <tr><td style="text-align: center;">9</td><td style="text-align: center;">200,000 – 499,999</td><td style="text-align: center;">500,000,000</td></tr> <tr><td style="text-align: center;">10</td><td style="text-align: center;">500,000 and above</td><td style="text-align: center;">700,000,000</td></tr> </tbody> </table> <p>(b) The insured risks shall include war and allied perils.</p>	Category	Maximum Take Off Mass (MTOM) in Kilograms (kg)	Minimum Insurance Cover in Special Drawing Rights (SDR)	1	Up to 499	750,000	2	500 - 999	1,500,000	3	1,000 – 2,699	3,000,000	4	2,700 – 5,999	7,000,000	5	6,000 – 11,999	18,000,000	6	12,000 – 24,999	80,000,000	7	25,000 – 49,999	150,000,000	8	50,000 – 199,999	300,000,000	9	200,000 – 499,999	500,000,000	10	500,000 and above	700,000,000
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5.	Minimum Insurance Requirement in respect of damage caused to Third Parties in <i>Domestic Carriage</i>	<p>(a) For all Domestic Carriage the carrier/operator shall be required to maintain a minimum insurance covering liability for damage per accident caused to Third Parties as per the values of Table II;</p> <p style="text-align: center;">TABLE II</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Category</th> <th style="text-align: center;">Maximum Take Off Mass (MTOM) in Kilograms (kg)</th> <th style="text-align: center;">Minimum Insurance Cover in Sri Lankan Rupees</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">1</td><td style="text-align: center;">Up to 499</td><td style="text-align: center;">1,500,000</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">500 - 1499</td><td style="text-align: center;">3,000,000</td></tr> <tr><td style="text-align: center;">3</td><td style="text-align: center;">1,500 – 2,699</td><td style="text-align: center;">5,500,000</td></tr> <tr><td style="text-align: center;">4</td><td style="text-align: center;">2,700 – 5,999</td><td style="text-align: center;">10,000,000</td></tr> </tbody> </table> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>Note 1: Currency, quantum and weights for categories 1 to 4 in Table II are different from those of Table I</p> <p>Note 2: For the Aircraft with an MTOM Category 5 and above, the minimum insurance cover shall be the same which is applicable to the International carriage as per Table I of Section 4(a)</p> </div> <p>(b) The insured risks shall include war and allied perils.</p> <p>(c) As per the Nature and Scope of the Operation, the DGCA may determine additional stipulations or conditions depending on the Classifications of the Operation. (Refer Table IV)</p> <p>(d) Air Operators should have an additional insurance coverage for flights on which they intend to carry Dangerous Goods in addition to the</p>	Category	Maximum Take Off Mass (MTOM) in Kilograms (kg)	Minimum Insurance Cover in Sri Lankan Rupees	1	Up to 499	1,500,000	2	500 - 1499	3,000,000	3	1,500 – 2,699	5,500,000	4	2,700 – 5,999	10,000,000																		
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		requirements above. The quantum of required additional cover may be decided between the Operator and the Insurer.
6	Combined Single Limit	<p>The total liability coverage for any single event during International & Domestic Carriage shall not be less than the total of the following;</p> <ul style="list-style-type: none"> a) for death or injury of passengers; 128,821 SDR X passenger capacity b) for damage caused by delay of passengers; 5,346 SDR X passenger capacity c) for destruction, loss, damage or delay in the carriage of baggage; 1,288 SDR X passenger capacity d) for destruction, loss, damage or delay in the carriage of cargo; 22 SDR per kilogram of cargo capacity e) Third Party Liability cover as per Section 4 or 5 above as applicable
7	General	The aircraft operator shall ensure that insurance cover exists for each and every flight regardless of whether the aircraft is owned or leased by the aircraft operator, or operated through joint operations, code share or any other similar arrangement.
8	Adherence	The aircraft operators shall strictly comply with this Directive.
9	Amendment	This Directive may in whole or in part be amended by the DGCA, as appropriate, where amendments are required.
10	Definitions	<p>“Dangerous Goods” means any Goods or items that fall within the ambit of Section 78 of the Civil Aviation Act No. 14 of 2010;</p> <p>“Domestic Carriage” means Carriage between two points within the territory of Sri Lanka which does not fall within the definition of International Carriage;</p> <p>“International Carriage” means any carriage in which, according to the agreement between the parties, the place of departure and the place of destination, whether or not there be a break in the carriage or a transshipment, are situated either within the territories of two States, or within the territory of a single State if there is an agreed stopping place within the territory of another State. Carriage between two points within the territory of a single State without an agreed stopping place within the territory of another State is not international carriage for the purpose of this Directive;</p> <p>“Joint operations” means a flight identified by the designator codes of two airlines that, with the concurrence of their respective States, typically have agreed with each other to share revenues and/or costs;</p>

	<p>“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;</p> <p>“Operator” means a person, organization or an enterprise engaged in or offering to engage in aircraft operations and includes any person who causes or authorizes the operation of an aircraft, whether with or without the control (in the capacity of an owner, lessee, or otherwise) of the aircraft;</p> <p>“SDR” means Special Drawing Rights defined by the International Monetary Fund;</p> <p>“Third Party” means any legal or natural person, excluding passengers and on-duty members of both flight crew and cabin crew;</p>
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TABLE III

Classification of Operation	Categories of Insurance							
	Third Party	Passenger Injury/Death	Passenger Delay	Baggage Loss/Damage	Baggage Delay	Cargo Loss/Damage	Cargo Delay	Hull/Other Insurance
Private Operation	Required	N/A	N/A	N/A	N/A	N/A	N/A	As per Operator Requirement
Aerial Works	Required	N/A	N/A	N/A	N/A	N/A	N/A	
Commercial Operation	Required	Required	Required	Required	Required	Required	Required	
Test Flight	Required	N/A	N/A	N/A	N/A	N/A	N/A	
Experimental/Other	As determined by the DGCA	N/A	N/A	N/A	N/A	N/A	N/A	

TABLE IV

<i>CLASSIFICATIONS OF OPERATIONS</i>			
<i>PRIVATE OPERATIONS</i>	<i>AERIAL WORKS</i>	<i>COMMERCIAL OPERATIONS</i>	<i>OTHERS (Experimental/ Test Flights)</i>
Private Operations, being all operations in which an Aircraft is used for the Private use of the owner, or for the carriage of persons or goods NOT for hire or reward, or for the carriage of goods other than for purposes of trade.	Aircraft Operations in which an Aircraft is used for purposes of Agriculture, Construction, Photography, Surveying, Observation & Patrol, Search & Rescue Operations, Aerial Advertisement, Broadcasting or communication, production of air turbulence, Flying Training, flower dropping and emergency operation.	Commercial Operators are AOC holders who have been granted an Airline Licence or Foreign Airline Licence required for International or Domestic Commercial Air Transportation for the business of Air Transportation. “The business of Air transportation means the making available (as the Operator of an aircraft or as a principal or agent) of any accommodation for the carriage of persons, cargo or mail, on flight by aircraft (whether registered in Sri Lanka or not) in any part of the world...”	Permit issued by the DGCA for any experimental or test purpose or for any other purpose (including Unregistered aircraft) with conditions & limitations.