



# Are you sure you're covered?

Aircraft operators who don't keep their Certificate of Compliance up-to-date put their insurance coverage in jeopardy.

## CASA Office of Legal Counsel

**Y**OU'VE GOT your passenger charter air operators certificate (AOC), the aircraft leasing arrangements are finalised and the insurance policies are issued; all systems are go. Right? Well, not necessarily. Are you sure you have fulfilled your obligations under the Carriers' Liability Act\*?

The Civil Aviation Safety Authority is concerned that some operators who believe they are properly insured may not be meeting their obligations, particularly when adding new aircraft to their fleet or new authorisations to their AOCs.

Although operators who are authorised to engage in commercial passenger carrying operations are required to hold "an acceptable contract of insurance", not all operators are aware of what makes a contract of insurance "acceptable".

A contract of insurance is not "acceptable" under the Carriers' Liability Act until CASA has issued a Certificate of Compliance to the operator. Not only is the holding of a compliance certificate a legal requirement, an inspection of your insurance policy may reveal your insurer will not pay claims for compensation to

injured passengers unless you (as the operator) held a valid Certificate of Compliance at the time of the accident.

An operator who intentionally carries passengers without a current certificate may face fines or imprisonment under the Carriers' Liability Act.

It's important to know that:

- The obligations of operators do not end with the payment of a premium to an insurer: Operators must always ensure they hold a Certificate of Compliance issued by CASA before any operations are resumed/commenced.
- CASA should be notified of any changes to an insurance policy, as a new Certificate of Compliance might be needed.
- It is the operator who must be insured. It is not acceptable if the owner of the aircraft has arranged insurance to cover passengers, unless the operator is insured under the owner's insurance policy;
- Passenger liability insurance must cover every aircraft authorised on an AOC to carry passengers, even if some aircraft are not currently used to carry passengers.

Operators are solely responsible for ensuring that a current Certificate of Compliance is continuously in place while the operator conducts commercial passenger carrying operations.

To avoid operational delays when certificates come up for renewal, CASA recommends operators submit their application for a new certificate to CASA no less than three business days before the existing certificate expires.

This allows enough time for CASA to issue the new certificate and fix any problems with the insurance contract. CASA's Carriers' Liability Insurance Unit will respond promptly during normal business hours to any application for the issue/renewal of a certificate.

Further information about the Carriers' Liability Insurance Scheme may be obtained from the Insurance Helpline on 131 757.

*\* The Civil Aviation (Carriers' Liability) Act 1959 (Commonwealth) and complementary legislation in each state, imposes requirements to hold insurance on the operator of every commercial passenger carrying operation. See [www.casa.gov.au/avreg/business/comp\\_ins.htm](http://www.casa.gov.au/avreg/business/comp_ins.htm)*