

### 5.1 About this Part

This part describes the administrative procedures and staff roles and responsibilities for:

- Informing carriers about their obligation to obtain a Certificate of Compliance (CoC)
- Assessing and processing applications for CoCs, including:
  - Assessing an application for a CoC
  - Rejecting an application for a CoC
  - Recording insurance details on the CLIC system and printing the CoC
  - Issuing the CoC
- Re-issuing/renewing a CoC
- Changes affecting a carrier's insurance coverage.



### 5.2 Informing Carriers about their Obligation to Obtain a Certificate of Compliance

A person has no obligations under the *Civil Aviation (Carriers' Liability) Act 1959* (Cth) until the person becomes a carrier (as described in sections 3.5 and 3.6).

In most cases a person becomes a carrier immediately after an Air Operator's Certificate or other operating approval is issued to the person. In other cases, persons who do not hold Australian AOCs may nevertheless have obligations under the Act. Refer to the references to international carriers under sections 3.5 and 3.6.

Given that it may take some days for a carrier to arrange insurance that meets the requirements of the Act, the CLI Unit should make every effort to inform persons about the CLI obligations prior to the person becoming a carrier.

If advance notice is not possible, a standard letter and CLI information brochure informing the carrier of the need to submit an application for a CoC should be sent to the carrier by fax as soon as a copy of an AOC or operating approval is received by the CLI Unit.

CLI staff should refer to Part B, CLI Document Folder Details for a list of standard letters that can be used to advise carriers.

### 5.3 Assessing and Processing of Applications for a Certificate of Compliance

#### 5.3.1 Staff Roles and Responsibilities

Responsibilities for the assessment and processing of applications for CoCs are assigned as follows.

##### 5.3.1.1 *CLI Support Officer*

The CLI Support Officer:

- Receives all applications
- Performs an initial assessment of applications against the [Compulsory Carriers' Liability Insurance Application Checklist \(Form 1069\)](#)
- Updates applicant personal and contact details in the CLIC system
- Enters application details in the CLIC system
- Prepares a draft CoC
- Despatches signed certificates to the applicants.

##### 5.3.1.2 *Assessor*

The Assessor:

- Checks that applications satisfy all the requirements contained on the Compulsory Carriers' Liability Insurance Application Checklist (form 1069);
- Presents the CoC to a delegate for signing.

##### 5.3.1.3 *Senior Assessor (or Other Officer Holding Appropriate Delegation)*

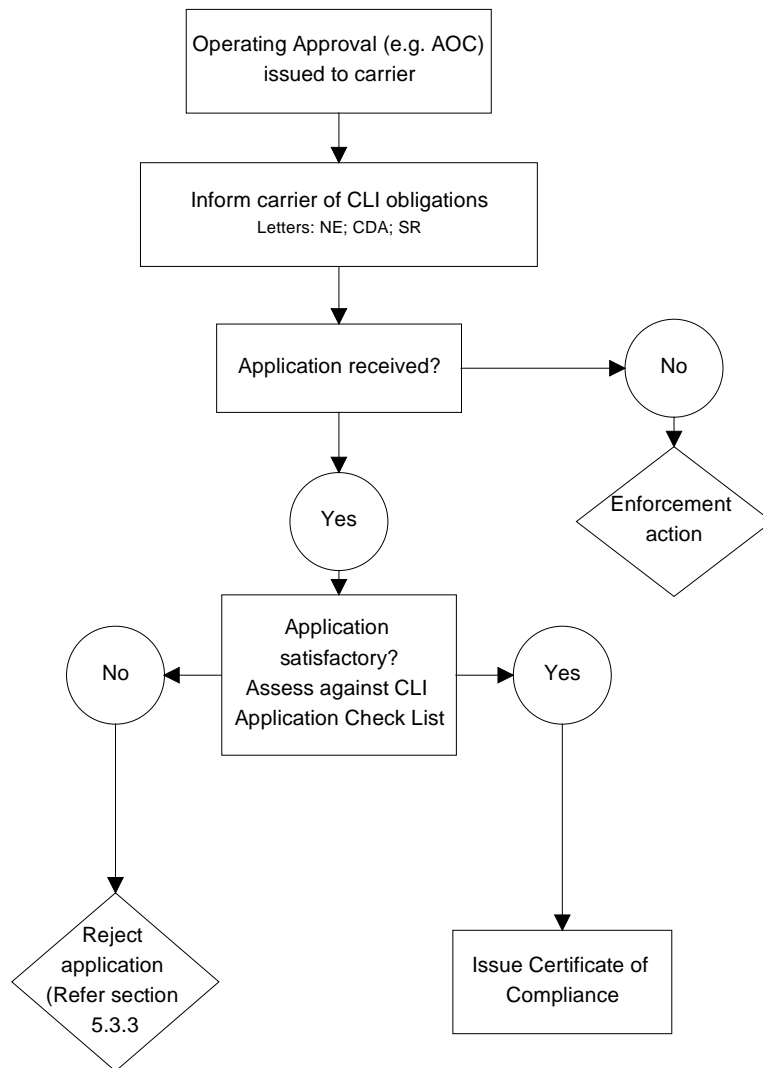
The Senior Assessor (or other officer holding appropriate delegation):

- Checks that applications satisfy all the requirements contained on the Compulsory Carriers' Liability Insurance Application Checklist (form 1069)
- Accepts/rejects applications
- Signs the CoC if the application is accepted.



### 5.3.2 Assessing an Application for a Certificate of Compliance

#### 5.3.2.1 Assessing Applications—Process Chart



**Legend:** NE New Entrant  
 CDA Changes to Insurance Declaration or AOC  
 SR Standard Reminer  
 CR Cancel/Revoke  
 NCR Non-cancel/Revoke

Figure 5-1: Assessment of an application for a CoC

### 5.3.2.2 Assessing Applications—Procedures

All applications for a CoC are assessed and checked against the [Compulsory Carriers' Liability Insurance Application Checklist \(Form 1069\)](#).

Essential checks/actions are specified below. CLI staff should refer to Part B, CLI Document Folder Details for a list of standard letters that should be used in the course of the checks/actions.

#### Operating Approval

|                                                             |                                                                                                                                                                                                                                                                                                           |
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| 5.3.2.2.1 Does the CLI file hold a copy of the current AOC? | It is essential that the CLI file contains copy(ies) of the carrier's current Air Operator's Certificate(s) and/or operating approval(s) in order to check that insurance policies cover the full scope of passenger carrying operations, including coverage for full aircraft fleet, authorised by CASA. |
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#### Applicant Details

|                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| 5.3.2.2.2 Has the carrier submitted an application form?                    | Applicants for a CoC are required to submit a completed application form to CASA together with suitable evidence of insurance.<br><br>In the event that certificate(s)/declaration(s) of insurance are presented to CASA without an accompanying application form, a request for an application form should be faxed to the carrier.<br><br>However, staff should not delay/withhold the issue of a CoC solely on the basis that an application form has not been received. |
| 5.3.2.2.3 Has the application been signed?                                  | Check that the application form has been signed by the carrier. In the case of a company, the form should be signed by a company office holder.                                                                                                                                                                                                                                                                                                                             |
| 5.3.2.2.4 Update the carrier name/ address/contact details on LARP and CLIC | Client details held on the CLIC and LARP computer systems must be updated to reflect any new or amended carrier name/address/contact details given on an application form.<br><br>Special attention must be given to recording correct phone, fax and postal address details to ensure that correspondence is not misdirected.                                                                                                                                              |



### Insurance Details

|                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <p>5.3.2.2.5 Are there any carry-over declarations from a previous CoC?</p>                                                                           | <p>When examining evidence of insurance presented with an application, staff must also consider whether any of the certificate(s)/ declaration(s) of insurance associated with a previous CoC should be carried forward when issuing a subsequent CoC.</p> <p>For example, a CoC may fall due for renewal when one of several declarations/certificates of insurance reaches its expiry date. In such cases, experience has shown that some carriers simply return a new certificate of insurance to CASA to replace the certificate that has expired without making it clear whether other certificates (i.e. insurance policies) are still in force.</p> <p>When renewing a carrier's CoC, CLI staff must include unexpired declaration(s)/certificate(s) (if any) that are part of the carrier's current/previous CoC as part of the replacement CoC, <b>unless</b> it is apparent from the carrier's application that such certificates/declarations are no longer relevant.</p> |
| <p>5.3.2.2.6 Ensure that the declaration(s)/certificate(s) contain a company seal and/or fax transmission imprint identifying the insurer/broker.</p> | <p>A certificate/declaration of insurance presented on blank paper without a company seal or fax imprint identifying the insurer is not acceptable.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p>5.3.2.2.7 Ensure that the declaration(s)/certificate(s) are signed and dated.</p>                                                                  | <p>A certificate/declaration of insurance is not acceptable unless it:</p> <ul style="list-style-type: none"> <li>• has been signed by the issuing officer; and</li> <li>• includes a realistic date of issue (a date that is in the future, or a long past date, may be unacceptable).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>5.3.2.2.8 Are the declaration(s)/ certificate(s) of insurance presented by the applicant, in an approved format?</p>                               | <p>Approved format certificates are described in section 4.4.1 with sample copies in 4.5.</p> <p>The Senior Assessor will decide whether or not any non-standard certificates should be referred to OLC for advice.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |



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| <p>5.3.2.2.9 Does the declaration(s)/ certificate(s) of insurance name the carrier as 'the insured'?</p> | <p>A certificate/declaration of insurance must give the full and correct legal name for the carrier insured under policy(ies) of insurance.</p> <p>The name of the insured must match the name on relevant AOC(s) or operating approval(s).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>5.3.2.2.10 Does the declaration of insurance give the carrier's ACN?</p>                              | <p>A certificate/declaration of insurance must include the Australian Company Number (ACN) for any carrier that is a company registered in Australia.</p> <p>The ACN must match the ACN on relevant AOC(s) or operating approval(s).</p> <p>If a company's ACN is unknown, or the correctness of an ACN is in doubt, CLI staff must locate/validate the ACN on the Australian Securities and Investment Commission's (ASIC's) company register found on ASIC's website <a href="http://www.asic.gov.au">www.asic.gov.au</a>.</p>                                                                                                                                                                        |
| <p>5.3.2.2.11 Does the insurance policy cover the carrier's operations and aircraft fleet?</p>           | <p>It is CASA's policy that insurance certificate(s) must give full coverage for:</p> <ul style="list-style-type: none"> <li>• all categories of passenger operations (e.g. charter, airline, etc.) that a carrier is approved by CASA to conduct; and</li> <li>• all aircraft types/models that a carrier is authorised to use for passenger charter or RPT purposes under the carrier's AOC(s) or operating approval(s).</li> </ul>                                                                                                                                                                                                                                                                   |
| <p>5.3.2.2.12 Is the period of insurance cover acceptable?</p>                                           | <p>In the case of a carrier operating under a non-scheduled flight approval (or similar authority) insurance declaration(s)/certificate(s) must cover the entire period over which flights are authorised.</p> <p>In the case of a carrier who holds a current ongoing approval (e.g. AOC) to conduct charter/RPT operations, insurance coverage must take effect immediately and carry forth to a specified date.</p> <p>In cases where a carrier is applying to renew a CoC, insurance coverage must take effect from the day on which coverage under the previous certificate/policy lapses (i.e. it is not acceptable to have gaps in the insurance coverage from one certificate to the next).</p> |



### Certificate of Compliance

|                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <p>5.3.2.2.13 Does the declaration of insurance have an Attachment Stamp?</p> | <p>Declaration(s)/certificate(s) of insurance presented to CASA must be attached to the CoC upon issue.</p> <p>Each declaration/certificate must be stamped with an 'attachment stamp' endorsed with the CoC number and issuing officer initials/signature.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>5.3.2.2.14 Is the CoC in the correct format?</p>                           | <p>A certificate issued to a carrier must be in a suitable format reflecting whether:</p> <ol style="list-style-type: none"> <li>1. the certificate is issued under sub-section 41C(7), or, in the case of Crown Carriers, sub-section 41CA(2);</li> <li>2. the certificate is issued to one person, or to multiple persons (referred to on the CLIC system as partnerships);</li> <li>3. the applicant has satisfied Commonwealth legislation or Commonwealth and State Legislation (refer to sections 3.3 and 3.4);</li> <li>4. one, or more than one, certificate(s)/ declaration(s) of insurance have been accepted; and</li> <li>5. the certificate needs to be a special Crown Carrier certificate (see below).</li> </ol> <p><b>Crown Carrier:</b></p> <p>Regardless of what form of evidence (refer to section 4.4) is received from a Crown Carrier, any resulting CoC must be issued under sub-section 41CA(2) of the Act. That is, a certificate cannot be issued to a Crown Carrier under sub-section 41C(7) of the Act.</p> <p>The appropriate certificate type/format is chosen from the CLIC system main menu.</p> |
| <p>5.3.2.2.15 Does the CoC reflect the correct carrier name?</p>              | <p>A CoC must reflect the full and correct legal name for the carrier as shown on AOC(s) or operating approval(s) and associated insurance certificate(s).</p> <p>If there is any doubt about the correct name of a company, CLI staff must validate the company name by checking the ASIC's company register found on ASIC's website <a href="http://www.asic.gov.au">www.asic.gov.au</a>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |



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| <p>5.3.2.2.16 Does the CoC contain the carrier's ACN?</p>                     | <p>A CoC must reflect the Australian Company Number (ACN) name for any carrier that is a company registered in Australia.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>5.3.2.2.17 Does the CoC contain the correct CLI number?</p>                | <p>The certificate number on a CoC must have an issue number that is consecutive with the number given to the previous CoC issued to the same carrier.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>5.3.2.2.18 Does the CoC reflect correct commencement and expiry dates?</p> | <p>The commencement and expiry dates entered on a CoC are determined as follows:</p> <p><b>Single insurance contract:</b></p> <p>Where a carrier has presented a single certificate of insurance to CASA, the commencement and expiry dates on a CoC should reflect the commencement and expiry dates of the carrier's insurance contract unless the carrier has failed to comply with CLI requirements for a period leading up to the issue of a CoC, in which case the commencement date should be no earlier than the date of issue of the CoC.</p> <p><b>Multiple insurance contracts:</b></p> <p>Where a carrier has presented two or more certificates of insurance to CASA, the commencement and expiry dates on a CoC should reflect the period of time that all insurance contracts are in force unless the carrier has failed to comply with CLI requirements for a period leading up to the issue of a CoC, in which case the commencement date should be no earlier than the date of issue of the CoC.</p> |



### 5.3.3 Rejecting an Application for a Certificate of Compliance

In the event that an application does not satisfy the [Compulsory Carriers' Liability Insurance Application Checklist \(Form 1069\)](#), the applicant should be notified of the problem by telephone.

If there are likely to be unacceptable delays in resolving the problems with the application, the carrier should be immediately advised by a faxed letter that CASA is unable to proceed with the application. This letter should give the reasons for rejecting the application.

Standard letters covering the most common problems experienced with CLI applications have been established in the CLI Document Folder on the CLI shared Y: drive (CLI staff should refer to Part B, CLI Document Folder Details). A suitable letter should be selected/prepared and sent to the applicant.

Where an applicant has an immediate obligation to comply with the Act and there are, or are likely to be, delays in resolving problems with an application, the procedures described under [Part 7](#), Compliance Monitoring (Surveillance) and Enforcement procedures should be followed.

### 5.3.4 Recording Insurance Details in CLIC and Printing the Certificate of Compliance

The details of an application, including any new or amended client details, should be recorded on CLIC immediately an application is received.

#### Client details

1. To update an existing client record, select **FIND CARRIER ARN** on CLIC main menu:
  - a. Enter the carrier's ARN and select **UPDATE ARN**.
  - b. Update the client details as necessary and **SAVE**.
2. To add a new client record on CLIC, a client ARN must first be established on the LARP ARN system (refer to the LARP Quick-Ref guide for help with creating ARNs). Once the client ARN has been established on the LARP ARN system:
  - a. Select **ADD CARRIER** from CLIC main menu.
  - b. Enter all client details and **SAVE** the record.



### CLI application details

3. Before recording application details in CLIC, refer to the following sections of the manual for guidance:
  - o [Part 3](#) for options for complying with Commonwealth and/or State laws
  - o Section [5.3.2.2.18](#) of this chapter about determining commencement and expiry dates for a CoC.
4. Select **ADD APPLICATION** from CLIC main menu.
5. Enter the carrier's **ARN** and press [RETURN].  
The system displays the client details on the top half of the screen.
6. Enter the following application details:
  - a. **APPLICATION STATUS**—valid options are:
    - o RECEIVED
    - o ISSUED
    - o REJECTED (application is unsatisfactory)
    - o NOT PROCEEDING (applicant withdraws application and has no CLI obligations)
    - o REVOKED (valid only for any subsequent cancellation of a certificate)
    - o SUPERSEDED (valid only if application/certificate is superseded in the future).
  - b. **DATE RECEIVED:**
    - o Enter the date the application was received in dd/mm/yyyy format.
  - c. **COMPLIANCE TYPE**—valid options are:
    - o COM (insurance contract complies with Commonwealth legislation only)
    - o CS (insurance contract complies with both Commonwealth and State laws).
  - d. **COMMENCE DATE:**
    - o Enter CoC commence date in dd/mm/yyyy format (refer section [5.3.2.2.18](#)).
  - e. **EXPIRY DATE:**
    - o Enter CoC expiry date in dd/mm/yyyy format (refer section [5.3.2.2.18](#)).
  - f. **ISSUE DATE:**
    - o Enter CoC issue date in dd/mm/yyyy format.
  - g. **DELEGATE APPROVED:**
    - o Select name of delegate who will sign the CoC.
  - h. **OPERATOR TYPE**—valid options are:
    - o DOMESTIC
    - o INTERNATIONAL.



7. Click on **ADD RECORD**.  
The system requests details of the insurer.
8. Select the insurer name(s) from the drop-down list.

### 5.3.4.1 *Print the Certificate of Compliance*

Before printing a certificate, decide what format of certificate is appropriate for the particular carrier and nature of insurance contract/financial arrangements (refer to the assessment guidelines at section 5.3.2.2.14).

1. Select the appropriate certificate format from the CLIC main menu.
2. Enter the carrier's ARN.
3. Select the date received relating to the current application.
4. Enter the total number of insurance declarations received from the applicant.
5. Click on **PRINT CERTIFICATE**.  
The system displays the certificate.
6. Select **File** and **Print** to print the certificate.

### 5.3.5 *Issuing the Certificate of Compliance*

#### 5.3.5.1 *Issue the Certificate of Compliance*

1. CoC must be presented to a delegate for signing/issue (delegates are identified in section 3.7).  
The issuing officer must hold a delegation under:
  - a. Sub-section 41C of the Act, for certificates issued to carriers who are not Crown Carriers; and/or
  - b. Sub-section 41CA of the Act, for certificates issued to Crown Carriers.
2. Certificates must be issued **as soon as possible** after an application has been received to avoid/minimise gaps in compliance by carriers. It is important to remember that a contract of insurance is not an 'acceptable contract of insurance' for the purpose of Section 41B of the Act until/unless CASA has issued a CoC in relation to the contract.

In the event that a Certificate cannot be issued, staff must follow the procedures for Rejecting an Application for a Certificate of Compliance at section 5.3.3.

#### 5.3.5.2 *Despatch the Certificate to the Applicant*

1. Following the issue of a CoC, the certificate must be despatched to the applicant:
  - o By fax; and
  - o By normal mail—the original CoC is sent by normal mail.

# Carriers' Liability Insurance Compliance Procedures Manual

## 5. Issue and Renewal of Certificates of Compliance

Approved by General Counsel Version 1.0: February 2002

### 5.4 Re-issuing/Renewing Certificates of Compliance

#### 5.4.1 Renewal of Certificate of Compliance—Process Chart

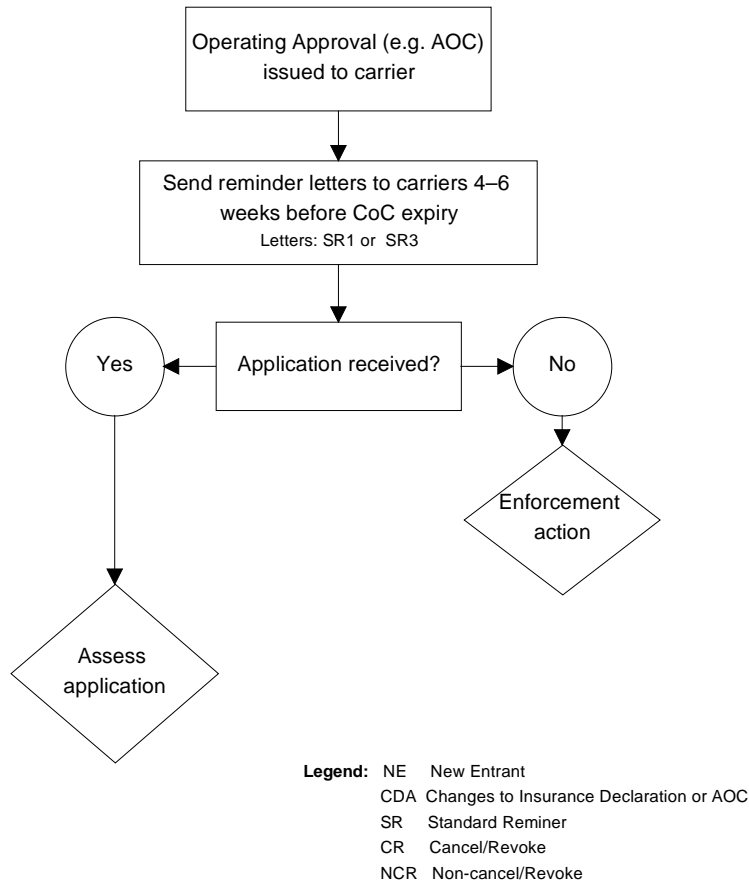


Figure 5-2: Renewal of a CoC



### 5.4.2 Expiry/Renewal Letters Sent to Carriers

References to 'renewals' in this section should be interpreted as 're-issues' given that it is not possible to renew a CoC after it has been issued.

While CASA has no legal obligation to remind carriers about the need to renew their CoCs, it is the Authority's current policy that reminder letters with accompanying application forms will be faxed to carriers.

Expiry/Renewal letters for a given month must be despatched no later than **2 weeks** before the first day of the month.

CLI staff should refer to Part D, Printing CoC Expiry Reminder Letters, for the procedures for printing expiry letters using the CLIC reporting facility.

### 5.4.3 Processing Renewals—Staff Roles and Responsibilities

Staff roles and responsibilities are the same as those shown at section [5.3.1](#).

### 5.4.4 Renewal Procedures

A renewal/re-issue of a certificate involves an application by a carrier for a new CoC.

Therefore, the procedures relating to the assessment and processing of renewals are the same as those detailed in section [5.3](#) Assessing and Processing of Applications for a Certificate of Compliance.

### 5.5 Changes Affecting a Carrier's Insurance Coverage

CoCs are issued on the basis that CASA is satisfied that a carrier has suitable insurance arrangements in place at the time of issue of the certificate.

Following the issue of a CoC, a carrier must ensure that satisfactory insurance coverage is maintained while the carrier continues to engage in, or hold an authorisation to conduct, commercial passenger transport operations.

Currently RSD advises carriers of the need to have appropriate CLI cover in place, when new AOCs are despatched to the AOC holders.

In particular, a carrier must ensure that satisfactory insurance coverage is maintained when:

1. the carrier changes his/her insurer;
2. an insurer modifies a carrier's insurance policy; or
3. the carrier applies to CASA to add new types/models of aircraft to, or to vary the authorisations of, an Air Operator's Certificate.

#### 5.5.1 Changes to a Carrier's Insurance Policy

Insurance companies have obligations under Civil Aviation (Carriers' Liability) Regulation 10(1) to give CASA written notice of the lapsing or cancellation of, or significant alteration to, a CLI policy held by a carrier. Such events are described by the Regulations as 'terminating events'. Procedures for processing notices of terminating events received from an insurer are described in section 6.3 Cancellation of a Policy by an Insurer.

In the event that an insurer fails to provide written notice of a terminating event, the relevant contract of insurance may be deemed, regardless of anything to the contrary stated in the contract, to remain in force, for a period specified in Civil Aviation (Carriers' Liability) Regulation 11(2).

If an existing contract of insurance is cancelled by a carrier, or the carrier's insurer, and the carrier has a continuing obligation under the Act, the carrier must provide CASA with new evidence of insurance together with an application for a new CoC.



### 5.5.2 Changes to an AOC and/or Approved Aircraft

This procedure is also detailed in section [7.2.3](#) Monitoring New AOCs/Operating Approvals for Compliance.

#### CLI Support Officer

1. Check all copies of AOCs and operating approvals issued by Airline Operations Branch and Regulatory Services Division to ensure that adequate insurance is in place to cover all authorised passenger charter/RPT operations.

#### Assessor

1. If a carrier's existing insurance contract does not cover all passenger operations authorised under a new or amended operating approval, immediately request the carrier to submit new/additional evidence of insurance to CASA within three business days.

A standard letter for this purpose is held in the CLI Document Folder. CLI staff should refer to Part B, CLI Document Folder Details.

#### Senior Assessor

1. If a carrier fails to provide new/additional evidence of insurance as requested by CASA, initiate action to cancel the carrier's CoC under the procedures described in section [6.6](#).