

Draft

Part 213

Civil Aviation Insurance Regulations

This Part of the Jordanian Civil Aviation Regulations is hereby issued by the Civil Aviation regulatory Commission Council pursuant of the Civil Aviation Law No. 41 of 2007.

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213.1 Applicability

- a) This part is to establish minimum insurance requirements for air carriers and aircraft operators in respect of passengers, baggage, cargo and third parties, in order to comply with Article 50 of the Montreal Convention requires parties to ensure that air carriers are adequately insured to cover liability under that Convention.
- b) While the Montreal Convention specifically regulates liability in respect of passengers, baggage and cargo, the liability for mail is, according to Article 2 of that Convention, to be subject to 'the rules applicable to the relationship between the air carriers and the postal administrations in accordance with the Postal Services Law No. 34 of 2007.
- c) This part shall apply to all air carriers and to all aircraft operators flying within, into, out of, or over the territory of Jordan on both international and domestic flights.
- d) This part shall not apply to:
 - 1. State aircraft as referred to in Article 3(b) of the Convention on International Civil Aviation, signed at Chicago on 7 December 1944;
 - 2. model aircraft with an MTOM of less than 20 kg;
 - 3. foot-launched flying machines (including powered paragliders and hang gliders);
 - 4. captive balloons;
 - 5. kites;
 - 6. parachutes (including parascending parachutes);
- e) This part contains section 213.87 that describes the further insurance rules and requirements which are applicable only to a Jordanian legal entities.

213.3 Definitions

For the purposes of this part:

'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;

‘Flight’ means:

- with regard to passengers and unchecked baggage, the period of transport of the passengers by aircraft including their boarding and disembarkation,
- with regard to cargo and checked baggage, the period of transport of baggage and cargo from the moment the baggage or cargo is handed to the air carrier until the moment of delivery to the entitled recipient,
- with regard to third parties, the use of an aircraft from the moment when power is applied to its engines for the purpose of taxiing or actual take-off until the moment when it is on the surface and its engines have come to a complete stop; additionally, it shall mean the moving of an aircraft by towing and push-back vehicles or by powers which are typical for the drive and the lift of aircraft, particularly air streams;

“Jordanian legal entity” means a registered company/ association in the Hashemite Kingdom of Jordan according to the applicable Companies Law functioning an aviation activity.

“Model aircraft” means any unmanned aircraft, other than a balloon or a kite, having a mass of not more than 20 kg without its fuel but including any articles or equipment installed in or attached to the aircraft at the commencement of its flight.

"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;

"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;

"SDR" means a Special Drawing Right as defined by the International Monetary Fund;

"Third party" means any legal or natural person, excluding passengers and on-duty members of both the flight crew and the cabin crew;

213.5 Principles of insurance

- a) Air carriers and aircraft operators shall be insured in accordance with this part 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.
- b) Air carriers and 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 the same nature.

- c) This part is without prejudice to the rules on liability as arising from:
 - 1. International Conventions to which the Hashemite Kingdom of Jordan is a party, and
 - 2. Jordan Civil Aviation law No. (41) of 2007, and
 - 3. Jordan Insurance Law No. (33) 1999.

213.7 Compliance

- a) Air carriers and, when so required, aircraft operators, as referred to in section 213.1c, shall demonstrate compliance with the insurance requirements set out in this part by providing CARC with a deposit of an insurance certificate or other evidence of valid insurance.
- b) In exceptional cases of insurance-market failure, CARC may determine, in accordance with the appropriate measures for the application as per article (57) of the Civil Aviation Law No. 41 of 2007.
- c) With respects to overflights in the territory of Jordan by foreign registered aircraft which do not involve a landing on or take-off, CARC may, in accordance with the international law, request evidence of compliance with these insurance requirements by carrying out random checks.

213.9 Insurance in respect of liability for passengers, baggage, and cargo

- a) For liability in respect of passengers, the minimum insurance cover shall be 250000 SDRs per passenger. However, in respect of non-commercial operations by aircraft with a MTOM of 2700 kg or less, the level of minimum insurance cover shall be 100000 SDRs per passenger.
- b) For liability in respect of baggage, the minimum insurance cover shall be 1131 SDRs per passenger in commercial operations.
- c) For liability in respect of cargo, the minimum insurance cover shall be 19 SDRs per kilogram in commercial operations.
- d) Paragraphs a, b and c shall not apply with respect to flights over the Jordanian territory operated by non-Jordanian air carriers and by aircraft operators using aircraft registered outside of Jordan which do not involve a landing on, or take-off from Jordanian territory .
- e) The values referred to in this section may be amended, as appropriate, where amendments in the relevant international treaties indicate the necessity thereof.

213.11 Insurance in respect of liability for third parties

- a) The minimum insurance cover per accident, for each and every aircraft, shall be:

Category	A/C MTOM (kg)	Minimum Insurance for Third Party (Million SDRs)
1	Less than or equal to 500	0.75
2	Greater than 500 and less than or equal to 1,000	1,5
3	Greater than 1,000 and less than or equal to 2,700	3
4	Greater than 2,700 and Less than or equal to 6,000	7
5	Greater than 6,000 and less than or equal to 12,000	18
6	Greater than 12,000 and less than or equal to 25,000	80
7	Greater than 25,000 and less than or equal to 50,000	150
8	Greater than 50,000 and less than or equal to 200,000	300
9	Greater than 200,000 and less than or equal to 500,000	500
10	Greater than or equal to 500,000	700

- b) If at any time insurance cover for damage to third parties due to risks of war or terrorism is not available to any air carrier or aircraft operator on a per-accident basis, such air carrier or aircraft operator may satisfy its obligation to insure such risks by insuring on an aggregate basis. While the market practice of offering insurance on an aggregate basis may be conducive to insurability, in particular for risks of war and terrorism, by allowing insurers better control over their liabilities, this practice does not release an air carrier or aircraft operator from the obligation to respect minimum insurance requirements when the aggregate fixed by its insurance contract is reached.
- c) The values referred to in this Section may be amended, as appropriate, where amendments in the relevant international treaties indicate the necessity thereof.

213.13 Enforcement and Sanctions

- a. CARC is the enforcement body of this Part. CARC shall take the measures necessary to ensure that the obligations under this Part are respected.
- b. Where necessary, CARC may request additional evidence from the air carrier, the aircraft operator or the insurer concerned.
- c. Sanctions for infringement of this Part shall be effective, proportional and dissuasive in accordance with the relevant provisions JCARs and article 62 of the Civil Aviation Law No. (41) of 2007.
- d. With regard to non-Jordanian air carriers and to aircraft operators using aircraft registered outside Jordan, the sanctions may include refusal to land on or to overfly the territory of Jordan.

213.15-213.85 reserved

213.87 Further insurance rules and requirements with regard to aviation liabilities, which are applicable only to a Jordanian legal entities.

a) Airport operator:

1. Airport operator who provide premises, services and facilities necessary for handling aircraft, passengers on the ground, catering and car parking etc., shall have an insurance cover for:
 - I. Premises liability - covering legal liability for third party bodily injury or property damage arising out of activities at an airport location. This would include third party liability for the airside operation of motor vehicles
 - II. Products liability offering protection against third party legal liability arising from damage or injury caused as a result of a failure of a 'product'
2. The Minimum sum insured will be decided by CARC within the airport certification processes.

b) Air Navigation Service Provider:

1. **Type of insurance:** Air Navigation Services Liability Insurance.
2. **Nature of Business:** All Air Navigation Services provided within Amman Flight Information Region (FIR), and all other services in connection with the insured business as ANS provider including Air Traffic Control services.
3. **Insured interest:** The legal liability the Insured may incur in connection with their business as stated in (Nature of Business).
4. **Minimum sum insured:** Combined Single Limit (Bodily Injury, Property Damage, Personal Injury) extended coverage for War, Hijacking other Perils .
5. The minimum sum insured and the insurers' / reinsurers' security credit rate will be decided by CARC within the process of concluding the license agreement.

c) Aircraft hull and flight crew and the cabin crew

1. **For aircraft hull and spare parts**, the minimum insurance coverage shall be not less than the aircraft agreed value.
2. **For each flight / cabin crew member on commercial flight**, the minimum insurance cover shall be not less than 250000 SDRs.

- 3. For each flight /cabin crew member on non-commercial flight** the minimum insurance cover shall be not less than 100000 SDRs.

d) Aircraft and aircraft components Maintenance Organization

1. Maintenance organization shall provide evidence of an Aviation Liability insurance including Products/Completed Operations.
2. A combined single limit bodily injury and property damage and, with respect to Hangar keepers Legal Liability for any damage they may cause to an aircraft and aircraft components under their care and control.
3. The minimum insurance cover per accident, for each and every aircraft and aircraft components , shall be calculated in accordance with an agreed value as stated in basic ordering agreement for maintenance services.
4. Maintenance organization shall demonstrate to CARC that the above requirements are included in the basic ordering agreement for maintenance services.

e) Third party Ground Handler and self handler

1. Suppliers of ground handling services and self-handling shall be insured in respect of their groundhandling-specific liability covering the legal liability arising out of third party bodily injury or property damage .
2. The supplier of ground handling services and self-handling shall at all times be able upon request to demonstrate to the airport operator or CARC that it meets all the insurance requirements.
3. ground handlers can protect their liability if they operate under the IATA Standard Ground Handling Agreement.
4. Airport operator shall demonstrate to CARC that the above requirements are included in the operational agreement for all activities of ground handling services are insured to cover the legal liability arising out of third party bodily injury or property damage.

f) Regulated Agent

1. Shall be insured to cover liability in case of accident or incident, in particular in respect of cargo, mail and third party insurance.
2. The liability insurance coverage shall cover all risks for loss or damage that may arise within the regulated agent premises.

3. The insurance coverage will be approved by CARC if the coverage reflects the estimated associated risks of the regulated agent with the consideration of the number, type, costs of the frequent consignments.
- g) **Others;** CARC Council may impose at any time as it deems necessary for the public interest a minimum insurance requirements arising to any other legal entity not covered in this part.
 - h) CARC shall ensure that all established legal entities are in compliance with section 213.87.
 - i) Sanctions for the infringement of section 213.87 shall be effective, proportional and dissuasive; these sanctions may include the suspension, cancellation or withdraw of the license or any CARC approvals, subject to and in accordance with the relevant provisions JCARs and the Civil Aviation Law No 41 of 2007.
 - j) **law and Jurisdiction**

All insurance policies shall be governed by and construed in accordance with the laws of the Hashemite Kingdom of Jordan and each party (insurer/reinsurer with the insured) agrees to submit to the exclusive jurisdiction of Jordanian courts.