

**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 in line Section 5(3) of Carriage by Air (Amendment) Act No.08 of 2023)

**LIMITS OF LIABILITY & INSURANCE REQUIREMENTS  
FOR DOMESTIC AIRCRAFT OPERATIONS**

**Directive Reference Code:** CA - D - LA&E -2023- 001

**Date of Issue:** 09.08.2023

It is hereby directed under the powers vested in Section 75 of the Civil Aviation Act (which is hereinafter referred to as the CA Act) that any domestic aircraft flying within Sri Lanka in engaging domestic civil operations shall comply with the limits of liability & adequate insurance coverage stipulated herein.

This Directive rescinds SLCAD 18 2<sup>nd</sup> Edition Rev 00 issued by the Director General of Civil Aviation (which is hereinafter referred to as the DGCA) dated 07/10/2021 on the above subject “*Limits of Liability & Insurance Requirements for Aircraft Operators*”

This Directive shall come into force with immediate effect and remain in force unless revised or revoked.

Limits of Liability and Insurance Requirements for International Operations are available in CAASL Directive SLCAD 020 issued by the DGCA on 09/08/2023.

Attention is also drawn to Section 103 of the CA Act, which states *inter alia* that failure to comply with a Directive is an offence. Further, if any Directive stipulated in this Directive is not complied with or violated, an appropriate enforcement action will be taken as per the Aviation Enforcement Policy and Procedures Manual, SLCAP 0005 by the DGCA under Section 102 of the CA Act No.14 of 2010.

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P.A.Jayakantha  
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 <b><i>Domestic Aircraft Operations</i></b> regarding the Liability in respect of Passengers and Third Parties as per the applicable Conventions & Legislations.  |
| 2  | Application  | <p>This Directive shall apply to all domestic operators when flying within Sri Lanka in the purview of private operation, aerial work, commercial operation, test flight and experimental. (Refer <b>Table III</b>)</p> <p>All aircraft operators within Sri Lanka 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 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/ Private Aircraft Permit/ Flying Training Organization License or any DGCA approval or permit to carry out any test flight and experimental operation shall submit a suitable certificate of insurance to CAASL <b>before</b> an Air Operator Certificate/ Flying Training Organization License/Approval/Permit is issued to the applicant.</p> <p>Existing Air Operator Certificate holders or Flying Training Organization License 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 for <b><i>Domestic Carriage</i></b> | <p>As per the Gazette Notification No 2341/50 dated 20<sup>th</sup> July 2023, issued by the Minister of Ports, Shipping and Aviation under Section 5(3) of the <u><i>Carriage by Air (Amendment) Act No 08 of 2023</i></u>; the following limitations shall apply to all Domestic Carriage:</p> <ul style="list-style-type: none"> <li>(a) For liability in respect of passengers, the Limit of Liability shall be <b>LKR 5,000,000</b> per passenger;</li> <li>(b) For liability in respect of damage caused by delay in the carriage of persons, the Limit of Liability shall be <b>LKR 10,000</b> per passenger;</li> <li>(c) For liability in respect of baggage, in any case of destruction, loss, damage or delay the Limit of Liability shall be <b>LKR 5,000</b> per passenger;</li> <li>(d) For liability in respect of cargo; in any case of destruction, loss, damage or delay Limit of Liability shall be <b>LKR 100</b> per kilogram.</li> </ul>   |

4. Minimum Insurance Requirement in respect of damage caused to Third Parties in **Domestic Carriage**

(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 I**;

**TABLE I**

| Category | Maximum Take Off Mass (MTOM) in Kilograms (kg) | Minimum Insurance Cover in <b>Sri Lankan Rupees (LKR)</b> |
|----------|--|---|
| 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  |

Note 1: Currency for categories 1 to 4 in **Table I** are different from Categories 5-10 in **Table II**  
 Note 2: For the Aircraft with an MTOM Category 5 and above, the minimum insurance cover in respect of third parties in all domestic operations shall be as follows in **Table II**.

**TABLE II**

| Category | Maximum Take Off Mass (MTOM) in Kilograms (kg) | Minimum Insurance Cover in <b>Special Drawing Rights (SDR)</b> |
|----------|--|--|
| 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  |

- (b) The insured risks shall include war and allied perils.
- (c) As per the Nature and Scope of the Operation, the DGCA may determine additional stipulations or conditions depending on the Type of the Operation. (Refer **Table IV**)
- (d) Air Operators should have an additional insurance coverage for flights on which they intend to carry Dangerous Goods in addition to the requirements above. The quantum of required additional cover may be decided between the Operator and the Insurer.

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| 5. | Combined Single Limit for <i>Domestic Carriage</i> | <p>The total liability coverage for any single event during Domestic Carriage shall not be less than the total of the following;</p> <ul style="list-style-type: none"> <li>a) for death or injury of passengers; LKR 5,000,000 X passenger capacity</li> <li>b) for damage caused by delay of passengers; LKR 10,000 X passenger capacity</li> <li>c) for destruction, loss, damage or delay in the carriage of baggage; LKR 5,000 X passenger capacity</li> <li>d) for destruction, loss, damage or delay in the carriage of cargo; LKR 100 per kilogram of cargo capacity</li> </ul> <p>Third Party Liability cover as per Section 4 of above.</p>   |
| 6. | General  | All domestic aircraft operators/Flying Training Organizations 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.   |
| 7. | Adherence  | All domestic aircraft operators/ flying training organizations shall strictly comply with this Directive.   |
| 8. | Amendment  | This Directive may in whole or in part be amended by the DGCA, as appropriate, where amendments are required.   |
| 9. | Definitions  | <p><b>“Dangerous Goods”</b> means any Goods or items that fall within the ambit of Section 78 of the Civil Aviation Act No. 14 of 2010;</p> <p><b>“Domestic Carriage”</b> means Carriage between two points within the territory of Sri Lanka which does not fall within the definition of <b>International Carriage</b>;</p> <p><b>“Joint operations”</b> 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><b>“MTOM”</b> 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><b>“Operator”</b> means a person, organization or an enterprise engaged in or offering to engage in aircraft operations and includes any person who causes or</p> |

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|  |  | <p>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> |
|--|--|---|

Categories of Insurance and Types of Operations applicable to this Directive are stipulated in Table III and Table IV respectively.

**TABLE III**

| Type 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>TYPES 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.<br>“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. |