

**Order on insurance companies licensed to write aircraft liability insurance
according to § 130 of the Air Navigation Act
(third party legal liability)**

In pursuance of clause 2 of subsection (1) of § 130 and subsection (1) of § 152 of the Air Navigation Act, cf. Consolidation Act no. 162 of 7 March 1994, it is laid down as follows:

§ 1. According to subsection (1) of § 130 of the Air Navigation Act, third party legal liability insurance for Danish registered aircraft to cover claims for damages in respect of losses inflicted on persons or property outside the aircraft as a result of use of the aircraft for air navigation within Danish territory may be taken out with

- a) Danish and foreign insurance companies licensed in Denmark to carry on insurance activities, including third party legal liability aircraft insurance, and
- b) insurance companies licensed in another EU country or another country which, upon agreement with the EU, has implemented the Council Directive 92/49-EEC of 18 June 1992, and registered in Denmark as writing liability aircraft insurance.

§ 2. Insurance companies wishing to offer liability insurance to Danish registered aircraft shall notify the Civil Aviation Administration - Denmark thereof. The insurance companies shall also either apply to the Financial Supervisory Authority for a licence to write liability insurance, cf. § 1 a), or file a notification with the Financial Supervisory Authority, cf. § 1 b). The general and special conditions governing third party legal liability insurance shall, moreover, be communicated to the Civil Aviation Administration - Denmark before being applied. The said conditions shall be written in Danish, but they may also be written in English, German or French provided they are accompanied by a translation into Danish.

§ 3. The policies used for third party legal liability insurance under § 130 shall contain the following minimum provisions, according to which

- a) the liability coverage is that referred to in § 127 of the Air Navigation Act, according to which the liability for damages ceases only if the injured party itself is stated through gross negligence or through wilful misconduct, and in subsection (1) of § 128, according to which the liability for damages is assessed according to the general rules of Danish law,

- b) the sums insured correspond at least to the minimum amounts fixed at any time pursuant to the final clause of subsection (1) of § 130, cf. presently the Ministry of Transport's Order no. 504 of 27 June 1991,
- c) the right of the insured third party to damages is not affected by provisions in the policy about recourse for the insurance company against the policy holder in circumstances where, in accordance with Chapter 10 of the Air Navigation Act, the insurance company has had to cover the insured party's liability for losses which, according to the general or special policy conditions, are excluded from the insurance coverage, nor by provisions in the policy about the policy holder's own risk,
- d) it is agreed that the policy shall be governed by Danish law and that disputes shall be settled by a Danish court of law,
- e) in the event that the policy terminates, the insurance company shall be liable to third party by terms of the policy for another 2 months after the company has notified the Civil Aviation Administration - Denmark of the termination of the policy unless, in the meantime, the aircraft has been removed from the Register of Danish Aircraft, or a permission, if relevant, to perform test flights has been withdrawn by the Civil Aviation Administration - Denmark.

§ 4. Licences to write liability insurance for Danish registered aircraft held by Danish and foreign insurance companies, cf. § 1 a), may be cancelled by the Financial Supervisory Authority upon recommendation from the Civil Aviation Administration - Denmark if a company does not comply with the insurance provisions of the Air Navigation Act or this Order. As regards insurance companies which have been granted a licence in another EU country or another country which, upon agreement with the EU, has implemented the Council Directive 92/49/EEC of 18 June 1992, and been registered in Denmark as writing third party legal liability insurance for Danish registered aircraft, cf. § 1 b), the Financial Supervisory Authority shall, upon recommendation from the Civil Aviation Administration - Denmark be entitled to act in accordance with Article 40 of the said Directive.

§ 5. The provisions of §§ 1-4 shall apply also to third party legal liability insurance in respect of aircraft registered in foreign countries and used by air carriers holding a Danish licence to carry out aviation.

§ 6. This Order shall enter into force on 1 July 1994.

(2) Insurance companies that prior to 1 July 1994 have been authorised by the Ministry of Transport to write third party liability insurance according to § 130 of the Air Navigation Act shall not be comprised by the provisions of § 2.

Ministry of Transport, 22 June 1994

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