

Transportation Notes: Filing of Insurance Certificates with the Canadian Transportation Agency

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By Carlos Martins

Air carriers offering scheduled international services to/ from Canada are required, by virtue of the *Canada Transportation Act*, S.C. 1996, c. 10, to file proof of insurance each year as a condition of maintaining their licence active. Historically, the Canadian Transportation Agency (the “Agency”) has, in some instances, allowed for leniency in the form of granting extra time for air carriers to file the proper certificates when the previous year’s certificates on file had expired. The required filings are comprised of two documents: A Certificate of Insurance and a Certificate of Endorsement. The form of these certificates is prescribed by regulation – and well known to most aviation insurance brokers.

Traditionally, many carriers renew their coverage in November and December of each year, and this triggers the above referenced filing requirements.

We are now into the renewal season. A review of the recent decisions of the Agency demonstrates that such leniency is no longer being extended as the Agency is now prepared to suspend air carriers’ licences immediately upon the expiry of the certificates on file.

Indeed, in November alone, the Agency issued more than two dozen such suspensions. The trend continues into December.

As a result, air carriers are well advised to take proactive steps to have their insurance documentation filed in a timely way. Moreover, the Agency is notorious for scrutinizing the form of the certificates to ensure that they are compliant. Accordingly, best practices suggest that it would be prudent to have the certificates filed at least two business days before expiry to allow time to request brokers to make amendments, if required.

The information and comments herein are for the general information of the reader and are not intended as advice or opinion to be relied upon in relation to any particular circumstances. For particular application of the law to specific situations, the reader should seek professional advice.

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