§ 440.7 Determination of maximum probable loss.

(a) The FAA will determine the maximum probable loss (MPL) from covered claims by a third party for bodily injury or property damage, and the United States, its agencies, and its contractors and subcontractors for covered property damage or loss, resulting from a permitted or licensed activity. The maximum probable loss determination forms the basis for financial responsibility requirements issued in a license or permit order.

(b) The FAA issues its determination of maximum probable loss no later than ninety days after a licensee or permittee has requested a determination and submitted all information required by the FAA to make the determination. The FAA will consult with Federal agencies that are involved in, or whose personnel or property are exposed to risk of damage or loss as a result of, a licensed or permitted activity before issuing a license or permit order prescribing financial responsibility requirements, and shall notify the licensee, or permittee, if interagency consultation may delay issuance of the MPL determination.

(c) Appendix A of this part contains information requirements for obtaining a maximum probable loss determination. Any person requesting a determination of maximum probable loss must submit the information required by Appendix A, unless the FAA has waived a requirement. In lieu of submitting required information, a person requesting a maximum probable loss determination may designate and certify certain information previously submitted for a prior determination as complete, valid, and equally applicable to its current request. The requester is responsible for the continuing accuracy and completeness of information submitted under this part and must promptly report any changes in writing.

(d) The FAA may make a determination of maximum probable loss at any time other than as set forth in paragraph (b) of this section upon request by any person.

§ 440.9 Insurance requirements for licensed or permitted activities.

(a) As a condition of each license or permit, a licensee or permittee must comply with all insurance requirements of this section and of a license or permit issued by the FAA, or otherwise demonstrate the required amount of financial responsibility.

(b) A licensee or permittee must obtain and maintain in effect a policy or policies of liability insurance, in an amount determined by the FAA under paragraph (c) of this section, that protects the following persons as additional insureds to the extent of their respective potential liabilities against covered claims by a third party for bodily injury or property damage resulting from a licensed or permitted activity:

1. The licensee or permittee, its customer, and their respective contractors and subcontractors, and the employees of each, involved in a licensed or permitted activity;

2. The United States, its agencies, and its contractors and subcontractors;