

24 April 2026

Design Delegation Holder Advice
Address: Electronic Correspondence

Kia ora Design Delegation Holders,

Advice to DDHs Regarding Legal Liability

Thank you for your questions and for the work you do as Design Delegation Holders (DDHs). This letter shares some general guidance on legal liability and insurance, building on the “Response to DDH Questions Raised at the 2025 DDH Seminar” dated 16 Feb 2026.

Please treat this as general information only. It doesn’t replace any legislation, rules, or published guidance, and it isn’t legal advice to DDHs. This guidance is current at the time of writing and may be updated in the future (as notified).

QUESTIONS:

The following questions were raised by delegates in conjunction with the 2025 DDH Seminar:

- *What is the legal liability assumed by DDHs?*
- *Does the CAA indemnify or provide insurance coverage for DDHs?*
- *Has the legal liability of DDHs changed with new CA Act?*
- *What support would CAA offer if a case were raised against a DDH?*
- *What is the legal liability of a person making a Statement of Compliance vs a Finding of Compliance?*
- *When CAA states that they will indemnify a Delegate who acts in good faith and within the scope of their delegation, are there any limitations to this (other than acting in good faith and within their scope)? For example, does this cover proceedings brought against the individual DDH by a third party, such as an Insurance Company or just proceedings as a result of a CAA investigation?*

RESPONSE:

1. Liability has not changed under the Civil Aviation Act 2023. In relation to corporate matters such as insurance and indemnities, the CAA, as a Crown entity, is governed by the Crown Entities Act 2004.
2. If a DDH decision made under delegation from the Director were challenged on its merits, that challenge would be dealt with by the CAA, provided the delegate’s decision was made in good faith. In this context, good faith means that the delegate’s

decision was a bona fide decision made for the purposes of the relevant Civil Aviation Rule, within the scope of the delegation, and not influenced by improper purpose, personal interest, or pecuniary gain.

3. As a Crown entity, the CAA cannot give a blanket indemnity to DDHs from legal claims (see section 163 of the Crown Entities Act 2004).
4. If a third-party brought a claim or proceeding against a DDH for an action or decision that arose directly out of a decision made under the delegation, the CAA may be able to provide an indemnity to the delegate under section 163(2)(b) of the Crown Entities Act 2004 in relation to that claim or proceeding and which would be considered on a case by case basis.
5. Third-party claims for compensation against a DDH and/or the employing organisation that arise independently of a delegated decision are not the CAA's responsibility, whether such claims are brought by an insurance company or otherwise, for example, a general claim in negligence arising from design errors. Similarly, a statement of compliance issued under Part 146 remains the responsibility of the Part 146 organisation, and any claims for compensation arising from that statement are the responsibility of that organisation.
6. DDHs are expected to hold their own appropriate insurance. Whether holding insurance should become a formal condition of delegation is something the CAA will consider and discuss further with DDHs.

DDHs should seek further advice from the CAA if the application of this advice is uncertain or clarification is required in a particular instance. However, please note that a DDH and design organisation would need to get their own legal advice on questions of legal liability.

CAA also wishes to advise our intention to update the CAA website to include general advice previously promulgated to DDHs via email/letter, to ensure there is a central repository for such advice in the future.

If you have any questions or would like to talk through how this applies in a specific situation, please get in touch with the CAA team. We're also looking forward to seeing you at the 2026 DDH workshop.

Kind regards,



Catherine MacGowan
Deputy Chief Executive
Aviation Safety Oversight Group