



Senate Committee on Transportation
March 23, 2023

Re: Support for SCR73/SR65

REQUESTING THE DEPARTMENT OF TRANSPORTATION TO CONDUCT AN ASSESSMENT REPORT TO EVALUATE THE FEASIBILITY AND PRACTICALITY OF IMPLEMENTING HIGHER LEVELS OF COMMERCIAL GENERAL LIABILITY INSURANCE FOR THE GENERAL AVIATION INDUSTRY AND HELICOPTER OPERATIONS AT AIRPORTS IN THE STATE.

Aloha Chair Lee, Vice Chair Inouye, and members of the committee!

We are writing to support Senate Concurrent Resolution 73 and Senate Resolution 65. These measures request the Department of Transportation to assess implementation of higher levels of commercial general liability insurance for the general aviation industry and helicopter operations at airports in the state.

Blue Hawaiian has the highest commitment to safety. Our aircraft are equipped with technologies and equipment like Helicopter Terrain Awareness and Warning Systems (HTAWS), automatic dependent surveillance-broadcast (ADS-B), aircraft floats and upgraded with the newest GARMIN glass-cockpit avionics to exceed the federal regulatory requirements for helicopter air tour safety. To further our safety commitment, Blue Hawaiian Helicopters is the only air tour operator in Hawaii to be a member of the Tour Operators Program of Safety, as well as to also have a Voluntary FAA Safety Management System (SMS) implementation program and an accepted and approved Voluntary FAA Aviation Safety Action Program (ASAP).

We have consistently urged the legislature to increase the aviation insurance coverage minimums as a mechanism to promote the adoption of safety measures by the aviation industry. Hawaii airports require commercial general liability insurance coverage in the amount of \$1 million combined single limit and \$2 million in the aggregate, whereas preliminary research indicates that airports like McCarran Airport in Las Vegas and Phoenix have minimum requirements of \$10 million.

We seek to serve as a resource to policymakers, including the legislature.

Thank you for the opportunity to testify.

SCR-73

Submitted on: 3/22/2023 1:33:58 PM

Testimony for TCA on 3/23/2023 3:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Doug Downey	Testifying for Air Methods	Support	Remotely Via Zoom

Comments:

I support SCR73

SCR-73

Submitted on: 3/22/2023 1:37:27 PM

Testimony for TCA on 3/23/2023 3:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Curt Castagna	Testifying for Aeroplex	Support	Remotely Via Zoom

Comments:

I support SCR73

SCR-73

Submitted on: 3/23/2023 6:09:41 AM

Testimony for TCA on 3/23/2023 3:01:00 PM



Submitted By	Organization	Testifier Position	Testify
Curt Castagna	Testifying for Aeroplex Group Partners	Support	Written Testimony Only

Comments:

As a consultant that has worked with Hawaii’s DOT Airport’s division on a few general aviation projects, as an active aviation developer that is host to many aviation businesses, I am writing to provide written testimony for item [SCR73/SR65](#)

Airport insurance requirements for aviation businesses and users are intended to protect both the traveling public/community, and airport facilities to insure there is adequate coverage in the event of an accident or natural disaster with an airport business operator. As an industry standard, airport lease agreements often do, but should include language requiring a variety of insurance coverages with current limits, and specifically should include provisions that those insurance limits are subject to review and adjustment by the airport. Below is an example of recommended language that the regulation should consider, from a current FBO master lease agreement

.....”LANDLORD (Airport) shall have the right at any time during the term of this Lease to review the type, form and coverage limits of the insurance enumerated herein. If, in the opinion of LANDLORD, the insurance provisions in this Lease are not sufficient to provide adequate protection for LANDLORD and the members of the public using XXXXXX Airport, LANDLORD may require the TENANT to obtain insurance sufficient to provide such adequate protection. Insurance requirements shall be applied uniformly to all TENANTS engaged in similar type operations on the XXXXXX Airport, and such requirements shall be consistent with industry standards.

Notwithstanding anything to the contrary contained in this Section, whenever, and separately with respect to each occurrence, the operations and /or products offered by TENANT or its subtenants change (either as an increase or decrease in required coverage and limits) during the term of this Lease, the coverage and limits of coverage in Section that apply to TENANT or its subtenants may change as determined in writing by the City Risk Manager or designee;

provided, however that in no event shall the insurance coverage limits that are required from any existing (as of the Effective Date) subtenant of TENANT apply until the second anniversary of the Effective Date, and then only to the extent that such insurance coverage limits have been updated and LANDLORD has required compliance with such limits by LANDLORD's other tenants at the Airport which are similarly-situated to TENANT”.....

Aviation insurance coverages, need to be kept at current limits that properly reflect the specific risk at any one airport, as they are unique in their operations and types of aircraft users and businesses, and as well the limits should reflect the current costs of medical and property coverage where any insurance limits would need to apply. Such a review, and modification to any insurance limits, do in fact provide a level of safety for the public, and consistent with federal DOT policy relative to carriage regulations for the movement of people, limits should be established to protect the industry’s highest obligation for a “duty to care”

Lastly, airports need to uniformly apply their insurance limit requirements at any one airport, and in any system of airports, where they review the specific inherent risks. In the case of Hawaii, given that commercial service operations from general aviation provide for the movement of people, goods and support tourism, a review of those risks, and the need for higher insurance coverages to assure the safety standards are enough to protect the public is reasonable. As well, the State should consider the characteristics of each operator, and again apply the insurance standards uniformly so there an established level playing field between commercial operators.

Respectfully submitted

Curt Castagna

President/CEO

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SCR-73

Submitted on: 3/22/2023 1:28:41 PM

Testimony for TCA on 3/23/2023 3:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Eric Hamp	Individual	Support	In Person

Comments:

Aloha,

I support SCR73 SR65.