

**TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII  
ASSOCIATION FOR JUSTICE (HAJ) IN SUPPORT WITH  
COMMENTS FOR SB 2747 SD2 HD1**

Hearing Date: Thursday March 28, 2024

Time: 2:00 p.m.

My name is Evan Oue and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) in **SUPPORT WITH COMMENTS** on SB 2747 SD2 HD1, Relating to Aircraft.

HAJ supported the previous version of the bill as it required tour aircraft operators to have commercial general liability insurance coverage of at least \$1,000,000. The measure was amended to require the Director of Transportation to adopt rules that require tour aircraft operators to have aircraft liability *insurance coverage not less than an unspecified percentage of the highest minimum similar coverage required by a United States international airport per person per incident*. Sufficient insurance coverage is vital to protecting our residents if they suffer: 1) bodily injury and death; or 2) property damage from an incident involving tour aircraft operations.

Requiring insurance coverage has become increasingly necessary given recent incidents involving helicopter crashes which resulted in catastrophic injury, loss of life, and substantial property damage. For example, the Kailua helicopter crash killed all who were onboard, and the wreckage fell onto a Kailua neighborhood. These tour aircraft operators conduct flights in airspace over our local residential neighborhoods and need to have proper insurance minimums in place to assure that their passengers, along with Hawaii residents are properly compensated if there is an incident that result in bodily injury or death.

HAJ supported the \$1,000,000 in minimum general liability insurance coverage in the previous version of the measure to assure that residents can be properly compensated. We support a percentage of the highest minimum similar coverage required by a United States international airport per person per incident that would properly reflect the risk associated with operating helicopters in Hawaii.

The current minimum insurance coverage is far too low for as many of these operators employ is less than the auto or home coverage of many of the legislative members reviewing this bill. Furthermore, many of these operators are a part of Hawaii's tourist industry, and many tourists may not be aware how low the current Hawaii's insurance minimums are for these operators.

HAJ appreciates the legislatures commitment to assuring that there is sufficient recourse for injuries resulting from commercial activities in Hawaii. Thank you for allowing us to testify regarding this measure. Please feel free to contact us should you have any questions or desire additional information.



House Committee on Consumer Protection & Commerce  
March 28, 2024

Re: Support SB 2747, SD2, HD1, Relating to Aircraft

Aloha Chair Nakashima, Vice Chair Sayama, and members of the committee,

We are writing to support SB 2747, SD2, HD1, relating to aircraft and to respectfully request two amendments. This bill requires the Director of Transportation to adopt rules that increases the minimum insurance levels for tour aircraft operators.

Blue Hawaiian continues to support safety in the industry, and we firmly believe that adequate insurance coverage is the right thing to do for the customer and community.

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 that 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 are all familiar with automotive insurance carriers having programs that encourage, promote, and incentivize safe driving and safety equipment. We believe that, with increased aviation insurance requirements, insurers will similarly promote increased adoption of technology, equipment, and programs that increase safety for our community. For clarity, we request that the minimum amount of insurance be specified in the bill. Twenty million dollar minimum per person, per incident insurance requirements have been implemented at Harry Reid International Airport in Las Vegas. Attached to this testimony is a summary of Harry Reid International Airport insurance requirements.

For clarity, please make the following amendments to the bill:

Page 3, line 3:

(9) Verification that the applicant has in effect aircraft liability insurance coverage of at least \$20 million ~~no less than a \_\_\_\_\_ per cent of the highest minimum similar coverage required by a United States international airport,~~ per person per incident, that covers at a minimum: (A) Bodily injury and death; and (B) Loss and damage to property;

And inserting a new Section 2:

SECTION 2. Section 261—12, Hawaii Revised Statutes, is 2 amended by amending subsection (d) to read as follows:

(d) Conformity to federal legislation and rules. No rules, orders, or standards prescribed by the director shall be inconsistent with, or contrary to, any act of the Congress of the United States or any regulation promulgated or standard established pursuant thereto. The director is authorized to adopt such rules as necessary to ensure compliance with this section.

We look forward to engaging with policy leaders and wish to be a resource to the legislature.

Thank you for the opportunity to testify in support of this measure.

**CLARK COUNTY DEPARTMENT OF AVIATION  
SUMMARY OF MINIMUM INSURANCE REQUIREMENTS**

<b>AIRPORT</b>	<b>TYPE OF ACTIVITY</b>	<b>TYPE OF INSURANCE</b>	<b>AMOUNT</b>
HARRY REID INTERNATIONAL AIRPORT (LAS)	Commercial Airlines	Aircraft/General Liability	\$150 Million
		Auto Liability, if applicable .....	\$5 Million, each occurrence
		Liquor Liability, if applicable .....	\$10 Million, each occurrence
		Hangarkeepers, if applicable	\$5 Million, each occurrence
	Regional / Commuter Air Carriers and Cargo Operations	Aircraft Liability	\$ 50 Million
		Auto Liability, if applicable .....	\$ 5 Million, each occurrence
	Helicopter Operations	Aircraft Liability	\$ 20 Million
Auto Liability, if applicable .....		\$ 5 Million, each occurrence	
FBO's	General Liability	\$ 50 Million, each occurrence	
	Auto Liability .....	\$ 5 Million, each occurrence	
Major Ground Handlers	General Liability	\$ 50 Million, each occurrence	
	Auto Liability .....	\$ 5 Million, each occurrence	
Airline Support Contractors	General Liability .....	\$1 Million, each occurrence	
	Auto Liability .....	\$1 Million, each occurrence	
	General Liability, if AOA* .....	\$5 Million, each occurrence	
	Auto Liability, if AOA* .....	\$5 Million, each occurrence	
Non-Airline Tenants/Concessionaires	General Liability .....	\$1 Million, each occurrence	
	Auto Liability .....	\$1 Million, each occurrence	
	General Liability, if AOA* .....	\$5 Million, each occurrence	
	Auto Liability, if AOA* .....	\$5 Million, each occurrence	
GENERAL AVIATION AIRPORTS VGT   HND   0L7   U08	Part 135	Aircraft Liability .....	\$10 Million, w/\$500,000 per seat
		General Liability .....	\$ 1 Million, each occurrence
		Auto Liability.....	\$500,000 Thousand each occurrence
	Flight School	Aircraft Liability .....	\$1 Million, w/\$100,000 per seat
		General Liability .....	\$1 Million, each occurrence
Auto Liability.....		\$500,000 Thousand each occurrence	
Aircraft Maintenance	Hanger Keepers Liability .....	\$1 Million, w/\$500,000 Aircraft	
	General Liability .....	\$1 Million, each occurrence	
	Auto Liability.....	\$500,000 Thousand each occurrence	
General Aviation Hangar Owners <b>ONLY</b>	General Liability .....	\$1 Million, each occurrence	
	**Auto Liability.....	\$500 Thousand, CSL, per accident <b>OR</b> \$250/\$500 Thousand per accident– bodily injury and \$250/\$500 Thousand per accident - property damage	
		**Does not require Clark County as an additional insured	

\*Airside Operations Area