



Oregon

Tina Kotek, Governor

Oregon Department of Aviation

3040 25th Street SE
Salem, OR 97302-1125
Office: 503-378-4880



March 26, 2025

To: Members of the Joint Transportation Committee

Oregon Legislature

900 Court St. NE

Salem, OR 97304

Subject: HB 3479: Liability Insurance Requirement for Commercial Drone Operations

Dear Chairs McLain and Gorsek and members of the committee,

Attached you will find a sample quote for aviation liability insurance to help give context to the discussion. This quote is current as of March 26, 2025. This policy covers 10 drones plus an additional "heavy lift" drone. The policy is for \$5,000,000 aviation liability with a \$2,000,000 injury limit. This quote also includes coverage for damage to the heavy lift drone itself (insured value) which would not be subject to the surcharge. With the annual aviation liability premium for 10 drones being \$6,500, the 5% surcharge would only amount to \$325.

Sincerely,

Kenji Sugahara

Director

Oregon Department of Aviation



**Aviation Insurance Quote
Unmanned Aircraft Systems (UAS Policy Form)**

Producer:
MUSIC FILM AND ENTERTAINMENT INSURANCE
SERVICES LLC DBA INSUREMYDRONE.NET
1019 E. 4th Pl.
LOS ANGELES, CA 90013

Application Number:
Contact:
UASInsure Business
213-634-2550
Info@insuremydrone.net

No insurance will be afforded through Global Aerospace, Inc. until the online application is completed and a policy has been purchased. The policyholder shall not consider any coverage to be in force, until they receive confirmation from the producer or from Global Aerospace, Inc. that a policy is in effect. This submission does not require the applicant to purchase or the company to afford any insurance.

The offer of insurance described in this Summary is valid through 01 Apr 2025

Applicant

Coverage Date: **01 Apr 2025** For one year with effect from 12:01 A.M. local time at address of applicant
Current Insurance Carrier: **GLOBAL**

Unmanned Aircraft Systems (UAS)				Premium
<u>Year, Make, Model</u>	<u>Flight Hours</u>	<u>Deductible</u>	<u>Insured Value</u>	
ANY UNMANNED AIRCRAFT WEIGHING UP TO 55LBS OWNED AND OPERATED BY THE NAMED INSURED	0	In Motion: NA NotInMotion: NA	Not Covered	Not Covered
FREEFLY SYSTEMS ALTA X	0	In Motion: 10% NotInMotion: 10%	\$20,000	\$2,025
War, hi-jacking and other perils Physical Damage Coverage for Drones, Ground Equipment and Payload				Included
Liability Coverage			\$5,000,000	\$6,500

** The Liability Premium shown above is the total for all units on the policy.*

Single Limit Body Injury and Property Damage Liability:

Also includes Liability arising from:

- + occasioned by or in consequence of war hi-jacking and other perils
- + the operation of UAS you rent/lease/borrow for periods of less than 30 days
- + UAS operated on your behalf by others

Additional Benefits (Subject to conditions) **Included**

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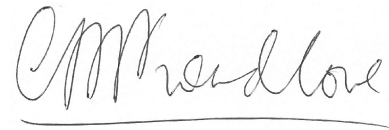
Bail Bonds	\$5,000
Fire Legal	\$100,000
Contractual Liability	Policy Limit
Product liability arising out of sale of scheduled aircraft	Policy Limit

Personal Injury **\$2,000,000** **Included**
** The Personal Injury Premium shown above is the total for all units on the policy.*

Medical Expense **\$5,000** **Included**
** The Medical Expense Premium shown above is the total for all units on the policy.*

Acts of Terrorism under the TRIPRA **Included**

Premium **Coverage Premium:** **\$8,525.00**



Dated: March 26, 2025

Underwriter:

Intended Uses

Commercial Photography/Videography

Operators

Operators of Unmanned Aircraft Systems (UAS) above 55lbs

Minimum Experience	Total UAS Hrs	Pilot Certification	Remote Pilot sUAS
Minimum Operator Experience 1	0	None	Yes

Insurance and Claims History

In the last 5 years, have any of the operators named above
 (a) been cited for violation of any aviation regulation, or **No**
 (b) had their pilot's or driver's license suspended or
 (c) been convicted of driving while intoxicated or
 (d) been convicted of any felony charge?

In the last 5 years, have you been involved in any aircraft or UAS accidents, incidents or losses? **No**

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Insurance applies to the insured's declared use of aircraft. See the policy form and any accompanying endorsements for the complete coverage details.

PLEASE NOTE: The following separate licensed insurers, whose liability is several and not joint, provide the insurance afforded by policies issued through Global Aerospace, Inc.

American Alternative Insurance Corporation Wilmington, Delaware	59.24%
American Commerce Insurance Company Columbus, Ohio	10.00%
Central States Indemnity Company of Omaha Omaha, Nebraska	18.39%
Tokio Marine America Insurance Company New York, New York	12.37%

Coverage(s) and Limit(s):

Part 1 - Liability

Coverage A - Bodily Injury and Property Damage Liability

1. Each **Occurrence** Limit: **\$5,000,000**
2. Each **Occurrence** sub-limit and deductible applicable to damaged property:
Damage to **Cargo** Limit: **NIL**
Cargo Deductible: **NIL**
The sub-limit described above is part of and not in addition to the Each **Occurrence** Limit.
3. Supplementary payment limits for emergencies and search and rescue operations related to **scheduled aircraft**:
 - (a) **NIL** is the most we will pay for expenses incurred under an emergency condition for:
 - (1) Application of foam on a runway;
 - (2) Fire and crash control and rescue; or
 - (b) The lesser of **NIL** or the **insured value** of the **scheduled aircraft** is the most we will pay for repositioning expenses incurred following a landing made under emergency conditions at a location where a safe takeoff cannot be made.
 - (c) **NIL** is the most we will pay for expenses incurred for search and rescue operations.

Part 2 - Physical Damage

Coverage B - Physical Damage to Scheduled Aircraft

- (a) Subject to Paragraph (b) below, the limit of insurance for a **scheduled aircraft** is its **insured value**, less any applicable deductible.
 - (b) The **insured value** of any **newly acquired aircraft** or any **scheduled aircraft** modified during the policy period is subject to the Maximum **Insured Value** Limit which shall be the highest **insured value** of any **scheduled aircraft** insured at the time such **newly acquired aircraft** is acquired or such modified **scheduled aircraft** is modified.
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Endorsements:

E041	Electronic Data Event Liability Exclusion	
A004	Additional Named Insured	
A121	Additional Insured	
A125b	Amendment of Defined Terms	
C022	Limited Liability War Exclusion Limited Coverage	
C023	Limited Physical Damage War Exclusion Limited Coverage	
C025	Electronic Date Recognition Exclusion Limited Coverage	
C036	Expenses for Medical Services	\$5,000 each occurrence
C039	Liability for Sale of Aircraft, Aircraft Parts or Services	
C054	Terrorism (TRIA) Coverage - Hull & Liability	
C061	Aviation Personal And Advertising Injury Liability	\$2,000,000 each occurrence/aggregate
C064	Premises Coverage	
C066	Fire Legal Liability	\$100,000 each occurrence
C095	Expanded Contractual Liability Endorsement	
N004	Non-Owned Aircraft Liability - UnManned Aircraft System	
D004	TRIA Disclosure	
S032	Oregon Amendatory	

Payment Plan:

100% of the Annual Premium Due on Inception

Approved Pilots for Scheduled Aircraft:

The policy shall not apply while a **scheduled aircraft** is in **flight** unless the **pilot in command** is approved by the Named Insured and appropriately licensed for the flight being conducted.

Underwriter's Remarks:

Blanket liability UP TO 10 DRONES- need to self-insure any equipment under \$5k.

Special Notices:

- State Amendatory Endorsement and Disclosure notice included as required.
- This quotation does not apply to the extent that trade or economic sanctions or other laws or regulations prohibits Global Aerospace from offering or providing insurance. To the extent any such prohibitions apply, this policy is void ab initio.
- The producer warrants that they are properly licensed to solicit or sell insurance, as applicable, in their state of domicile and in all other jurisdictions where they transact business.
- It is the producer's responsibility to comply with any applicable laws regarding disclosure to the policyholder of commission or other compensation we pay, if any, in connection with this policy or program.

Operations

Group/Blanket Pricing

Will all flights be conducted in accordance with applicable regulations?	Yes
Will any flights be flown	No
(a) outside over people under the FAA Operation of Unmanned Aircraft Systems Over People rule or with a waiver?	
(b) indoors where people are present?	
Do you intend to operate Beyond Visual Line Of Sight (BVLOS)?	
Do you intend to publish by any means data or images that were obtained or created by the operation of any UAS operated by you or on your behalf?	No
How many drones do you operate now?	7
How many drones do you plan to operate in a year's time?	10

TERMS AND CONDITIONS

All representations herein are declared to be true and complete to the best of my/our knowledge and no information has been withheld or suppressed. I/we agree that this application and the terms and conditions of the policy in use by the insurers shall be the basis of any contract between me/us and the insurers. I hereby authorize the insurers to investigate all representations contained herein.

No insurance will be afforded through Global Aerospace, Inc. until the online application is completed and a policy has been purchased. The policyholder shall not consider any coverage to be in force, until they receive confirmation from the producer or from Global Aerospace, Inc. that a policy is in effect.

SUBMISSION OF THIS APPLICATION DOES NOT COMMIT THE INSURER TO ANY LIABILITY NOR MAKE THE APPLICANT LIABLE FOR ANY PREMIUM UNLESS AND UNTIL THE INSURER AGREES TO EFFECT THIS INSURANCE.

THE APPLICANT FULLY UNDERSTANDS THAT THE POLICY WILL INCLUDE TERMS, CONDITIONS AND EXCLUSIONS WITH RESPECT TO THE INSURANCE AFFORDED. Any questions about the insurance afforded under this program should be directed to the insurance producer.

Global Aerospace, Inc. underwrites on behalf of the Global Aerospace Underwriters Pool. Policies are issued by US affiliates or subsidiaries of Global Aerospace Underwriters pool members. Details on the US policy issuing companies is published on the Global Aerospace, Inc. website at the following location: [www.global-aero.com/about/financial security](http://www.global-aero.com/about/financial%20security)

FRAUD STATEMENTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects that person to criminal and civil penalties (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties). (In New York, the civil penalty is not to exceed five thousand dollars (\$5,000) and the stated value of the claim for each such violation). (Not applicable in AL, AR, AZ, CO, DC, FL, KS, LA, ME, MD, MN, NM, OK, PR, RI, TN, VA, VT, WA and WV).

APPLICABLE IN AL, AR, AZ, DC, LA, MD, NM, RI and WV

Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment of a loss or benefit or who knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines or confinement in prison.

APPLICABLE IN COLORADO

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages.

Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the department of regulatory agencies.

APPLICABLE IN FLORIDA and OKLAHOMA

Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (In FL, a person is guilty of a felony of the third degree).

APPLICABLE IN KANSAS

Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of,

an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

APPLICABLE IN MAINE, TENNESSEE, VIRGINIA and WASHINGTON

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

APPLICABLE IN MINNESOTA

A person who files a claim with intent to defraud, or helps commit a fraud against an insurer, is guilty of a crime.

APPLICABLE IN PUERTO RICO

Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five(5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

APPLICABLE IN VERMONT

Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and may be subject to penalties under state law.

PAYMENT

Payment for certain insurance products available on this website may be made with selected credit cards or using PayPal. These payments are processed by a third-party payment processing service ("Payment Service"). Any payment made using the Payment Service will be deemed complete only when:

- (a) you have submitted your name, the details of a current and valid credit card of a type that the Payment Service accepts or your PayPal account information and all other required information (the "Information");
- (b) all Information from you has been received;
- (c) a charge against your selected credit card or PayPal account has been made; and
- (d) we have received full payment for all applicable amounts due for the policy.

IF ANY PAYMENT IS REVERSED OR DISHONORED FOR ANY REASON WHATSOEVER, NO PAYMENT WILL BE DEEMED TO HAVE BEEN MADE TO US, AND WE WILL RESCIND OR CANCEL YOUR POLICY IN ACCORDANCE WITH ITS TERMS.

By providing and submitting the Information you warrant that:

- (a) we are authorized to use the Information to request and obtain payment from your credit card issuer or PayPal;
- (b) the credit card or PayPal account is issued in your name and that you are authorized to incur charges against it; and
- (c) the Information you have provided is accurate and complete.

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We may, in our sole discretion and at any time without prior notice change the credit cards or other payment methods that we accept.

We make no warranties, representations or guarantees that the Payment Service will operate as intended, remain secure, or that its operation will be continuous or be uninterrupted. All implied terms, conditions and warranties regarding the functionality and security of the Payment Service are disclaimed to the fullest extent possible.

ELECTRONIC CONSENT

By opening your account, you agree to receive all documents and communications (including, but not limited to: the policy, endorsements, certificates or other documents concerning this transaction) through electronic means. You agree that electronically delivered documents and communications will have the same legal status, to the extent permitted by law, as paper documents.

You also agree that:

(a) your decision to receive documents electronically is voluntary, but can be revoked at any time by you by contacting your licensed insurance producer (we retain the right to impose charges or fees for the delivery of paper copies of documents that could have been sent to you electronically);

(b) in order to access and retain copies of your documents and communications, you have Internet access with a compatible browser; and

(c) you have provided us with a current and active email address for you, and that you will notify us of any change in your email address.

GUIDANCE ON PROTECTION OF PERSONAL IDENTIFIABLE INFORMATION

Recipients of this document are cautioned that it contains Personal Identifiable Information ("PII") (information that permits the identity of an individual to whom the information applies to be reasonably inferred by either direct or indirect means). It is your responsibility to protect any PII, ensure that it is safeguarded, and prevent any unauthorized access. Additionally, you are responsible for ensuring that the PII contained herein is used only for the purpose for which it was intended and not for your or your company's financial gain.

CHANGES

We reserve the right to terminate or change the Online Transaction Terms and Conditions, in whole or in part, at any time, without prior notice to you.

TERRORISM RISK INSURANCE ACT OF 2002

(As amended and extended by The Terrorism Risk Insurance Extension Act of 2005 and The Terrorism Risk Insurance Program Reauthorization Acts of 2007, 2015 and 2019)

NOTICE TO PRODUCER: The applicant must be made aware of the opportunity to purchase the coverage contained in the Applicant Disclosure described below. Any request from you to bind the coverage offered in this quote must include advice to us regarding the applicant's choice for terrorism insurance coverage. The premium stated in the disclosure is for terrorism insurance coverage only.

APPLICANT DISCLOSURE: NOTICE AND OFFER OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended, hereinafter referred to as 'the Act,' you have a right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in Section 102(1) of the Act: "The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel

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or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion."

PURCHASE OF THE INSURANCE OFFERED IN THIS DISCLOSURE HAS THE EFFECT OF NULLIFYING TERRORISM EXCLUSIONS CONTAINED IN NEW OR RENEWAL POLICIES FOR ACTS OF TERRORISM, AS DEFINED IN THE ACT.

HOWEVER,

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED, AND YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS THAT MIGHT AFFECT YOUR COVERAGE. IF THIS COVERAGE IS NOT PURCHASED, THE COVERAGE AFFORDED BY THE POLICY WILL BE THAT WHICH WOULD APPLY IN THE ABSENCE OF THE ACT.

IF PURCHASED, COVERAGE AFFORDED FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM MAY BE PARTIALLY REIMBURSED BY THE U.S. GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, IF THE AGGREGATE INSURED LOSSES EXCEED A TRIGGER AMOUNT (\$200,000,000 BEGINNING ON JANUARY 1, 2020), THE U.S. GOVERNMENT GENERALLY PAYS A PERCENTAGE (80% BEGINNING ON JANUARY 1, 2020) OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGE FOR THIS COVERAGE DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE U.S. GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE ACT, CONTAINS A PROGRAM CAP OF \$100,000,000,000 THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ONE CALENDAR YEAR EXCEEDS THE PROGRAM CAP. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEEDS THE PROGRAM CAP, YOUR COVERAGE MAY BE REDUCED.

PREMIUM FOR TERRORISM INSURANCE COVERAGE (which is in addition to the "Total Premium", and is subject to any applicable state taxes and surcharges) IS \$Zero.

In accordance with the provisions of the Act, the Terrorism Risk Insurance Program shall terminate on December 31, 2027. Unless the program is renewed, extended or otherwise continued by the federal government, insurance coverage purchased for losses arising out of acts of terrorism shall terminate as of the date when any one or more of the following first occurs: (a) the policy period ends; (b) the federal Terrorism Risk Insurance Program, established by the Act, has terminated either in its entirety or as respects the type of insurance afforded by this policy; or (c) renewal, extension or continuation of the Terrorism Risk Insurance Program has become effective without a requirement to make terrorism coverage available as respects the type of insurance afforded by this policy.

If the insurance is not terminated upon the occurrence of b. or c. above, insurance will remain in force without change for the remainder of the policy period, unless the company notifies you of any such change in response to any change in the federal law.

If the insurance is terminated upon the occurrence of b. or c. above, pro rata unearned premium will be returned to you.