

Helicopter Insurance: Getting the Best of the Rotorcraft Insurance Market

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Helicopter pilots are a rare breed, and while most insurance companies think we laugh in the face of danger and fly into places you couldn't squeeze a small car, the reality is we are generally a responsible bunch. A helicopter demands a certain amount of coolness, a light but sure touch on the controls, and a pilot that thoroughly understands the machine. So why are insurance companies so quick to run and hide when you ask for a quote? To be fair, there are insurance companies that will gladly offer terms, and there are some that will decline no matter what seasoned insurance agent you send against them. The key is to know what programs to look for and to find an agent who understands your operation and your helicopter.

As an insurance agent, I can understand why some insurance companies hesitate to quote an aircraft with a thin aluminum airfoil ripping through the air at 300 miles per hour. As a helicopter pilot, I can see why so many helicopter operators are frustrated by the insurance industry. Helicopter insurance premiums are expensive because there are so few of them operating compared to the fixed-wing aircraft they share the skies with. Insurance companies rely on statistics to determine premiums, so they are understandably cautious when dealing with the limited number of helicopters out there.

Another thing to consider is that helicopters are rarely "dinged" – when they do have a loss, it is more often a big one for the insurance company. Most fixed-wing accidents are landing-gear or ground-related incidents that are not usually a total loss. As any helicopter owner or operator knows, helicopter parts are *expensive*. Even minor mishaps are incredibly expensive, and a rotor-strike is an extensive ordeal. From a liability standpoint, those moving parts carry a lot of energy, and in the event of an emergency people and property outside the aircraft could be in serious danger from debris. Insurance companies look at all of these factors, and helicopters are simply less common and more expensive than their fixed-wing counterparts.

As disheartening as this may seem, there is hope for those who prefer fling-wing flying. There are several excellent programs for specific helicopter manufacturers, including the Robinson Program (through Sutton James/AIG), the Bell/Eurocopter Program (through USAIG) and the Schweizer program (through W. Brown). Airborne law enforcement, municipal and governmental operations have special programs and underwriters as well. As with all aviation insurance, a good agent is your best bet in securing a good quote. Ask about their experience with this unique form of flight; their relationships with helicopter underwriters can make a difference in the premium you are quoted.

So what can you do to *lower* your premium? If you are operating a helicopter fleet, a meeting with your agent and the underwriter at your location can help them understand your needs and allow them to see your commitment to safety. As a pilot insuring your personal helicopter, logged rotorcraft time is your most important asset. As you build hours in a specific aircraft, you will often see a lower premium on renewal. With more complex helicopters, completing specialized training may make a difference

as well. Seek guidance from a qualified aviation insurance agent for recommendations specific to your circumstances.

Always use a licensed agent and an admitted insurance carrier. A popular non-admitted manufacturer's program automatically depreciates the aircraft's value as it accumulates hours. This program also requires that *you* pay the expenses to recover the downed aircraft and return the helicopter to the factory for repair and it requires that you share any liability insurance you buy with the manufacturer. Sure, you will pay a smaller premium, but you may incur thousands of dollars in other costs in the unfortunate event of a claim. These relocation and transport expenses coupled with the automatically-reduced hull value and halving of your liability coverage can be a huge burden. It is important to understand all the policy terms and conditions; the last thing anyone wants is a surprise when they need their insurance company the most. The "bargain" insurance company may not be such a bargain when you don't have the coverage you need.

Helicopter flight schools understand the high cost of insurance and they are forced to pass this cost on to their students. This can force them to settle for substandard insurance coverage to keep costs down and remain competitive. The FAA requirement for CFI students to demonstrate full-touchdown auto-rotations is a big concern for underwriters. Unfortunately many claims do arise from this maneuver, which is part of the reason insurance rates are so high for helicopter flight training. Instructor qualifications should be taken into account as well; a low-time instructor with little flight training experience will obviously be less attractive to an insurance company than someone with years of instruction under his or her belt.

One last aspect to consider is the aircraft itself. A helicopter such as the Schweizer 300, which has been around in one form or another since the 1950s, is likely to cost less to insure than a new design. The statistics the insurance company craves are there, and they are able to determine exactly how the helicopter has performed from a risk standpoint. The majority of flight schools use the Schweizer 300 or the Robinson R22 due, in part, to the simplicity of the aircraft and the lower insurance rates available for them. That being said, there is a place in the insurance market for any helicopter. I have had success insuring everything from Rotorway experimental helicopters to turbine Alouettes. What it really comes down to is your experience, the safety precautions you take in ensuring safe flights, and how hard your insurance agent is willing to work for you.

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