

5 THINGS YOU NEED TO KNOW ABOUT INSURING DRONES



MAKE YOUR PROVIDER AWARE OF YOUR SPECIFIC SITUATION



Drones are hard to fly and easy to crash. Make sure we know the specifics of your UAV and what you are using it for. When it comes to these details, the more you provide us with, the easier it will be to get your insurance policy. The more we know, the higher the likelihood your rates will be cheaper (training and prior flight logs or loss runs can lead to a safety discount). This will include, but is not limited to knowing things like:

- **Special characteristics about your drone (make, model, year of model release, dimensions)**
- **If it has obstacle avoidance**
- **If there are Visibility lights**
- **Return to home features**
- **Any additional equipment (you may have purchased to add on: camera, delivery string, etc.)**
- **The industry you work in (If intended for commercial use, different industries have different requirements)**
- **Part 107 Certificate serial number (If for commercial use)**
- **Training and experience**

WHAT DO YOU DO?

When you are buying your policy, we recommend that, at the least, you get liability insurance to protect you from third-party liability. With Florida Risk Partners, you have the option to purchase Hull coverage on a per-flight basis monthly or annually to ensure your bases are covered when you're flying and keep you from paying more than necessary.

If you are flying for a /your business, ask yourself these questions:

1. **What industry is your business in?**
2. **How big is your company and how your drone is used to serve your customers?**
3. **How much can you afford out-of-pocket for a loss you don't have coverage for?**



If you are flying for recreational use, ask yourself these questions:

1. **What are the potential risks of the flight?**
2. **Am I flying year-round? Or seasonally?**
3. **Do I want to add hull coverage to my policy?**



It is important to understand that there are two main types of insurance for drone coverage– drone legal liability and physical damage (hull) coverage.

Drone liability insurance protects against third-party liability, damaged property, and bodily injury due to the drone and its operation. In the event you are sued, it will also cover your legal defense fees. When activating your policy, you have the option to select the Single Limit for Bodily Injury and Property Damage ranging from \$500,000 to \$5 million. Additionally, this coverage includes \$500 in Medical Expenses per person and Personal Injury coverage of \$25,000 for each offense and the aggregate. Drone liability insurance is similar to car insurance– if you accidentally crash your drone into something or someone, it can be used to cover damage to others' property and, if necessary, medical costs.



HULL COVERAGE

VS.

Hull coverage is for physical damage to your drone caused by the owner or operator and is optional to add to your policy. This coverage protects against the drone and its equipment from being lost, stolen, or damaged while in flight, transit, and on the ground and will pay for repair costs. With the growth of the drone industry and the technology used for it, drones can do more and more things. With more features and ways to use drones, the expenses and risks also go up.

LIABILITY COVERAGE

When it comes to your drone there are a few ways to take precautionary steps.

- 1. Add safety extensions such as parachutes or propeller guards.**
- 2. Check the battery percentage to ensure there is enough remaining for landing .**
- 3. Distance yourself from the point of takeoff and landing.**
- 4. Make sure you are flying at the proper height.**
- 5. Use the return to home button with caution and not impulse- areas that have many obstacles can create potential hazards for your drone if the RTH button is activated without proper planning.**

Before you activate your policy, provide us with flight logs and loss runs and we will assign you a safety score that has the potential to reward pilots for safe flying by reducing liability and hull premiums. If you provide us with proof of training, we can also offer an educational discount. Preparing helps you save money and unnecessary stress.



Drones are known for enabling you to do things you could not before. However, flying drones can be dangerous, and taking the right precautions can help you steer clear of avoidable accidents. If you are a hobbyist, by law, you must take The Recreational UAS Safety Test (TRUST) to fly in Florida. You are also mandated to register your drone if it weighs more than .55 LBs (it is only \$5 to register your drone) and display your registration number on the outside of the drone.

The drone operating system is of crucial importance. Some of the following questions can help your business get closer to standardization and minimal exposure. Are there standard operating procedures? Is a spotter employee present for each flight? Are the pilots trained and experienced? Not only will these factors increase safety, but they also tie into insurability and the price of your policy.

HOW TO STAY SAFE FLYING DRONES

WHERE CAN I FLY MY DRONE?



- SB 766 // 2015 inhibits you from taking photos or video of privately owned property, owner, tenant, or occupant of property without consent

Lucky for you!

The FAA has an app that helps you navigate restricted areas, B4UFLY

In Florida, the Unmanned aerial systems (UAS) operation rules prohibit drone flight over people, vehicles, or overnight operations (with exceptions for commercial pilots) and managed lands such as Florida state parks and forests.

There is also a possibility that there could be a temporary flight restriction (TFR) where the FAA inhibits flying in a specific airspace for a short period of time.

TFRs are sent to pilots through notice to air missions (NOTAMs). Before you fly, you should always check the restrictions of the airspace you intend to fly in.

Some Florida Drone Laws

- According to the Federal Aviation Administration, to fly as a commercial pilot you **MUST** have your Part 107 Certificate
- If you are a hobbyist flyer, you **MUST** take the UAS Safety Test (TRUST)
- If your drone weighs more than .55 LBs, you **MUST** register it and display its registration number on the outside of the drone
- Florida Administrative Code 51.4003 // 2016 prohibits drone flight on managed lands such as forests and parks unless given authorization from the Department of Agriculture and Consumer Services as a runway or a helispot.

Abby O'Brien began working as an intern for Florida Risk Partners in the summer of 2022. O'Brien was responsible for creating marketing material and beginning to integrate Drone Insurance into FRP's business. In this process, she became fully immersed in the drone world by researching regulations, trends, common user problems, and anything to understand the industry as a whole better. This led O'Brien to understand the components that integrate a vertical market and the importance of tailoring the insurance to help the drone pilots get the coverage they need and want. Abby graduated from Florida State University with a Bachelor of Science in Risk Management and Insurance and a minor in Economics in the spring of 2022. She plans to return to FSU in the fall to work on her MBA. During her undergraduate career, she participated in Gamma Iota Sigma (GIS), the business fraternity for RMI and actuarial majors, as a member and, in her senior year, as the Vice President of Administration. GIS promoted networking opportunities such as RIMS 2022, the GIS 50th Annual Conference, and many more that helped expand her experience within the industry. Outside of her education, O'Brien enjoys attending sporting events, spending time with nature, and cooking. She will jump at any chance to kayak, do yoga, or learn a new recipe. She is currently living in Valrico, FL and after her MBA will be looking to move back.

ABOUT THE AUTHOR



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