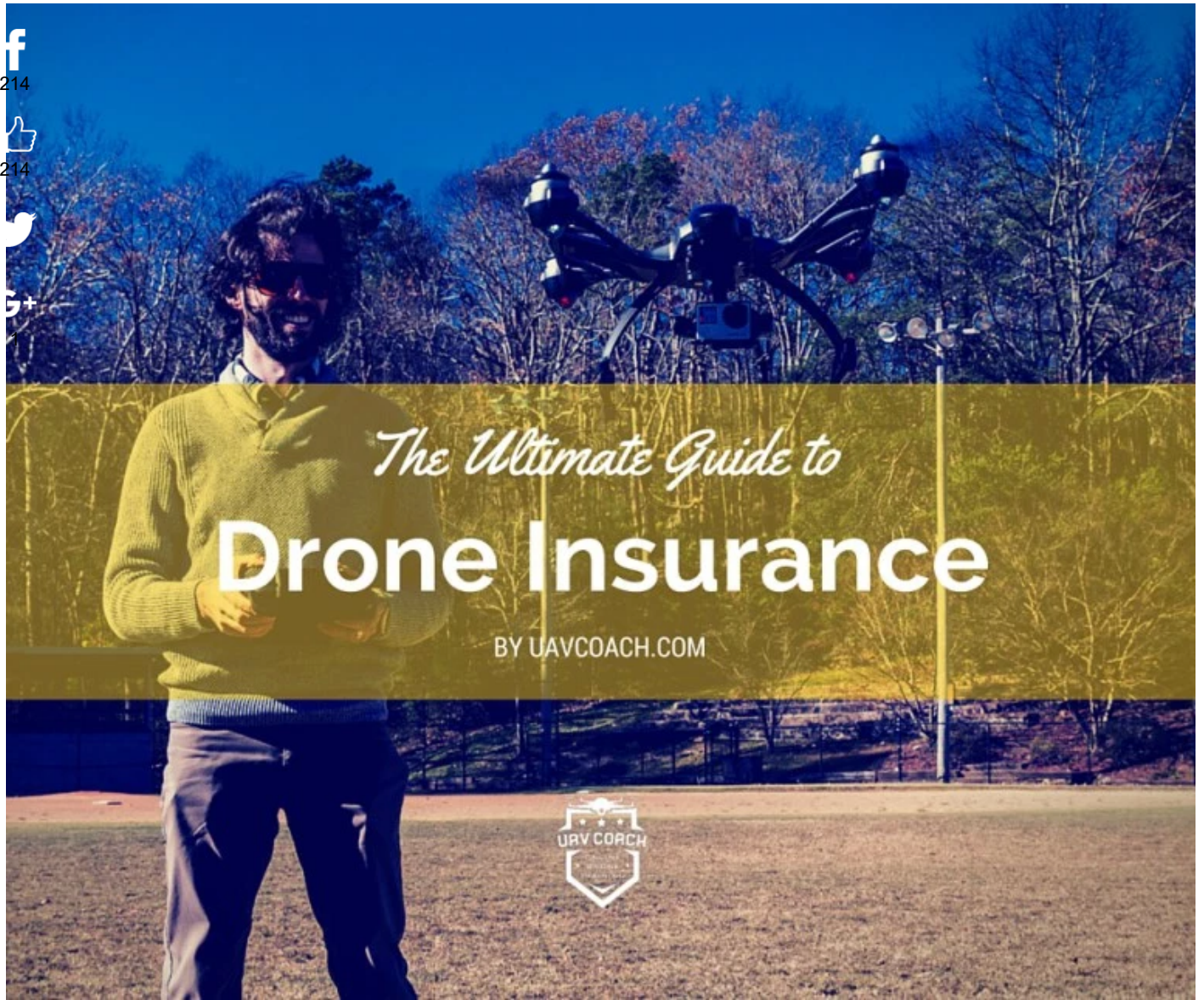


Drone Insurance Guide: UAV, UAS, & Quadcopter Liability Coverage



Guide Last Updated: October 2016

Getting **drone insurance** is a smart move if business is being conducted.

If you're making money with your UAV, or you plan to in the future, insuring it could save you a lot of money down the line if an accident happens.

And let's face it, UAV technology isn't perfect. Fly-aways beware!

Getting drone insurance may also help you close clients (who may not want to work with you unless you're insured). If anything, you've got peace of mind knowing that you're covered in the unlikely event of an accident.

Insuring your drone (<http://uavcoach.com/buy-a-drone/>) is a relatively new concept.

Over the last several months, I've been getting a lot questions about how to get insured, what's covered, how much it costs, and the options available.

First of all, do you even need drone insurance?

If you want to be insured, your homeowner's insurance likely does NOT cover use of your drone (<http://www.sfchronicle.com/business/networth/article/Does-your-homeowners-renters-policy-cover-drones-8404104.php>), even if you're just operating recreationally in your own backyard.

Some companies will *only* insure you if plan to pilot your drone (<http://uavcoach.com/how-to-fly-a-quadcopter-guide/>) commercially as a professional pilot.

In the U.S., UAV insurance is not currently required for either recreational or commercial RC drone (<http://uavcoach.com/remote-control-drone/>) use. In Canada, though, if you're operating commercially you must be covered for at least \$100,000 liability.

In some instances, you might need a minimum level of insurance coverage to take on a project, whether it's needing to secure a city film permit, or working with a larger company that requires insurance for each of its vendors.

At the end of the day, all serious UAV pilots (<http://uavcoach.com/rc-drones-for-sale/>) have liability insurance. It's a strong, credible indicator for your business prospects. Insurance shows that you're professional and reputable.

For those who plan to fly commercially, this guide covers:

1. What is drone insurance?
2. Accident and liability coverage
3. How much does UAS insurance cost?
4. How to get insured
5. Companies that will insure your UAV
6. How to file a drone insurance claim

Let's get started!

Note: Live in the U.S. and need to get certified? Check out our drone certification guide (<http://uavcoach.com/drone-certification/>) to learn more about what's required. We also have a Drone Pilot Ground School training course (<http://dronepilotgroundschool.com>) to help you prepare for your written test.

What is Drone Insurance?

Drone insurance acts like any other insurance policy. If you lose your drone or get into an accident, the company will cover your damage and liability costs to a certain extent.

(<http://dronepilotgroundschool.com>)

Insurance companies want pilots to have operating manuals, maintenance logs, and a record of parts or add-ons (<http://uavcoach.com/drone-accessories/>) they've purchased. These items, along with proof of training (<http://dronepilotgroundschool.com>) or of planning to get trained, indicate that you're a safe flyer or want to become one.

This lowers the amount of risk you pose to your drone (<http://uavcoach.com/drone-with-camera/>), other people, inanimate objects, and to the insurance company's costs. **The safer and more prepared you are, the more likely you'll be to obtain insurance and get a desirable rate (similar to car insurance).**

Here's a list of potential uses (operations) a company could insure you for:

- Law Enforcement and SWAT
- Emergency Response (FEMA)
- Fire and Rescue
- Traffic Patrol and Accident Assistance
- Homeland Security
- Corrections Facility Security
- Agriculture and Conservation
- Construction
- Facilities Protection: Electrical, Nuclear, and Water Sites
- Maritime and Shipping
- Pipeline/Hydro-Transmission Line Inspection
- Railroad and Highway Maintenance
- Archaeology and Geology Exploration
- National Parks and Recreation
- Movies and Videography
- News Gathering

Source: Unmanned Risk Management (<http://unmannedrisk.com/about/>)

²¹⁴What Types of Accidents Are Covered?

²¹⁴Here is a list of potential accidents covered under **commercial drone liability insurance**:

- Loss or damage to the UAV and associated equipment
- Coverage for aircraft operators, including other non-pilot, on-ground crew
- ¹ • Manufacturer Product Liability
- Third Party Legal Liability
- Premises Liability
- Aviation and Premises Medical Payments
- Fire Legal Liability
- Independent Contractors Liability
- Personal Injury
- Advertising Liability
- Contractual Liability
- Fellow Employee Coverage
- War, Hi-Jacking and Terrorism
- Damage to Premises You Rent
- Your Property & Office/Studio Contents

Sources:

- Unmanned Risk Management (<http://unmannedrisk.com/about/>)
- AIG Aerospace (http://www.aig.com/unmanned-aircraft_3171_659651.html)
- Aerial Pak (<http://www.aerialpak.com/details.jsp>)

How Much Does Drone Insurance Cost?

Drone insurance policies are usually broken up into two parts:

1. Liability (damage and claims to third parties)
2. Hull damage (damage related to your UAV)

A commercial insurance policy for a DJI Phantom 4 (<http://uavcoach.com/go/phantom4>) or Yuneec Typhoon H (<http://uavcoach.com/go/typhoon-h>) covering liability up to \$1 million can run as little as **\$600-\$800 a year** (depending on volume, experience, and background).

Or if you use a company like Verifly (<http://verif.ly/JZ3T304ms6z>), an on-demand drone insurance company, you can get \$1 million in liability for as little as \$10/hour.

Please note that these are general numbers from our research. You will need a unique quote from an insurance company to know exactly how much you will be covered and what it will cost.

Each company structures their policies a little differently. Some include hull insurance, others do not. Do your due diligence and chat with a number of companies before moving forward.

Here are a few things that your insurance broker may consider when putting together your application for the underwriter:

- Have you logged at least 50-100 hours of flight time?
- Do you keep a maintenance log?
- Are you an FAA-licensed drone pilot (<http://uavcoach.com/drone-certification>)?
- Do you own vs. lease your equipment?
- What do your website / marketing materials look like?
- Are you able to automatically record your flight log and data?
- Are you flying over water, or operating indoors?

Also, have you completed some kind of UAV pilot training (<http://dronepilotgroundschool.com>)? (Not required to have gone through any kind of program or degree; they're looking for experience and being able to demonstrate operational competency.)

How to Get Insured

To get insured, you will first need to obtain quotes from multiple companies and decide which one you want to go with.

To get a quote, go to an insurance company's website, find the "get a quote" form, and fill it out.

Here's some info you'll need to have handy:

1. Information about you, including your address and contact info.
2. The type of coverage you need (liability vs. hull)
3. The cost of each part of your rig, including equipment
- 323 4. Specific information about the UAV(s) you have

5. Where you're planning to operate
- 214 6. How many hours you've flown
7. How much training you've received
- 214 8. If you have any previous history of accidents or loss
9. 333 exemption grant or other country-equivalent certification paperwork

Check out this form (<https://www.aviationi.com/DroneOpsQuote.htm>) from Aviation Insurance to see what information a company might ask you for in the consultation stage.

1 Alternatively, you can download Verifly's app (<http://verif.ly/JZ3T304ms6z>) and get a quote from them for on-demand coverage.

Once you've obtained multiple quotes, you can compare prices and coverage. This will help you decide which company is offering you the best deal.

They'll guide you through the rest of the procedure.

Can you lose your insurance?

Yep, here's a few reasons why you might get dropped from your provider. Every provider has its own exclusions, and it's important to understand what they are.

Here are a few we've heard about:

- Not logging your flights and being able to prove what happened during an accident with flight log data.
- Not registering your serial number and putting proper identification numbers on your drone.
- Not logging all battery cycles and maintenance changes (even propeller changes).
- Not practicing ethical flight, and uploading dumb videos to YouTube that proves it!

Drone Insurance Companies and Carriers

The below companies all offer drone, UAV, UAS, and quadcopter (<http://uavcoach.com/cheap-drones-for-beginners/>) insurance coverage.

One thing I'd like to point out, is that very often I get asked, "**But I already have insurance with my AMA membership. I don't need anything more than that, right?**"

Well, in this 2015 insurance summary (<http://www.modelaircraft.org/files/InsuranceSummaryMembers.pdf>), it's clearly stated that your \$2.5 million liability policy:

...does NOT cover business pursuits; that is any activity that generates income for a member beyond reimbursement of expenses, except this business pursuit exclusion does not apply to individual members providing modeling instructions for pay to AMA members.

So, if you plan to fly commercially, your AMA insurance won't cut it.

In alphabetical order, here's a list of drone insurance brokers that can help you find the best sUAS insurance policy for you and your company. This list is particular to the United States, and some of the companies listed are very specific to the drone industry, while others offer more diverse business products to their clients.

List of Drone Insurance Brokers

- Aerial Pak (<http://www.aerialpak.com/>) (Hill & Usher)

[CLICK TO DOWNLOAD OUR LIST OF 17 CHEAP DRONES \(UNDER \\$150\)](#)

- Allianz (<http://www.AllianzDrone.com>)
- Avalon Risk Management (<http://www.avalonrisk.com/>)
- Aviation Insurance (<http://www.aviationi.com/droneuavhome.htm>) (Pat Costello)
- Aviation Insurance Resources (<http://www.air-pros.com/uas.php>)
- AVION Insurance (<http://avioninsurance.com/uav-drone-insurance/>)
- Driessen Assuadeuren (<http://www.drone-insurance.com/>) (Drone-Insurance.com)
- Harpenau Insurance Agency (<http://www.harpenauinsurance.com/drone/default.aspx>)
- Houston Casualty (<http://www.HCC.com>)
- Kinney Pike Insurance (<https://www.kinneypike.com/drone/>)
- MeadowBrook (<http://www.MeadowbrookInsGrp.com>)
- SkySmith (<https://skysmith.com/>)
- Skyvuze (<https://skyvuzetech.com/>)
- Starr Aviation (<http://www.StarrCompanies.com>)
- Sutton James Incorporated (<https://www.suttonjames.com/>)
- SwissRE (<http://www.SwissRe.com>)
- 323** • Transport Risk Management (<http://www.transportrisk.com/>)

- UAV Protect (<http://www.uav-protect.com/>)
- 214 • Unmanned Risk Management (<http://unmannedrisk.com/>)
- 214 • USAIG (<http://www.USAIG.com>)
- Verify (<http://verif.ly/JZ3T304ms6z>)
- XL Catlin (<http://www.XLCatlin.com>)

List of Drone Insurance Underwriters

- AIG (<http://www.aig.com/business/insurance/specialty/unmanned-aircraft-solutions>)
- Global Aerospace (<http://www.global-aero.com/>)
- Lloyd's (<https://www.lloyds.com/>)

The team over at ArcadiaSky maintains a separate list of insurance providers outside of the U.S. (<https://www.arcadiasky.com/drone-zone/insurance/uav-insurance-which-policy-is-right-for-you/>), particularly drone insurance in Australia and in the U.K.

And finally, a quick word about what an “insurance broker” actually is, written by the team at Kinney Pike Insurance (<https://www.kinneypike.com/drone/>):

Brokers have access to a broad range of coverage for their clients. By working with a drone insurance brokers, you'll often find insurance professionals dedicated to securing the right product for your specific needs. Brokers value their relationships with their clients, and often have multiple resources and extensive expertise to address the unique insurance market and, risks and coverage you face. Brokers work closely with insurance companies/underwriters and carefully choose and secure the best coverage at a competitive price for their clients.

How to File a Drone Insurance Claim

You might not need to file a claim right now, but it's good to know what might be required if you do end up filing one.

Here's a general outline from Unmanned Risk Management:

1. **Read over your insurance policy** for specific duties to accomplish. This will tell you what your insurance company does and doesn't want you to do.
2. **Notify the insurance company** as soon as possible. Note the time, place, description of the occurrence, names and contact information for any injured people and witnesses.
3. **Notify the proper authorities.** Contact the police for theft or vandalism claims.
4. **Do not make any statements (oral or written) without the insurance company's**

permission.

- 214 5. **Do not abandon your aircraft or insured property;** take all reasonable precautions to protect your property immediately after the incident.
- 214 6. **Cooperate with the insurance company and their representative(s).**
7. **Allow the insurance company to inspect the damaged property prior to repair or disposal.**
8. **File proof of loss with the insurance company within a set amount of time.**

¹To Wrap It Up

Hopefully this guide has given you everything you need to understand drone insurance and begin the process.

Remember, you might be covered by your homeowner's insurance if you're only flying recreationally, but make sure to confirm this before continuing to fly.

If you're a commercial pilot, getting insured is **highly recommended** to protect you and your business.

For a nice verbal explanation of this information, check out the video below (starts at 3:00). You can ignore the references to the Section 333 Exemption, since the regulations in the U.S. have since been updated to Part 107, but it's still helpful information we thought worth sharing.

Questions? Feel free to email support@uavcoach.com.