



Drones are About to Make a Big Leap

Are Your Policyholders Covered?

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The drones market is experiencing substantial growth. With technological improvements and recent broadening of federal regulation, experts are predicting a significant expansion in commercial drone usage over the next 10 years. Drones will be used in a variety of applications and a number of different industry segments.

From commercial uses such as delivery, monitoring, photography, and security, to public uses like firefighting, law enforcement and infrastructure, drones are positioned to make a big difference in the day-to-day operations of the private and public sectors. With the widespread proliferation of this technology, Munich Re, US can help you provide customizable drone coverage that can help protect your customers against the unique exposures and liabilities that come with it.

Growing Exposures

An operator flying a drone over private property may result in a lawsuit for trespassing, invasion of privacy or nuisance. Operators can lose control of a drone which may cause property damage and bodily injury. Potential mid-air collisions with infrastructure, other drones, and all manner of aircraft can open drone operators up to serious liability.

With drones' growing popularity, the need for protection against these exposures is considerable and increasing in demand.

Drones by the Numbers



2.7 Million sales of drones for commercial use by 2020¹



82 Billion dollars of contribution to US economy by 2025²



10 Fold growth of commercial drone fleet between 2016 and 2021³



100 Thousand new jobs to be created by drones market by 2025⁴



127 Billion dollars worth of business, services and labor that could be replaced by drones⁵



Product Overview

Because there are so many different ways that drones can be insured or excluded, we will work with you to develop a private-labeled, customized endorsement based on your existing commercial lines policies and clients' needs.

Drone Liability Coverage Endorsement

- Based on ISO's Limited Coverage Endorsements for Designated Unmanned Aircraft for the CGL and BOP policies
- Can also be tailored to meet client companies' needs and underlying policy terms
- Claims are handled by the client company
- We provide access to a proprietary Munich Re, US underwriting and rating portal. Our portal has enabled an Application Programming Interface (API) that automatically verifies a drone and drone pilot have active and valid registrations with the FAA.

Targeted Insureds and Underwriting Eligibility

- Operations that utilize drones to support other sources of revenue
- Drone Service Providers or other activities that use drones to generate their primary source of revenue are not eligible
- Any classes of business meeting the above criteria with no prior submitted drone claims
- To be used in accordance with the operational requirements of Federal Aviation Administration Rule 107
- Drone must be under 55 pounds

Limits

- Limits up to \$1,000,000 on all policies meeting the eligibility criteria

Client Benefits

Our new Drone private-label coverage can help:

- Serve policyholders' needs and increase your perception as a valued partner
- Offer flexible coverage options to better suit the needs of your agents and policyholders
- Provide full-service implementation capability. Munich Re provides:
 - Necessary training, underwriting guidance, pricing and risk selection support
 - Reinsurance support (up to 100%) to help you serve this growing market without the added risk
 - Form development
 - Filings support
 - Ongoing product management
 - Systems support
 - Marketing and communications support
- Earn an attractive ceding commission

Sources

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4. Association for Unmanned Vehicle Systems International, "The Economic Impact of Unmanned Aircraft Systems Integration in the US," March 2013.
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