

UAVs – Not Just Droning On

October 6, 2016

Marsh Canada Limited
Aviation Industry Practice

Is There Risk to Operating a UAV

Key Risks

- Property Damage
 - To Third Parties
 - To your owned unit
- Bodily Injury
- Invasion of Privacy
- Trespass and Nuisance



Insurance Landscape

What Options Are There?

Canadian Regulated Insurers

```
graph TD; A[Canadian Regulated Insurers] --> B[Aviation Insurers]; A --> C[Other];
```

Aviation Insurers

- Swiss Re
- Global Aerospace
 - Zurich
- XL Catlin
- Allianz
- AIG
- Canadian Aviation Insurance Group
- Starr Aviation
- Lloyd's Underwriters

Other

- Intact
- AVRO Insurance Managers Ltd.
- Armour Insurance Group (AB/SK)
- ACE/Chubb, Arch, Aviva, Chancellor, Co-operators, Dominion, Elite, Everest, Intact, Munich Re, Nordic, Northbridge, Old Republic, Omega General, The Personal Insurance Company, Quebec Assurance Company, RSA, Sovereign General, TD General, Temple, Traders General, Travelers, Waterloo, Western Assurance

Insurance Landscape

Coverage Options

Legal Liability

- Transport Canada regulates minimum of \$100,000
- \$1,000,000 to \$10,000,000
 - Readily available
- Higher Limits available with justification
- Operations within Visual Line of Sight only
- Coverage restricted to regulated use

Physical Damage

- Options for “All Risks” or “Fire and Theft”
- Only a few markets offering this coverage
- Deductibles range from 5% – 10%
 - may be removed for an additional cost
- Not offered for low value units
- Extends to attached equipment
 - ie. camera

Other

- Products Liability for manufacturers
- Non-Owned Aviation Liability
 - Contingent Coverage when hiring an Operator to perform work on your behalf

What should you know about your UAV operations

Key Questions

In an ideal world we would have answers to all these questions:

Who is operating the UAV? – do they have pilot experience or any kind of training?

Where will the UAV be operated?

Is there a Special Flight Operating Certificate in place?

What is the make and model of the UAV?

Are there any additional safety protocols? – who has access to the UAVs?
Are they locked away when not in use?

QUESTIONS?



This document and any recommendations, analysis, or advice provided by Marsh (collectively, the “Marsh Analysis”) are intended solely for the entity identified as the recipient herein (“you”). This document contains proprietary, confidential information of Marsh and may not be shared with any third party, including other insurance producers, without Marsh’s prior written consent. Any statements concerning actuarial, tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as actuarial, accounting, tax, or legal advice, for which you should consult your own professional advisors. Any modeling, analytics, or projections are subject to inherent uncertainty, and the Marsh Analysis could be materially affected if any underlying assumptions, conditions, information, or factors are inaccurate or incomplete or should change. The information contained herein is based on sources we believe reliable, but we make no representation or warranty as to its accuracy. Except as may be set forth in an agreement between you and Marsh, Marsh shall have no obligation to update the Marsh Analysis and shall have no liability to you or any other party with regard to the Marsh Analysis or to any services provided by a third party to you or Marsh. Marsh makes no representation or warranty concerning the application of policy wordings or the financial condition or solvency of insurers or reinsurers. Marsh makes no assurances regarding the availability, cost, or terms of insurance coverage.

Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

Copyright © 2016 Marsh Canada Limited and its licensors. All rights reserved. www.marsh.ca | www.marsh.com