

Accelerated use of drones post-COVID brings new insurance challenges for corporations

Drone use is increasing across the country as companies and corporations look to replace human interaction with machines, but what risk does this acceleration of technology bring?



Austin, Jun 16, 2020 ([Issuewire.com](https://www.issuewire.com)) - To meet growing demand, Austin based InsurTech company Precision Autonomy has teamed up with Old Republic Aerospace to launch online commercial drone insurance with public liability, war, TRIA and medical liability cover options.

Publicly available data from the Federal Aviation Administration (FAA) shows the average number of monthly commercial drone registrations increased more than 87% in the first three months of 2020, with 55,958 new commercial drone registrations between December 2019 and March 2020 and 9559 new Remote Pilots Certified. *

With this increasing use of drones, comes an increasing public liability risk. The World Economic Forum recently reported that drones had been deployed in a range of applications during the pandemic but “they have not always been effective - and have, at worst, caused harm”. **

So the question is; are the new operators and companies who are deploying drones adequately covered for the risks arising from drone applications?

Precision Autonomy founder Mark Halverson said; “It is a simple fact that ‘machines are immune’ to COVID-19 and have been deployed in new and exciting ways to help manage the crisis”.

In April this year, the FAA announced it was “enabling drone use for COVID-19 response efforts within existing regulations and emergency procedures”. Waivers for drone operations have increased by around 23% compared to the final quarter of 2019, with more than 510 applications approved in the first quarter of 2020 and another 290 applications for the second quarter-to-date. *

“However, we need to ensure that the accelerated adoption of this new technology is regulated and safeguards the interests of the public,” Mr Halverson said.

“Insurance is that safety net. Our platform can be used by brokers and operators alike to ensure they have the right cover.”

To meet the rising demand, Insurtech provider Precision Autonomy, backed by Old Republic Aerospace, has released a new easy to manage online insurance cover specifically for commercial drone use.

Stephanie Kleeberg, Senior Underwriter and UAV Specialist with Old Republic Aerospace said: “Drone insurance covers a unique risk to companies as a result of in-flight and on-ground exposure”.

“Appropriate enterprise-level cover is particularly important for companies operating beyond the line of sight,” she said.

COVID-19 DRONE USE

During the COVID-19 pandemic, drones have been used for medical deliveries, surveillance and government public broadcasts.

The FAA reported in March that it had received inquiries about expanded drone operations to respond to COVID-19 and on the 14th of April announced it was enabling drone use for COVID-19 response efforts "within existing regulations and emergency procedures".

The FAA also “issued special approvals, some in less than an hour, for flights that supported emergency activities and appropriate government, health, or community initiatives”. ***

In April, the [Financial Times](#) reported the first coronavirus-related waiver for drone flight, which gave approval to an oil and gas company in Houston, Texas, to use unmanned aircraft instead of humans to inspect its facilities while staff remain confined in lockdown.

ABOUT PRECISION AUTONOMY

Precision Autonomy uses software and algorithms to create a dynamic, value-driven insurance experience for an increasingly automated world. We are focused on practical solutions for commercial drones today, with a vision of building commercial global technology solutions for real-time, dynamic pricing of risk based on operational variables across air, water, and land robots.

We are “Accelerating the safe adoption of autonomous technology, today”

<https://www.youtube.com/watch?v=f6PAahgje74>

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*SOURCE: Federal Aviation Administration, “Federal Aviation Administration Aerospace Forecast 2020-2040”, “Part 107 Waivers Issued” and “UAS by the Numbers”, Sourced April 2020

As at Dec 2019, there were 385,751 commercial drones registered and 162,185 Remote Pilots Certified according to the [FAA Aerospace Forecast](#) published 24 April 2020. On [March 10, the FAA reported](#) 441,709 commercial drones registered and 171,744 Remote Pilots Certified.

The FAA Aerospace Forecast also reported that in the past year (2019), the average monthly registration for commercial drones stood at around 10,100.

https://www.faa.gov/uas/commercial_operators/part_107_waivers/waivers_issued/

** SOURCE: Meier, P, “Buzzkill – Why Hype Around Drones and COVID-19 is Misplaced”, 12 June 2020, World Economic Forum website <https://www.weforum.org/agenda/2020/06/buzzkill-hype-drones-covid-19/>

***SOURCE: FAA News Novel Coronavirus Updates, 2020

https://www.faa.gov/news/updates/?newsId=94991&omniRss=news_updatesAoc&cid=101_N_U



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