

Princeton, New Jersey, July 17, 2018

Media Information

As Farmers Grow Drone Use, Privacy Issues Top List of Concerns

Survey of Farmers Highlights New Risks and Opportunities in Expanding Drone Market

The popularity of drones is flourishing on the farm. Three in four U.S. farmers (74%) are currently using or considering adopting the technology to assess, monitor and manage their farm according to an April 2018 Munich Reinsurance America, Inc. survey of 269 U.S. farmers. Seventy-six percent (76%) of all respondents have concerns related to drone usage: privacy issues (23%) topped the list, followed by cyber security concerns over data captured and transferred (20%), and potential damage or injury from the drone (17%).

“As Federal Aviation Administration regulations open up the skies to the use of commercial drones, we are seeing a growing investment in the technology by farmers focused on precision agriculture or smart farming,” said Jason Dunn, Strategic Products Expert, Munich Reinsurance America, Inc. “Whether a farm has less than 100 or more than 5,000 acres, drones can be the eyes and ears for farmers that want to efficiently and cost effectively monitor and manage crops, livestock and soil conditions. However, farmers may be exposing their business to new risks related to drone usage, and their insurance coverage may not have kept pace with the rapid development and use of this technology.”

Of those who currently use the technology, it is nearly split between farmers who contract with an outside company to operate their drones (49%) and farmers who handle drone usage on their own (51%). Eighty-three percent (83%) of respondents use drones on their farms either daily or once a week or more. Drones are used for or considered being used for crop monitoring (73%), soil and field analysis (46%), and health assessment of [crops and livestock] (43%).

“Fortunately, a majority of farmers are talking to their insurance company about their drone usage,” said Dunn. Sixty-five percent (65%) of survey respondents using drones have informed their insurance company; 16% plan to do so. “Traditional commercial insurance policies don’t cover or offer very limited liability protection for drones. Farmers should speak with their agents or brokers to insure that their policy protects against privacy claims as well as bodily injury and property damage incurred as a result of drone usage.”

Munich Re America offers a Drone Liability Endorsement that can be attached to an existing commercial general liability insurance policy purchased through a participating insurance carrier. The endorsement, which provides bodily injury and property damage liability and/or personal injury liability coverage for drones that are under 55 pounds, is designed for small to medium size businesses and farm and agricultural operations in the U.S.

Methodology

This online survey was conducted by Qualtrics, which conducts research to capture customer, product, brand and employee experience insights, in April 2018 and is intended to represent the views of 269 U.S. farmers who participated.

About Munich Reinsurance America, Inc.

Munich Reinsurance America, Inc. is one of the largest reinsurers in the United States. We provide reinsurance coverages, specialty reinsurance, and risk management solutions to commercial and personal lines insurance carriers, agents and brokers, program administrators, and managing general agents. Our admitted and non-admitted insurance company affiliates also offer specialty insurance products. We provide insurance carriers with white label products to help protect against the devastating effects of natural catastrophes and emerging risks, while our Innovation Lab offers client solutions in a rapidly evolving technology risk landscape. We believe that by looking out for our clients' best interests with innovative risk solutions we can help build more resilient communities and close insurance gaps.

Munich Reinsurance America, Inc., a subsidiary of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München ("Munich Re"), earns high ratings for financial strength from A.M. Best Company. We serve our clients from our Princeton, New Jersey campus and regional offices throughout the United States. For additional information visit www.munichreamerica.com.

Media Contact

Jodi Dorman
Senior Media & PR Specialist
Phone: 609-243-4533
Email: JDorman@munichreamerica.com

Munich Reinsurance America
555 College Road East
Princeton, NJ 08543
www.munichreamerica.com
http://twitter.com/munichre_US