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Press release

Munich Re, US Launches New Drone Insurance Product As Commercial Drone Operators Take To the Sky

Product can be customized to meet client needs

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Munich Reinsurance America, Inc. (Munich Re, US), has launched a new commercial drone insurance product that offers a customized liability solution for insurance companies and their small to medium size customers that are taking advantage of Federal Aviation Agency (FAA) Rule 107.

FAA Rule 107 went into effect in August 2016, opening the skies to any non-recreational operator in U.S. airspace who completes a certification process. The FAA anticipates that 2.7 million commercial drones could be in use by the year 2020.

“New regulations have spurred the commercial use of drones across a broad spectrum of industries from photography and security to firefighting and law enforcement. But as companies and public entities find new, safe and cost effective ways to use drone technology, most commercial insurance policies don’t cover or offer very limited liability protection for drones,” said Tim Brockett, Senior Vice President, Reinsurance Division Strategic Products, Munich Re, US. “Our Drone Liability Endorsement addresses an emerging market need and offers a customized insurance solution to help protect companies against potential liability as the result of using drones.”

The Munich Re, US Drone Liability Endorsement can be attached to an existing commercial general liability insurance policy purchased through a participating insurance carrier. The endorsement provides bodily injury and property damage liability and/or personal injury liability coverage for drones that are under 55 pounds. It is designed for small to medium size businesses and farm and agricultural operations in the U.S. that utilize drones to support other sources of revenue. The Drone Liability Endorsement can be customized based on insurance carriers’ existing commercial lines policies and their policyholders’ needs. Claims are handled by the insurance carrier.

“Ease of use is also a key deliverable of this new offering,” Brockett said. “Insurance carriers that offer the Drone Liability Endorsement to their commercial policyholders will have access to an Application Programming Interface (API) that will seamlessly verify that the drone and drone pilot have active and valid registrations with the FAA.”

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