

# Drones Insurance Package

UAS – Unmanned Aircraft Systems

UAV – Unmanned Aerial Vehicle



“Zurich’s Canadian customers will be the first to have access to this unique insurance solution thanks to the sophisticated regulatory environment governing the use of drones in Canada.”

**The Teal Group predicts:**

- Economic impact of USD \$91 billion by 2024
- 70,000 jobs
- 175,000 UAS in commercial use by 2043

**Background Information**

While media attention around Unmanned Aircraft Systems (UAS) or Unmanned Aerial Vehicles (UAV), commonly referred to as “drones,” has largely focussed on military applications or infamous activity, the use of drones in the public and private sectors for reputable commercial use has been increasing. The Teal Group predicts that the global UAS/UAV market will almost double over the next 10 years to over USD \$91 billion, largely driven by expanding civilian use.

Canadian regulations allow for accelerated use of commercial drones within Canada. This will permit customers across a range of industries take advantage of the risk mitigation and cost saving opportunities available through the use of drones.

Some of the many industries where drones have proven to be an efficient and effective risk management tool include: Oil & Gas, Mining, Security, Agriculture, Telecommunications and Media.

**About Zurich’s Policy**

Zurich offers risk management tools and modular insurance protection. The policy closes the gap in liability and property insurance for drones due to aviation exclusions in these policies.

“Zurich’s Canadian customers will be the first to have access to this unique insurance solution thanks to the sophisticated regulatory environment governing the use of drones in Canada,” Urs Uhlmann, CEO, Global Corporate, Zurich Canada.

**Regulations**

According to Transport Canada, a drone can be operated commercially provided it weighs under 25 kilograms, is in the line of sight, is 8 kilometres from an airport, is 15.24 metres away from people, buildings, roads and carries liability insurance. If the drone weighs under 2 kilograms, it must be reported to Transport Canada.

**Risk Management Support**

- Risk insight and tools offered include online training for staff operating drones, updates on regulation and expert advice
- White paper on Operation & Support
- Drone Operator Regulation including Operator Safety Training Program
- Online Safety Training

**Product Overview**

Coverage	Limits of Insurance	Deductible
Hull	<ul style="list-style-type: none"> <li>• Standard coverage CDN\$250,000 per UAV</li> <li>• Can provide up to CDN\$500,000 per UAV</li> </ul>	5% of value for physical damage
Liability for bodily damage and property damage	<ul style="list-style-type: none"> <li>• Standard coverage CDN\$5,000,000 per occurrence</li> <li>• Can provide up to CDN\$25,000,000 per occurrence</li> </ul>	
Premium		
<ul style="list-style-type: none"> <li>• Minimum Premium CDN\$500</li> <li>• Typical Premium of CDN\$1,500 (for light commercial use)</li> </ul>		

## Key Coverage Components

### Property

#### Coverage:

- Physical damage to scheduled aircraft
- Theft or other perils whilst on ground, in storage or transit
- Damage to ground equipment
- Damage following cyber risk

#### Endorsements:

- Carried electronics and permanent components “payload” (i.e., cameras & installed equipment)

#### Claim Examples:

- Loss of control, technical failure, operator error whilst in flight
- Total loss following impact of terrain or objects in flight
- UAV is hacked resulting in loss or damage to the aircraft or payload

#### Key Exclusions:

- Owned cargo
- Wear and tear
- Employee dishonesty

### Liability

#### Coverage:

- Bodily injury and property damage liability

#### Endorsements:

- Premises liability
- Personal and advertising injury liability
- Write-back for war, riots, terrorism, confiscation, sabotage and unlawful seizure

#### Claim Examples:

- Bodily injury (BI) and property damage (PD) following impact with persons or third-party property
- Premises liability at locations used in connection with scheduled aircraft
- BI/PD while UAS is not in flight
- Medical expenses
- Publication of images obtained by UAS that slanders/violates personal privacy

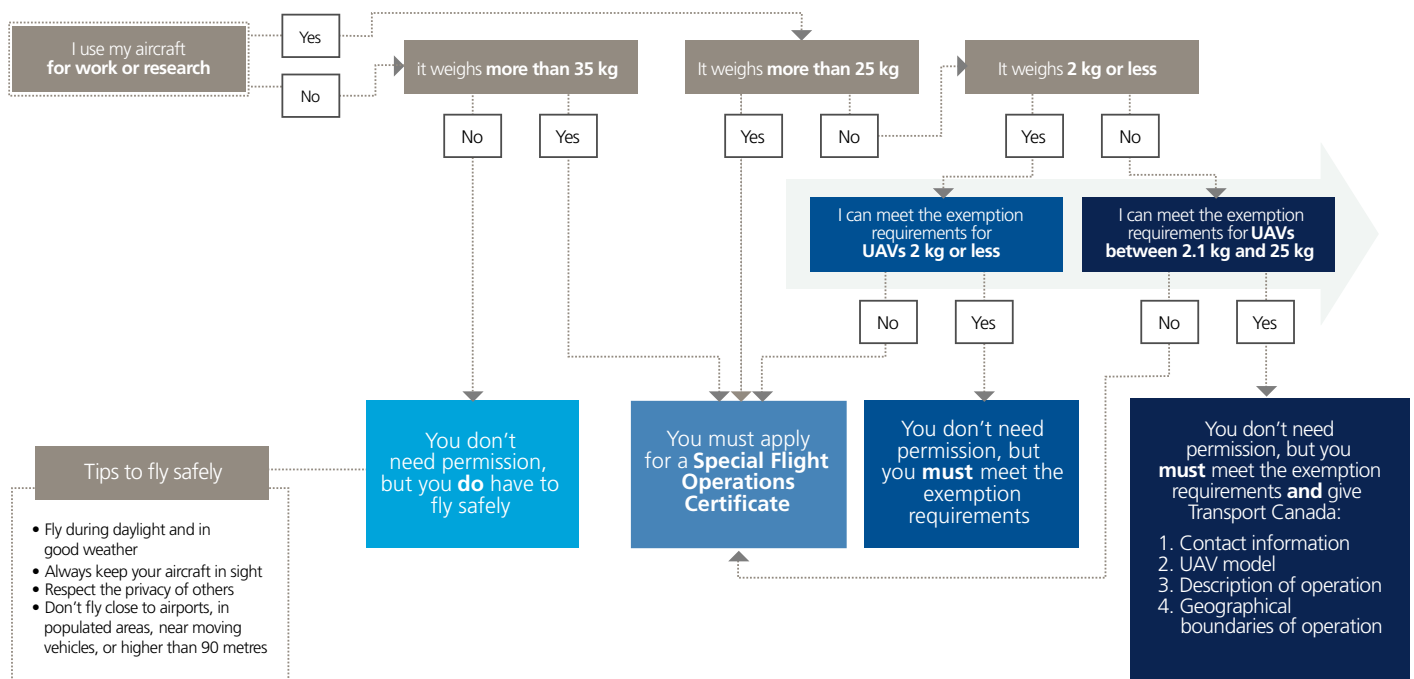
#### Key Exclusions:

- Noise pollution
- Electromagnetic field (EMF)
- Sabotage
- Munitions

## Transport Canada guidelines

Transport Canada has laid out very specific guidelines for how to obtain a Special Flight Operations Certificate (SFOC) for commercial drone operations where the weight of the drone exceeds 25 kg, or where the drone weighs between 2.1 and 25 kg but the

operation can't meet all the safety conditions for an SFOC exemption. This infographic was recreated from an official Transport Canada work, please refer to [www.tc.gc.ca/SafetyFirst](http://www.tc.gc.ca/SafetyFirst) for more information.



## Contact Us

### Dave Swindells

Assistant Vice President

Tel: (416) 586-2855

Email: [dave.swindells@zurich.com](mailto:dave.swindells@zurich.com)

### Stephanie Cabico

Underwriter

Tel: (416) 586-2516

Email: [stephanie.cabico@zurich.com](mailto:stephanie.cabico@zurich.com)

Zurich Canada

First Canadian Place, 100 King Street West

Suite 5500, P.O. Box 290

Toronto, ON M5X 1C9

 @ZurichCanada

Zurich

416-586-3000 [www.zurichcanada.com](http://www.zurichcanada.com)

---

The Zurich logo and Zurich are trademarks of Zurich Insurance Company Ltd

This is intended as a general description of certain types of insurance and services available to qualified customers through Zurich Insurance Company Ltd in Canada "Zurich". Your policy is the contract that specifically and fully describes your coverage. The description of the policy provisions contained herein gives a broad overview of coverage and does not revise or amend the policy.

© 2015 Zurich Insurance Company Ltd

A1-112005144-B (05/15) 112005443

