

NEW INDIA UNMANNED AIRCRAFT SYSTEM (UAS/UAV/RPAS/DRONE) INSURANCE



NEW INDIA ASSURANCE CO. LTD.
AVIATION DEPT.
HEAD OFFICE

NEW INDIA UNMANNED AIRCRAFT SYSTEM (UAS/UAV/RPAS/DRONE) INSURANCE

- New India Unmanned Aircraft System (UAS/UAV/RPAS/Drone) Insurance is providing a wide variety of coverage to meet the needs of the market.
- As per Drone Rules 2021, Third Party Liability Coverage is mandatory for Drone Operation in India. Drones below 250 grams are exempted from this requirement.
- The policy is designed to cover both **Fixed Wing & Rotor wing** UAS that can be controlled **remotely (with pilot intervention) or autonomous drones (without pilot intervention)**.
- Target market for product are **UAS Owners, Operators and Manufacturers**.
- The policy also includes various Add-On coverages to take care of other aspects of risks and liabilities associated with the UAS operations.
- Policy has 3 sections namely Section I - Physical Damage, Section II - Third party liability and Section III- Third party liability
- **Section I - Physical Damage** covers accidental loss of or damage to the UAS including theft of the UAS subject to the amount Insured and the deductibles. The cover will include loss or damage to both the aircraft as well as to the remote/ground control system and additional accessories/payload. The coverage provided will also be extended to include accidental loss of or damage to the UAS arising from the risks covered during transportation to a repairer approved by Insurer.
- **Section II - Third party liability** will indemnify Insured for all sums which Insured shall become legally liable to pay, and shall pay, as compensatory damages (including costs awarded against Insured) in respect of accidental Bodily Injury (fatal or otherwise) of third party and accidental damage to third party property caused by the UAS or any object falling therefrom. Insurer will, subject to the sublimit within Third Party Liability limit, pay all costs, fees and expenses incurred with their prior written consent in the investigation, defense or settlement of any Claim and the Insured's costs of representation at any civil Inquest, inquiry, or other proceedings in respect of matters which have a direct relevance to an actual or anticipated claim against the Insured falling within the terms of this Policy. The sum insured for this section will be the policy limit selected by the insured which will vary with size and weight of the aircraft.
- **Section III – Add-on Covers** are offered with the base product at additional premium. Various add on covers are :
 - 1) **Personal Accident cover to Operator** : For covering Bodily Injury/death sustained by the Authorized Operator anywhere in India while operating UAS only during the Policy Period and arising out of an Accident, the Insurer will pay the proportion of CSI as per policy terms
 - 2) **Accidental Medical Expenses to Operator** : To cover reasonable and customary medical expenses incurred by Insured/Authorized Operator when Hospitalized on advice of a Doctor because of a Bodily Injury sustained during the Policy Period and arising out of Flight of the covered UAS for Insured Use up to a maximum Sum Insured as shown in the Schedule in aggregate in any one Policy Period.
 - 3) **Invasion of Privacy Cover**: The policy can be extended to cover invasion of privacy committed by insured, whilst operating a UAS in accordance with the terms and conditions of this Policy, during the Period of Insurance. Insurer will indemnify against the sums that insured become legally liable to pay as compensation subject to limits specified in the policy.

- 4) **Alternate Hiring charges** : The policy can be extended to cover reasonable cost of renting temporary replacement UAS, in the event of covered damage to the insured UAS can be economically repaired or replaced, to enable the Insured to continue with his business or operation whilst repairs are being made. Cover is subject to limits specified in the policy.
- 5) **Loss or Damage to UAS due to Hacking**: This add-on is to cover necessary and reasonable costs, insured would incur up to specified limits in the policy with insurer prior written consent to repair or replace the affected part of insured computer system if, during the period of insurance, a hacker damages, destroys or alters the insured UAS.
- 6) **Cyber Liability Cover** : The liability section of the policy may be extended to cover compensatory damages (including costs awarded against insured) in respect of Bodily Injury (fatal or otherwise) and Property Damage following the unlawful interference of any computer system, software programme, computer code, computer process or any other electronic system that enables a third party to seize control of UAS whilst in-Flight with the intention of inflicting harm.
- 7) **BVLOS Endorsement** : The policy can be extended to cover claims arising from Beyond visual line of sight (BVLOS) operations of drone, given that operator has necessary permit and/or authorization from the relevant governing authority for BVLOS operation as well as minimum 100 hours of BVLOS flying experience in same category of UAS.
- 8) **Night Flying Endorsement** : The policy can also be extended to cover Night Flying (during hours of darkness) of UAS, subject to operator holding a valid permit/authorization, having minimum 100 hours of night flying experience and UAS being equipped with night vision cameras.
- 9) **Loss or Damage to UAS Spares** : The insurer will pay for physical loss of or damage to UAS spares, inclusive of theft, occurring during the period of insurance, being Insured's property or the property of others for which the Insured is responsible, whilst such property is in Insured's care, possession, custody or control on the ground, or whilst in transit by any conveyance, up to the limit as shown in the schedule, less any applicable deductible.
- 10) **UAS in Transit Endorsement** : The Policy is extended to insure the UAS in the insurance Schedule of the Policy to which this Add on is attached against Loss, Theft, or Accidental Damage occurring while in transit by any means within the Geographical Limits stated in the Insurance Schedule.
- 11) **Loss or Damage to Ground Electronic Equipment** : This add-on is to cover necessary and reasonable costs arising from loss or damage to ground electronic equipment for UAS operations as a direct result of damage covered under the policy subject to limits specified. The indemnity for the same shall be strictly on repair or replacement basis. The ground electronic equipment would constitute computer systems for flying UAS & backup systems for the purpose of recording data of UAS.
- 12) **Loss of Electronic Data** : The policy may also be extended to cover necessary and reasonable costs of reconstitution & recovery of data lost as a direct result of damage covered under the policy.
- 13) **Personal and Advertising Injury Liability** : This endorsement will pay those sums that the insured becomes legally obligated to pay as damages because of personal and advertising injury to which this insurance applies. Insurer will have the right and duty to defend the insured against any suit seeking those damages to which this insurance applies. This insurance applies to personal and advertising injury caused by an offense arising out of use

of any UAS by insured or on insured behalf, but only if the offense was committed in the coverage territory and during the policy period.

14) Liability for Damage to UAS That You Do Not Own: The policy may be extended to cover property damage to any unmanned aircraft system shown in the Schedule while such unmanned aircraft system is in insured's care, custody or control. The insurance afforded by this endorsement does not apply to property damage to any unmanned aircraft system owned in whole or in part or leased for more than thirty (30) days by any insured.

15) WAR Risks : Where the Policy of which this Endorsement forms part includes the War, Hijacking and Other Perils Exclusion Clause (Clause AVN 48B), this add-on would mean that with effect from inception, all sub-paragraphs other than (b) of Clause AVN 48B forming part of this Policy are deleted subject to all terms and conditions of this Endorsement.

- **Major exclusions** in the policy are Illegal Uses, Contractual Liability, Nuclear Risks, Noise and Pollution and Other Perils, Scratching/Fogging, Wear and Tear, Breakdown, Inherent defect, Unexplained loss or disappearance or inventory shortage, Confiscation, seizure, restraint, detention under the order of any Government/Public/Local authority, Consequential losses, Deliberate damage & Exclusion clause

➤ **WARRANTIES**

Risk Covered	Flight & Ground
UAS Operator	<ol style="list-style-type: none"> 1. No individual other than a holder of a valid remote pilot license enlisted on the DigitalSky platform shall operate an unmanned aircraft system. 2. No remote pilot license shall be required for <ol style="list-style-type: none"> (a) operating a nano unmanned aircraft system; and (b) operating a micro unmanned aircraft system for non-commercial purposes.
Registration of Unmanned Aircraft System	<ol style="list-style-type: none"> 1. No person shall operate an unmanned aircraft system in India unless such unmanned aircraft system conforms to a type certificate or is exempted from the requirement of a type certificate under these rules. 2. No type certificate shall be required for operating a nano unmanned aircraft system.
Geographical Limits	<ol style="list-style-type: none"> 1. No person shall operate an unmanned aircraft system in a red zone or yellow zone without prior permission. 2. No prior permission shall be required for operating an unmanned aircraft system in a green zone, however Before commencing an unmanned aircraft system operation, a remote pilot shall mandatorily verify the digital sky platform for any notification or restriction applicable to unmanned aircraft system operations in the intended area of operation.

- **Major risk factors used for rating** are Age of Drone (flying hours), Weight of Drone, Pilot experience, Safety features of UAS, Claim Experience, Area of Operations.
- The product can be sold through offices and through intermediaries.
- Underwriting & Claim processing will be done at Head Office Only. Head Office approval shall be taken for any endorsement on drone policy.