

## The Rules and Risks Regarding the Commercial Use of Drones

*Article provided by Professional Liability Agents Network*

On June 21, 2016, the Federal Aviation Administration (FAA) released its Small Unmanned Aircraft Rules -- officially known as Part 107 of the Federal Aviation Regulations -- made effective August 29, 2016. Still, many of today's design firms remain unclear as to the extent of the FAA rules and the designer's proper role and responsibilities when it comes to using so-called "drones" on their projects.

What is clear is that design firms that purchase and fly drones for commercial purposes, or who hire the services of subconsultants or third-party pilots who operate drones on their behalf, face liabilities should regulations be violated, or personal injury, property damage or design errors occur. That's why it's important to know the operational rules and ensure you have appropriate safeguards, including proper insurance, to cover any losses and liabilities.

### The Basics of Part 107

Part 107 of the Federal Aviation Regulations is lengthy and somewhat complex. For those with the time and interest, it is available in full on the FAA Website: <https://www.faa.gov>. For those wanting a quick rundown, here are the basics regarding the commercial use of small unmanned aircraft (drones):

- All small unmanned aircraft must be registered with the FAA.
- The total weight of the small unmanned aircraft, including cameras or other add-ons, must be

less than 55 pounds (25 kilograms). Any aircraft that weighs more than 55 pounds are governed by separate, more complex rules.

- External loads can be carried by the small unmanned aircraft as long as those loads are securely attached and do not affect the flight characteristics or control of the drone.



- When in use, the small unmanned aircraft must remain in the visual line of sight of the pilot in command and any other person using flight controls. The aircraft must also remain close enough to the pilot/controller that he or she can observe the aircraft without the use of binoculars, telescopes or other visual aids other than corrective lenses (e.g., eyeglasses or contact lenses).
- The small unmanned aircraft cannot fly overhead of any individuals not participating in the flight operation. Nor can the aircraft fly under a covered structure or inside a covered stationary vehicle.
- The flight of unmanned aircraft is only allowed during local daylight hours, or during twilight (30 minutes prior to official sunrise to 30 minutes

after official sunset) when using approved anti-collision lighting.

- The small unmanned aircraft must yield the right of way to any other aircraft.
- The maximum groundspeed of the aircraft cannot exceed 100 miles per hour (87 knots).
- The maximum altitude of the aircraft must not exceed 400 feet above ground level, or higher if the aircraft remains within 400 feet of a structure.
- Minimum weather visibility for the aircraft pilot or control station is three miles.
- No individual can command more than one unmanned aircraft at a time.
- No individual can command an unmanned aircraft from another moving aircraft.
- No individual can command an unmanned aircraft from a moving ground vehicle except in sparsely populated areas.
- Careless or reckless operations are prohibited.
- No person with a known physical or mental condition that could cause unsafe operation of a small unmanned aircraft can operate said vehicle.
- Carrying of hazardous materials on an unmanned aircraft is prohibited.
- The pilot is required to inspect the unmanned aircraft prior to each operation.

There are also remote-pilot-in-command certifications and responsibilities that must be met, namely:

- The remote pilot in command must 1) hold a remote pilot airman certificate with a small unmanned aircraft rating or 2) be under the direct supervision of someone who holds such a certificate.
- To earn a remote pilot certificate, an individual must be at least 16 years old, vetted by the

Transportation Security Administration, and able to demonstrate aeronautical knowledge by either 1) passing a aeronautical knowledge test given at an FAA-approved testing center or 2) holding a Part 61 pilot certificate and completing both a flight review (within the past 24 months) and an online FAA unmanned aircraft training course.

Once licensed, a remote pilot in command must:

- Make the small unmanned aircraft and related documentation available for inspection and testing upon request by the FAA.
- Report to the FAA within 10 days any accident that results in serious injury, unconsciousness or property damage of \$500 or more.
- Conduct pre-flight inspections of the aircraft and control system to ensure they are in good condition for safe operation.
- Ensure the aircraft continues to be properly registered as required by the FAA.

## Controlling Your Risks

Before purchasing a small unmanned aircraft and having a licensed pilot on staff, or hiring a third-party to provide such aerial services, check with your attorney regarding compliance with Part 107 of the Federal Aviation Regulations. Also determine if there are any state or local restrictions or requirements on the commercial use of small unmanned aircraft.

Your primary way to manage risks is to ensure your pilot in command and any others directing the use of drones are well trained, experienced and conscientious regarding the safety and privacy of others. The aircraft should be well maintained and carefully examined before each flight. You should maintain an operating manual, keep detailed flight logs for all aerial activities and promptly report any accidents and damages to the FAA and your insurance carriers.

Proper insurance coverage is an important piece of your risk management practices. Historically, most commercial general liability (CGL) policies have

specifically excluded covering any liability arising out of the ownership, maintenance and use of aircraft. With the advent of the commercial use of drones, however, more and more insurers are willing to add such coverage through a policy endorsement. Such endorsements can cover property damage and bodily injury caused by the use of the aircraft as well as damage to or loss of the drone, its ground controls or its payloads. Most CGL insurers will also offer personal injury coverage, including coverage for invasion of privacy, as an option.

If your current CGL carrier does not offer coverage for drones, you may need to secure a separate aviation policy. If you hire a subconsultant or other outside vendor to operate a small unmanned aircraft on your behalf, ask to be named as an additional insured on their CGL policy, and ensure they have adequate coverage limits. Or, you might be able to purchase your own non-owned aircraft coverage, either by endorsement to your GL policy or as a standalone policy. In either case, follow solid loss prevention protocol including protective contract language with your drone-flying subs and proof they are covered.

Bear in mind that the use or misuse of drones can also result in professional liability (PL) for your firm, which is likely not covered by your CGL policy. The failure to perform up to the current standard of care regarding the use of drones, as well as design errors or omissions made due to the misapplication of information gathered during the use of drones, can result in professional liabilities and losses. Check with us regarding how your current PL policy covers the use of small unmanned aircraft. Again, a policy endorsement may be needed to provide you with proper coverage.

We may be able to help you by providing guidance relative to insurance issues, and even to certain preventives, including the development and application of sound human resources management policies and procedures. Please call on us for assistance. We're a member of the Professional Liability Agents Network (PLAN). We're here to help. ■

# Risk Management Seminar Series



## **Sexual Harassment Prevention Training**

Friday, September 8, 2017

Registration: 7:30am

Program: 8:00am

## **Accident Investigations: How to Conduct an Investigation That Focuses on CAUSE and not on BLAME**

Friday, September 15, 2017

Registration: 7:30am

Program: 8:00am

## **Workers' Compensation Update**

Friday, October 13, 2017

Registration: 7:30am

Program: 8:00am

## **Reserve Early, Seating is Limited!**

To register, click on the 'register now' button in the announcement email, or contact Bethany Mongold at [mongold@cavignac.com](mailto:mongold@cavignac.com) or call 619-744-0540.

# LIVE WELL WORK WELL



## 3 Tips to Help Make the First Day of School Less Stressful

After a summer of sleeping in and doing things on their own time, the morning alarm and school bell can be a tough transition for students going back to school, as well as their families.

The first day of school tends to be particularly hectic for kids of all ages, adjusting to a new classroom or schedule and trying to remember all the books and supplies they need. To help combat first-day stress, consider the following suggestions:

- Pack backpacks the night before so no one is scrambling at the last minute looking for books and supplies. Also, have lunch packed or lunch money ready in advance.
- Pick out or have your child pick out his or her clothes the night before. Doing so will help keep everyone on time while getting ready and prevent last-minute rushing in the morning.
- Arrange a visit beforehand if your child will be going to a new school. Explore all the areas of the school and get a map to help direct your child on the first day.

This article is intended for informational purposes only and is not intended to be exhaustive, nor should any discussion or opinions be construed as professional advice. Readers should contact a health professional for appropriate advice.

**Health and wellness tips for your work and life—  
Cavignac & Associates**

## Do You Know the Signs of Opioid Addiction?

Opioid addiction is a growing epidemic in the United States, with opioid overdoses killing 91 Americans every day. In 2015 alone, more than 33,000 people died from an opioid overdose. Read on to learn more about opioids and to learn how to recognize the signs of opioid addiction.

### What is an opioid?

According to the National Institute of Drug Abuse (NIDA), opioids are a class of drugs that act on the nervous system to relieve pain. Common opioids include the illegal drug heroin, synthetic opioids like fentanyl, and prescription painkillers like oxycodone (OxyContin), hydrocodone (Vicodin) and morphine. Continued use (and abuse) of opioids can lead to physical dependence on and addiction to these types of drugs.

### What are the signs of opioid addiction?

Being familiar with the most common signs of opioid addiction can help you or someone you love get proper treatment before it is too late. Physical signs of opioid addiction include the following:

- Noticeable euphoria
- Drowsiness, confusion or intermittent nodding off
- Constricted pupils
- Slowed breathing

For more information on opioids, opioid addiction and opioid overdoses, visit the [Centers for Disease Control and Prevention's](#) or the [NIDA's](#) opioid webpage.

## MICROWAVE DENVER SCRAMBLE SLIDER

1 Tbsp. red or green bell pepper (chopped)  
1 Tbsp. onion (chopped)  
1 egg  
1 thin slice deli ham (chopped)  
1 Tbsp. water  
1 whole-wheat English muffin (split and toasted)

### PREPARATIONS

1. Place peppers and onion in a small bowl. Microwave on high for 30 seconds. Stir.
2. Add egg, ham and water to the pepper and onion mixture. Beat mixture together until the egg is blended.
3. Microwave mixture on high for 30 seconds. Stir.
4. Microwave mixture again until egg is almost set, about 30 to 45 more seconds.
5. Carefully transfer cooked mixture to prepared English muffin. Serve warm.

Makes: 1 serving

#### Nutritional Information (per serving)

Total Calories	240
Total Fat	6 g
Protein	16 g
Carbohydrates	29 g
Dietary Fiber	4 g
Saturated Fat	2 g
Sodium	550 mg

Source: USDA



## National Preparedness Month

Since 2004, the Federal Emergency Management Agency (FEMA) and the national [Ready Campaign](#) have promoted National Preparedness Month (NPM) every September. NPM encourages Americans to take steps to prepare for all types of emergencies and strives to increase the overall number of people, families and communities that engage in preparedness actions.

The most recent data from the Red Cross, though, reveals that despite 8 out of 10 Americans feeling unprepared for a catastrophic event, only 1 in 10 has taken the following appropriate preparedness steps:

- Create a family emergency plan.
- Stock an emergency supply and first-aid kit.
- Train in basic first aid.

Remember, you can't plan when a disaster will occur, but you can plan ahead to be prepared if and when a disaster does strike. This September, take time to learn more about NPM and take the suggested steps to become properly prepared. For more information, please visit the NPM [website](#).

## BASIC DISASTER SUPPLIES KIT



Three-day supply of one gallon of water per person per day



Three-day supply of nonperishable food



NOAA Weather Radio



Flashlight



First-aid kit



Batteries



Dust mask



Wrench or pliers



Local maps



Cellphone

Source: [www.ready.gov/kit](http://www.ready.gov/kit)

# *Spotlight On*

# Community



Cavignac & Associates is proud to support local and non-profit civic organizations, including Just in Time.



## **Our Mission**

Just in Time for Foster Youth's mission is to engage a caring community to help transition-age foster youth achieve self-sufficiency and well-being.

## **Our Vision**

Just in Time for Foster Youth envisions a future in which every youth leaving the foster care system has a community of caring adults waiting for them after 18. We believe consistent, long-term help from the heart is the foundation for the success of our youth so they can thrive and enjoy productive, satisfying lives.

## **Our Core Values**

**Authenticity:** We are open, honest, and courageous in the sharing of our time, treasure, and talents

**Collaboration:** We seek the WIN-WIN outcome in every situation to achieve the best solution for all

**Connection:** We use effective and empowering communication to serve our youth

**Inspiration:** We engage in a way that inspires our youth and fulfills our mission

**Inquiry:** We ask great questions

**Ownership:** We take ownership of our words, actions, and commitments

**Respect & Compassion:** We act with compassion at all times, towards ourselves and others