

Drones! Are You Insured?

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The use of unmanned aerial vehicles, commonly referred to as UAVs or “drones,” is taking off, literally! Real estate brokers, developers, emergency response teams and even Wisconsin ice fisherman (they use drones to deliver their beer), to name but a few, are already actively using drones. The potential application of drone technology is nearly endless. Both Amazon and UPS are evaluating using them for deliveries.



Why all the interest in drones? Besides being fun, drones offer real advantages. Among these are significant savings in time and money, as well as increased safety over traditional tools used to provide aerial photography, such as manned helicopters and small planes. With a small, lightweight and relatively

inexpensive drone armed with a digital camera, Wi-Fi and a GPS, a firm can photograph and map out a large job site or completed project in great detail within an hour. A real estate broker can provide a unique “birds eye” view of a specific listing and emergency response teams can investigate and search in a fraction of the time and at significantly less cost than it would take with search teams or airplane or helicopter surveillance.

Drones offer virtually all firms the opportunity to create and capture an aerial view of undeveloped land, hazardous conditions, active building sites, finished projects (inside and out) and all steps in between. This allows businesses to quickly and cost effectively provide their clients and others with extremely accurate visual representations of a project. Those representations can include photos, videos, thermal readings, infrared scans, 3D topography models and other data.

Drones are amazing tools that promise increased efficiency and effectiveness in serving client needs. Indeed they will likely raise the bar for the types of services and data clients will soon expect.

So why aren't drones used more often than they are? While drones are currently legal if they are used personally*, they are illegal, absent a waiver, for commercial use. This has been complicated by federal red tape as the Federal Aviation Administration (FAA) struggles to come up with rules and regulations governing the commercial use of unmanned aerial vehicles. A secondary factor is the ability to buy insurance for liability arising out of drone use.

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The FAA and Commercial Use of Drones

As mentioned above, drones are generally prohibited from use for commercial purposes. Yet recreational users face no such regulations. So, in a sense, it's not what you do, but why you do it, that matters to the FAA. Fly a drone to capture video for fun and it's no problem as long as you follow their guidelines. Fly a drone to capture a video to make money, and you are breaking the law unless you can secure a special waiver.

A waiver for the commercial use of drones can be secured under Section 333 of the FAA Modernization and Reform Act of 2012. According to the FAA, any aircraft operating in the national airspace requires a certificated and registered aircraft, a licensed pilot, and operational approval. Section 333 grants the Secretary of Transportation the authority to determine whether an airworthiness certificate is required for an unmanned aerial vehicle to operate safely in the National Airspace System. This authority is being leveraged to grant case-by-case authorization for certain unmanned aircraft to perform commercial operations prior to the finalization of the Small UAS (Unmanned Aircraft Systems) Rule, which will be the primary method for authorizing small UAS operations once it is complete. The Small UAS Rule is expected to be completed in 2017. So, under Section 333, businesses can file for an exemption from current federal regulations on a case-by-case basis and, if granted the exemption, use drones for commercial purposes -- at least until the final Small UAS Rule is issued. Through mid-June 2015, approximately 600 petitions have been granted by the FAA.

According to the FAA, a Section 333 petition must be filed at least 120 days before the date of operation. For further details on filing a petition for an exemption, go to the FAA Website page: www.faa.gov/uas/legislative/programs/section_333/how_to_file_a_petition.

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2015 Risk Management Seminar Series



Victims, Villains & Heroes: Managing Workplace Drama!

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7:30am Registration

8:00am - 10:00am Program

Sexual Harassment Prevention Training

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Affordable Care Act (ACA) Update

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7:30am Registration

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Reserve Early, Seating is Limited!

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NOTE: Due to the popularity of our seminars and limited space available, we regret we cannot provide refunds or credits with less than 72 hours advance notice of cancellation.

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Also, some states and municipalities have their own laws regarding the use of drones, commercial and recreational. These can provide obstacles even if a Section 333 exemption is obtained from the FAA.

Insuring Drones

If you use a drone personally, damage to your drone may extend from your personal lines policy. While your policy will likely have an Aircraft Exclusion, many policies make exceptions for “model or hobby aircraft not designed to fly people or cargo.” Liability is the bigger challenge. Personal lines policies have an aircraft exclusion that would include drones. In other words, if you fly your drone into oncoming traffic and cause an accident, you are not covered. Commercial drones have a similar challenge. While you can possibly cover physical damage to your drone by scheduling it on an equipment policy, absent specific liability coverage, you would probably be uninsured. The standard General Liability Policy (ISO’s CG 0001) also has an aviation exclusion and this extends to drones.

We polled the major insurance companies that we do business with (Travelers, Liberty, Chubb, Hartford, Fireman’s Fund and others) and while this exposure is on everyone’s radar, no one is currently offering coverage under their standard insurance programs. One of the main reasons is the fact that, absent a waiver, it is currently illegal to use a drone for commercial purposes. When the FAA does legalize drones, it is anticipated that most major insurance companies will shortly thereafter file specific endorsements to cover this exposure. In the meantime, you can find several sources online who are willing to specifically cover liability arising out of drone use.

The premiums to cover this exposure remains a moving target. Insurers will want to know what the drone is being used for, takeoff and landing locations, where they will be operated (populated areas would pose more of an exposure) and how high they will fly. An additional challenge is that there is no statistically relevant data on which to base rates.

To Drone or not to Drone?

Drones are undoubtedly going to become more popular. Over the next decade they will likely become an indispensable part of many businesses. For now, it seems those who wish to use drones for commercial purposes can take one of four courses:

1. File for an exemption under Section 333.
2. Subcontract the use of drones to a firm that has already obtained a Section 333 exemption for the type of work being executed.
3. Break the law and fly drones without the exemption.
4. Wait until the final Small UAS Rule is issued, supposedly in 2017.

If a decision is made to move forward with the use of drones, now or in the future, be aware of the legality and



liability issues. If you need a waiver, make sure you have one. You also need to make sure you are insured for your legal liability arising out of the use of a drone. A wayward drone can cause physical injury and property damage and this doesn’t take in to account potential privacy issues. Check your commercial general liability policy (CGL) to see whether the use of a drone would be covered (it probably isn’t) and, if necessary, seek specific coverage from a specialist aviation insurer. ■

**Anyone can fly a drone within his or her field of vision and at a height of no more than 400 feet above ground provided they are not in restricted areas like airports or government installations like the White House.*

LIVE WELL



WORK WELL

August 2015

FDA Bans Artificial Trans Fats by 2018

The Food and Drug Administration (FDA) has announced that artificial trans fats are no longer Generally Recognized as Safe (GRAS) and is requiring that they be phased out of the food supply by 2018.

While trans fat does occur naturally in some meat and dairy products, many processed foods, such as crackers, coffee creamer and margarine, contain artificial trans fats. Artificial trans fats are created in partially hydrogenated oils (PHOs), which are oils that have been infused with hydrogen. This process keeps the oils solid at room temperature, and is used to maintain flavor and increase the shelf life of processed foods. Intake of trans fat has been shown to cause various health problems, including high cholesterol and coronary heart disease.

Strengthen Your Core with Plank Exercises

Core muscles are one of the most active muscle groups in the body. Whether you are typing, putting on your shoes, vacuuming or playing basketball, you are engaging your core muscles in some capacity. Because you use core muscles for so many activities, it is important to keep them strong and flexible. There are several specific benefits to maintaining a healthy core:

- Strong back muscles. Many people suffer from debilitating low-back pain. A strong core can relieve the lower back from extra strain and pressure.
- Improved balance and stability. A strong core stabilizes your whole body, increasing your range of motion and decreasing your risk of falling.
- Good posture. Often overlooked, posture is an important factor in overall health. By standing tall, your core muscles can minimize wear on the spine and allow you to breathe more deeply.

Core fitness should be factored into any exercise plan. The plank pose is a popular and effective exercise that is great no matter what your fitness goals are.

To try the plank, get into a pushup position. Bend your elbows so your forearms are resting on the floor directly underneath your shoulders. Focus on creating a straight line with your body from head to toe, and try to hold the pose for as long as you can (if this is too challenging at first, you can try bending your knees). Many people struggle to hold a plank pose for 30 seconds on their first attempt, but, with regular practice, you should be able to hold the position for longer intervals. A good goal if you're just getting started is to work up to a two-minute plank.

Once you are able to hold this position for two minutes, you can move on to more advanced versions of the plank pose, such as lifting an arm or leg, or resting your forearms on an exercise ball.

Get the Nutrition Facts

As you and your family strive to eat healthier, you should be aware of what is in the food you consume. The best way to know what is in the food products you buy is to read the nutrition facts on food labels.

The following information on labels will help you understand how much is in a portion and how this compares to recommended intake:

- **Serving size** – The serving size lists the recommended amount to be eaten by a single person. The rest of the nutrition facts are based on this amount.
- **Calories and calories from fat** – Especially important if you're trying to lose or maintain weight, these numbers tell you how many calories are in each serving and where they're coming from.
- **Percent daily values** – Based on the recommended consumption of 2,000 calories a day, this value indicates how the food product compares to recommended amounts.

When reading ingredients on a product label, keep in mind that ingredients are listed in descending order: ingredients with the greatest amount will be listed first, followed by ingredients used in lesser amounts.

Food Label Breakdown

Serving Size

Calories and
Calories from Fat

Percent Daily
Values (based on a
2,000-calorie diet)

Nutrition Facts			
Serving Size 1 Cake (43g)			
Servings Per Container 5			
Amount Per Serving			
Calories 200 Calories from Fat 90			
		% Daily Value*	
Total Fat 10g			15%
Saturated Fat 5g			25%
Trans Fat 0g			
Cholesterol 0mg			0%
Sodium 100mg			4%
Total Carbohydrate 26g			9%
Dietary Fiber 0g			0%
Sugars 19g			
Protein 1g			
Vitamin A 0%	•	Vitamin C 0%	
Calcium 0%	•	Iron 2%	
* Percent Daily Values are based on a 2,000 calorie diet. Your daily values may be higher or lower depending on your calorie needs:			
	Calories:	2,000	2,500
Total Fat	Less than	65g	80g
Sat. Fat	Less than	20g	25g
Cholesterol	Less than	300mg	300mg
Sodium	Less than	2,400mg	2,400mg
Total Carbohydrate		300g	375g
Dietary Fiber		25g	30g

Fruit Salad with Yogurt

This summery salad incorporates fresh fruit, yogurt and almonds for a satisfying and healthy dessert.

- 2 cups strawberries, sliced
- 1 cup blueberries
- 1 cup pineapple chunks
- 3 Tbsp. 100 percent pineapple or other fruit juice
- 2 cups plain, low-fat yogurt
- 2 Tbsp. almonds, sliced or slivered

Wash the fruit.

Combine fruit and pineapple juice in a large bowl and let stand for 15 minutes.

Spoon 1 cup fruit salad into a small bowl and top with ½ cup yogurt.

Sprinkle almonds on top and serve.

Yield: 4 servings. Each serving provides 171 calories, 4 g of fat, 2 g of saturated fat, 88 mg of sodium, 8 g of protein and 4 g of fiber.

Source: USDA



Spotlight On



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



Mission & Vision

Just in Time for Foster Youth engages a caring community to help transitioning foster youth achieve self-sufficiency and well-being.

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

Without family support, young adults are at risk of being homeless, unemployed, and under-educated. Only too often they plunge onto a path of lifelong dependence or prison.

To make their vision a reality, JIT mobilizes a caring community as an extended family for transitioning foster youth. This is done through consistent relationships and emergency resources provided by individuals, agencies, businesses and foundations that share their core values and mission.

While other programs might assist with support such as transitional housing or college scholarships, JIT looks where there is a critical need and fills that gap to ensure that motivated youth reach their goal of self-sufficient adulthood. They also fill the most important gap of all: connections to caring adults, who then become a lifelong support system and the consistent community for the youth we serve.

For more information about Just in Time, go to www.jitfosteryouth.org