

WINDSOR

LIGHT UNMANNED AIRCRAFT SYSTEMS (LUAS) NEW INSURANCE PROGRAMME



The Unmanned Aircraft Systems (UAS) industry is developing rapidly with light (less than 150kg) UAS already finding increasing applicability in the Government and Civil commercial sector. There is already a move towards a harmonised European regulatory approach. This is encouraging the safe and secure operation of Unmanned Aircraft Systems in Europe for state, as well as civil & commercial end-users. In line with the EU's civil/military airspace coordination, the European Commission (EC) and European Defence Agency (EDA) have come together at a high level to enable the broader use of UAS, and in particular light UAS, those with aircraft below 150kg. To date there has been a lack of clarity around the insurance requirements for UAS operators and manufacturers. All too often, operators are relying on general corporate public liability policies or simply not arranging insurance protection at all. Standard cover for a manufacturing or professional business would likely be severely tested when they mattered most.

In accordance with EC Directive No: 785/2004, all commercially operated Light Unmanned Aircraft of below 150kg (i.e. those used for Aerial Work) require appropriate and valid 3rd Party Liability insurance.

EuroUSC™ is providing much needed independent validation and qualification via safety assessments on behalf of the regulator for UAS commercial operations, through its Design and Construction airworthiness certificates (LUASS™) and Pilots/crew qualifications (BNUC™).

In parallel, Windsor, a leading specialist insurance broker and Kiln, a leading international insurance company are supporting the European Framework of cooperation of the EC, the EDA and the European Space Agency (ESA), by delivering a sector specific insurance programme tailored to meet operators' third party liability and physical loss/damage risk and insurance requirements.



Windsor and Kiln are Preferred Partners for Insurance



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Windsor Partners Limited
Windsor Partners Ltd (Windsor) is authorised and regulated by the FSA firm ref no. 467731. Operating out of offices in the UK, Guernsey Germany and Canada it wholesales and retails insurance services to partners and clients throughout the world.

Established in 1933, Windsor is recognised for its specialist classes of expertise by many global clients including Government departments for its risk expertise including Liability, and Aviation as well as several industry sectors including Aerospace, Defence and Security.

The Cover

The policy is designed specifically to meet the operators' third party liabilities when operating in a civil commercial, Governmental or Emergency Services environment. Providing up to £20 million of third party liability cover, the policy aims to provide an equivalent level of coverage as that required by and currently provided to the manned aviation fraternity: it provides the cover necessary to meet the regulatory requirements of your operating environment and, as importantly, the risk transfer that is so important for any commercial operation.

Additionally, applicants may opt for additional protection against risks including physical loss/damage of the UAS during operation, Storage and Transport.

What affects the rating?

The third party liability cover rating is predominantly affected by the combined airframe's and payload's maximum take off mass (MTOM). Additional factors such as the use and operating environment may also be taken into account.

For the physical loss/damage option, rating will be assessed based on the individual applicant's Proposal Form given the variety of UAS types and values in or entering the market.

Application

A straightforward proposal form is available for buyers of the programme which quickly enables underwriters to fully assess the risk and provide pricing indications.

THE INSURANCE PROGRAMME

The LUAS insurance programme consists of three main sections :

1. Third Party Liability
 - a. Operators
 - b. Manufacturers
 - c. Distributors
2. Physical loss & damage to UAS
3. Transit

1 – Legal Liability to Third Parties (Compulsory)

In response to each companies unique risk profile such as an Operator, Manufacturer or a Distributor this new insurance programme is tailored to suit all requirements. For example, Insurers will indemnify the Insured for all sums which the Insured shall become legally liable to pay. They shall pay, as Compensatory damages (including costs awarded against the Insured) in respect of accidental bodily injury (fatal or otherwise) and damage to property caused by the UAS or by any object falling there from.

This cover can therefore be applied for those operating UAS's in the air on the ground, whilst responsible for UAS's in the hangar or having sold the product itself.

2 – Physical Loss & Damage to UAS

Values of LUAS can be significant and therefore this section covers Physical loss or damage to UAS (airframe, payload, launch station and/or GCS) in operating or routine testing environment.

Further features include disappearance if the UAS is unreported after 60 days as well as storage whilst undergoing routine maintenance at the operator's premises.

UAS's also have expensive spare parts which whilst not operational may be at risk and this programme provides this valuable protection. Another feature of this programme includes cover for the UAS whilst in storage or maintenance at operator's premises.

3 – Transit

Covers the Physical loss or damage to UAS (airframe, payload, launch station and/or GCS) whilst in transit to/from operating environment or manufacturer.

Other exposures

There will be other Corporate Risk exposures including Directors & Officers liability, Professional Indemnity, Employers Liability and potentially risks such as Kidnap and Ransom for executives. All these can be arranged through Windsor and Lloyd's and international markets.

Kiln

Kiln is an international insurance and reinsurance underwriting group. Since 1962, it has built its business on the strength of its underwriting and its relationships.

Kiln is part of the Tokio Marine Group. In Lloyd's it manages five syndicates and, in terms of capacity, is one of the largest trading agencies. In addition to the UK, Kiln has offices in Hong Kong, Singapore, South Africa, France, Belgium and Brazil.

A recognised leader in each of the six main business areas in which it operates: reinsurance, accident and health, aviation, marine, enterprise risk, and property and special lines, Kiln syndicates benefit from a security rating of 'A+' (Strong) assigned to Lloyd's by Standard and Poor's. Kiln's Aviation team have provided consistent and innovative service since 1977.

Contact Us

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