



Ref: IRDA/CIR/MISC/031/02/2021

11<sup>th</sup> February, 2021

**ALL GENERAL INSURERS (Other than Stand Alone Health Insurers and Specialised Insurers)**

**Re: Product Structure for Insurance of Remotely Piloted Aircraft System (RPAS) / Drones**

Currently, only a few general insurers in the Indian Market are offering insurance cover for RPAS/Drones through existing products under Aviation Insurance. Considering the unique characteristics of Drones that differentiate them from other aircrafts and taking into account the phenomenal growth in the usage of Drones for multiple purposes, there is a need to augment the current insurance availability customized to the requirement of drone owners and operators.

2. In line with the above objective of making basic insurance covers available by the general insurers for Drones and to facilitate flexibility and innovation in the development of insurance coverage for evolving technology requirements, the following product construct is provided.

- a. Section I: Legal Liability to Third-Party.

Indemnify the insured against its legal liability (including Defence Costs) to pay Damages, for third party civil claims arising out of bodily injury or death or property damage, by an accident or a handling error on part of the authorized operator. Currently, TP Liability cover should be offered in line with Aircraft/ Aviation Liability. The change, if any, in Government of India rules/guidelines in respect of TP Liability cover for Drones from time to time may be adhered to.

- b. Section II: Physical Damage to Drone Body /Hull

Indemnify the insured in respect of repair/replacement of the insured RPAS. RPAS means an Unmanned Aircraft System including payload, ground handling tools and/or equipment on Hull Agreed Value basis.

c. Section III: Personal Accident cover to Operator.

Indemnify the Insured/ Authorised operator for bodily Injury sustained by the Insured/ Authorised Operator anywhere in India while operating drones and arising out of an Accident.

d. Section IV: Medical expenses cover to operator.

Indemnify the Insured/ Authorised operator for the medical expenses who has been hospitalized because of a Bodily Injury arising out of flight of the covered Drone.

e. Optional Covers to enhance the coverage.

- i. Alternate Hire Charges
- ii. Drone War Liabilities
- iii. Cyber Liability Cover
- iv. Invasion of Privacy Cover
- v. Night Flying Endorsement
- vi. BVLOS Endorsement
- vii. Drone in Transit Endorsement
- viii. Liability for damage to UAS that insured does not own
- ix. Personal & Advertising Injury Liability

3. The Authority had constituted a working group to suggest, inter alia, product construct. The group has developed a model product, the wordings of which are given in the **Annexure**. All general insurers are encouraged to file this product as per the procedure required under the extant Product Filling Guidelines. Alternatively, the insurers may design and develop their own product keeping in view the minimum coverage as specified in the given Policy Wording. The filling of the said product/s may be carried out at the earliest to respond to the new and quickly growing market.

4. Any such product should necessarily offer third party insurance covering the liability that may arise on account of any mishap involving drones and causing death or bodily injury to any person or damage to property.

- Sd -

**Yegnapriya Bharath**  
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Encl: Specimen policy wording.