

Your Drone Can Cost You Thousands If You Aren't Prepared:

Private Drone Use and Its Potential Insurance Liability

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I. INTRODUCTION

This comment addresses a unique concern of many Americans, including the general public, the insurance industry, and legal scholars: What does an amateur, hobbyist drone pilot have to do to protect themselves from unintentionally injuring others in public? Drones sometimes weigh as much as fifty pounds, which increases the likelihood of severe bodily injury arising from drone-related accidents.¹ As a result, tort litigation, liability disputes, and insurance coverage disputes relating to bodily injury from drone accidents are increasingly probable.²

While the Federal Aviation Administration (“FAA”) promulgates and enforces the rules and regulations regarding recreational use of drones, the FAA does not have Congress’s permission to require insurance coverage for drones.³ Instead, the Department of Transportation has the power to require drone insurance prior to flight.⁴ The FAA has publicly recognized the real and legitimate liability concerns related to drones and strongly recommends that “[p]rudent remote pilots should evaluate their existing insurance policies to determine whether they have appropriate coverage.”⁵

There is no current federal regulation mandating drone liability limitations or drone liability insurance.⁶ Congress’s 1945 McCarran-Ferguson Act “recognize[s] the authority of the states to regulate the insurance industry.”⁷ Congress also limited state laws from the implied preemption of insurance regulation.⁸ In fact, the Act states that “no act of Congress shall be construed to invalidate [] any law enacted by any State for the purpose of regulating the business of insurance . . . to the extent that such business is not regulated by State law.”⁹ As a result of the McCarran-Ferguson Act, state and local governments are largely responsible for regulating their insurance companies and insurance requirements.¹⁰ This is not because Congress lacks the authority to regulate insurance regulation, but because Congress has *chosen* to leave this power to

¹ 2 KATHERINE POSNER, LAW OF LIABILITY INSURANCE § 15.09, Lexis (2022).

² *Id.*

³ D. Damon Willens et al., *Drone Away, Bombs, Photographs, Pizzas, Hearts, and Headaches*, in 46 *The Brief* 46, 52 (2017), Lexis.

⁴ *Id.*

⁵ Hyewon Hannah Choi, *Delivery Drones: Inapt For Application Of Current Negligence Theory*, 86 *J. AIR L. & COM.* 435, 465 (2021).

⁶ Henry H. Perritt Jr. & Albert J. Plawinski, *One Centimeter over My Back Yard: Where Does Federal Preemption of State Drone Regulation Start*, 17 *N.C. J.L. & Tech.* 307, 358-59 (2015) (stating that there are no federal aviation laws requiring liability insurance or liability limits for accidents).

⁷ Charles R. McGuire, *Regulation of the Insurance Industry After Hartford Fire Insurance v. California: The McCarran-Ferguson Act and Antitrust Policies*, 25 *LOY. U. CHI. L.J.* 303, 307 (1994).

⁸ 2 GARY M. COHEN, NEW APPLEMAN ON INSURANCE LAW LIBRARY EDITION § 8.01 (2022), Lexis.

⁹ 15 U.S.C. § 1012 (1947).

¹⁰ COHEN, *supra* note 8.

the states.¹¹ While the FAA oversees the regulation of airplanes and helicopters, drones demand a more coordinated framework in order to protect both landowner and the general public's privacy.¹²

This comment aims to clarify the complexities of consumer liability concerns through an in-depth evaluation into the largely undeveloped world of drone liability. Specifically, this comment begins with a discussion on the standard of drone pilot negligence. Second, it explains the two categories of federal regulations and which category a drone user should follow. Next, it analyzes the development of various state laws and regulations in regard to both drone use and the insurance industry. Then, it discusses the most common and realistic insurance policies that private individual drone pilots should consider to procuring the most affordable, yet effective, insurance coverage. After the homeowners' policy analysis, this discussion addresses whether drone-specific insurance is a financially savvy choice or merely a waste of money. Finally, this comment proposes general policy solutions for the future of drone insurance regulations.

II. WHAT CONSTITUTES DRONE PILOT NEGLIGENCE

In an incident where a hobbyist pilot negligently operates a drone, the injured can establish the pilot's negligence by proving the pilot's unsafe or reckless operation.¹³ Aiming to address deficient state drone laws, the National Conference of Commissioners on Uniform State Laws, also known as the Uniform Law Commission ("ULC"), proposed the Tort Law Relating to Drones Act ("Drones Act").¹⁴ The ULC's purpose is to encourage uniform laws among the states by providing the American Bar Association with its recommendations for state legislation.¹⁵

The ULC drafted the Drones Act to establish "model rules for addressing potential liabilities arising from . . . negligent operations of drones," along with other torts.¹⁶ The Drones Act's publication will serve as a template for states looking to create their own drone tort law.¹⁷ The first draft of the Drones Act had a brief negligence section, stating only that "the common law and statutory tort law of [a] state shall apply to a person who owns or operates . . . aircraft within [the] state."¹⁸ A year and a half later, the ULC drafting committee released a subsequent draft that contained an additional section on the negligent operation of drones that provided more guidance:

(a) An operator acts negligently if the operator does not exercise reasonable care under all of the circumstances. (b) The standard of care against which an operator of an unmanned aircraft shall be judged is the standard of care of a similarly situated operator of an unmanned aircraft, including whether the operator is a commercial or hobbyist operator and whether the operator is

¹¹ *Id.*

¹² Troy A. Rule, *Drone Zoning*, 95 N.C. L. REV. 133, 200 (2016).

¹³ Alisa Brodowitz, *Up in the Air*, 54-Feb TRIAL 44, 48 (2018).

¹⁴ Hyewon, *supra* note 5, at 438. This act was put out by the NCCUSL, releasing its first version in 2017.

¹⁵ UNIF. L. COMM'N CONST. art. 1, § 2, art. 7, § 1, art. 8, § 1.

¹⁶ Hyewon, *supra* note 5, at 441-42.

¹⁷ DRONEU, *supra* note 16.

¹⁸ Hyewon, *supra* note 5, at 442. This was in November of 2017.

required by the Federal Aviation Administration or other authority to hold a license for the operation of the unmanned aircraft.¹⁹

The legal academic community agrees that the basic laws of negligence should govern drone pilots because drones are ultimately controlled by their operators.²⁰ For example, drone operators may breach their duty of care by failing to maintain their drone's condition or failing to safely operate the drone.²¹ Other examples of negligent conduct by drone operators include: unfamiliarity with the drone's operational features, inadequate preflight inspections, flying the drone out of eyesight, and failure to check the weather conditions.²² Legal scholar Michael Spanel argues that it is difficult to specifically define the breach of duty due to the highly fact-specific nature of common drone incidents.²³ Yet, negligence is a common cause of personal injuries arising from drone flights.²⁴

Evidence is more accessible when proving a drone pilot's negligence than when proving other negligence claims due to the drone industry's technological advancements. The majority of drones save flight telemetry for each flight, which is typically uploaded to the drone vendor in some capacity.²⁵ Electronic discovery jurisprudence establishes that as long as the costs of production in a discovery request are agreed upon, the responding party to requests for production has "an obligation to render the requested information into an understandable form."²⁶ Because drones are both technically and economically accessible, it is of the utmost importance that their operators properly follow all federal, state, and local laws and regulations regarding drone use to protect themselves from potential negligence claims.

Not only does a failure to comply with state regulations potentially negate insurance coverage,²⁷ but also a failure to comply with federal FAA regulations has supported plaintiffs in their negligence claims.²⁸ Failure to safely and legally operate your drone could also result in a state criminal charge of reckless endangerment.²⁹ This is particularly relevant because courts use

¹⁹ *Tort Law Relating to Drones Act: Drafting Committee Meeting*, National Conference of Commissioners on Uniform State Laws (2019).

²⁰ Vivek Sehrawat, *Liability Issue Of Domestic Drones*, 35 SANTA CLARA HIGH TECH. L.J. *110, *126-27 (2018).

²¹ *Id.* at 127.

²² Henry H. Perritt, Jr., *Who Pays When Drones Crash?*, 21 UCLA J.L. & TECH 1, 70 (2017).

²³ Sehrawat, *supra* note 21, at 127 (citing Michael Spanel, *Liability and Allocation of Liability in Drone Accidents* 1, 8 (2015)).

²⁴ Brodkowitz, *supra* note 13, at 47.

²⁵ Perritt, *supra* note 23, at 75.

²⁶ *Id.*

²⁷ *Drones and insurance*, INSURANCE INFORMATION INSTITUTE, <https://www.iii.org/article/drones-and-insurance> (last visited Mar. 1, 2023).

²⁸ *Torts of the Future: Drones*, U.S. CHAMBER OF COMMERCE INSTITUTE FOR LEGAL REFORM, at 28 (Jan. 2022), https://instituteforlegalreform.com/wp-content/uploads/2022/01/1323_ILR_Drones_Report_V7_Pages_Digital.pdf.

²⁹ *Id.* at 28 n.140 (discussing four cases where defendants were charged with reckless endangerment for violating various drone regulations). *See also* Joseph Blocher & Maisie Wilson, *Living with Guns: Legal and Constitutional Considerations for Those Cohabiting with Temporarily Prohibited Possessors*, 35 J. AM. ACAD. MATRIMONIAL L. 47, 71 (2022).

the reckless endangerment jurisprudence “as a frame of reference for considering what does and does not constitute reasonable care for purposes of drone-related negligence suits.”³⁰

III. LEGAL CONSEQUENCES OF RECREATIONAL VS. NON-RECREATIONAL DRONE USE

United States laws make a distinction between whether the pilot is a “recreational” or hobbyist user³¹ versus a “non-recreational” drone user.³² Recreational or hobby drone use is the operation of a drone solely for enjoyment purposes rather than for work, business, or compensation for hire.³³ Recreational users encompasses a much narrower category. However, the FAA notes that recreational use is not determined solely by whether the pilot is compensated.³⁴ Non-recreational and commercial users include those operating their drone for gratuitous purposes, such as a user who volunteers their drone for assisting a non-profit organization.³⁵ Non-recreational users also include those taking photos for a school’s website.³⁶ All non-recreational users must comply with 14 CFR § 107.³⁷ This federal regulation governs drones under fifty-five pounds in the National Airspace System.³⁸ All drones not operated for purely recreational purposes must comply with 14 CFR § 107.³⁹

Similarly, insurance policies and potential coverage vary depending on the type of user. This poses the necessary question: What happens when an amateur, hobbyist drone user accidentally injures an innocent person or causes damage to property in public? Should the innocent third party’s health insurance company cover the medical expense? Or does the hobbyist’s homeowner’s policy pay the medical bills, as it sometimes does for dog bites?⁴⁰ Depending on the several factors analyzed below, the homeowner’s policy of the recreational drone user *may* cover liability stemming from their negligence.

Negligence is a deviation from the reasonable standard of care, whereas recklessness also requires the tortfeasor to “disregard a ‘substantial and unjustifiable risk’ that she was subjectively aware of.”

³⁰ U.S. CHAMBER OF COMMERCE INSTITUTE FOR LEGAL REFORM, *supra* note 29, at 28.

³¹ *Recreational Flyers & Community-Based Organizations*, FEDERAL AVIATION ADMINISTRATION (2018), https://www.faa.gov/uas/recreational_flyers. See 49 U.S.C. § 44809.

³² *Id.*; See 14 C.F.R. § 107.1 (2021). See generally Small Unmanned Aircraft Systems Rule, 14 C.F.R. § 107 (2021).

³³ *What is the definition of recreational or hobby use of a UAS or drone?*, FEDERAL AVIATION ADMINISTRATION, <https://www.faa.gov/faq/what-definition-recreational-or-hobby-use-uas-or-drone> (last visited Mar. 1, 2023).

³⁴ *Recreational Flyers & Community-Based Organizations*, *supra* note 32.

³⁵ *Id.*

³⁶ *Id.*

³⁷ *Id.*; See also Small Unmanned Aircraft Systems Rule, 14 C.F.R. § 107 (2021).

³⁸ *Recreational Flyers & Community-Based Organizations*, *supra* note 32.

³⁹ *Id.*

⁴⁰ For jurisprudence where courts have held that dog bites are covered under an individual’s homeowners policy, see generally *Burglass v. U.S. Fid. & Guar. Co.*, 427 So. 2d 596, 597-99 (La. Ct. App. 1983); *Schultz v. Tilley*, 91 Mass. App. Ct. 539, 545-46 (2017); *Lititz Mut. Ins. Co. v. Branch*, 561 S.W.2d 371, 374 (Mo. Ct. App. 1977).

First, courts must identify whether the drone user was acting in compliance with either the federal commercial or recreational drone use regulations. According to the FAA, non-recreational and commercial drone use is the default, governed by 14 CFR Part 107.⁴¹ Commercial and non-recreational drone use includes, but is not limited to: flying for a business, taking photos for advertising or sale, and even volunteering on behalf of nonprofits.⁴² This comment does not provide insurance recommendations for commercial drone use because business lines of insurance vary greatly from personal lines of insurance and would require a separate comment on the issue.

Thus, for recreational drone users to be exempt from 14 CFR Part 107 (and instead be allowed to comply with the Exception for Limited Recreational Operations of Unmanned Aircraft⁴³ regulation), a drone pilot must only fly for their personal enjoyment.⁴⁴ This recreational-flight exception requires drone pilots to comply with several preflight requirements, including carrying with them their proof of registration with the FAA.⁴⁵ Owners of drones that are more than 0.55 pounds, but less than fifty-five pounds, are required to pay five dollars to register and are required to provide the drone's serial number, name and contact information to allow the FAA to hold the owner "personally accountable" for the licensed aircraft.⁴⁶ Any drone weighing greater than fifty-five pounds or measuring more than four and a half feet in length *must* fly according to the commercial regulations, regardless of the pilot's intentions for the drone.⁴⁷ The drone must not fly more than 400 feet above the ground, and it must remain in the operator's visual line of sight.⁴⁸ Finally, there is a mandatory renewal fee of an additional five dollars every three years: "failure to register the drone can result in civil penalties as high as \$27,500, and criminal penalties can include fines up to a maximum of \$250,000 or imprisonment for up to three years."⁴⁹

In 2016, Congress passed the FAA Extension, Safety, and Security Act which requires the FAA to develop a method for "remotely identifying operators of unmanned aircraft systems."⁵⁰ In the FAA Reauthorization Act of 2018, this authority was expanded to include small recreational drones.⁵¹ This latter legislation charged the FAA, along with the Department of Transportation and National Institute of Standards and Technology to "convene industry stakeholders to facilitate development of [drone] Remote ID consensus standards and then to issue regulations or guidance."⁵² In its effort to protect safety and increase airspace awareness, in January 2021, the FAA implemented an additional requirement for recreational pilots – they must enable Remote ID

⁴¹ *Recreational Flyers & Community-Based Organizations*, *supra* note 32.

⁴² *Id.*

⁴³ *Id.*; *see also* 49 U.S.C. § 44809.

⁴⁴ *Recreational Flyers & Community-Based Organizations*, *supra* note 32.

⁴⁵ *Id.*

⁴⁶ *Brennan v. Dickson*, 45 F.4th 48, 59 (D.C. 2022) (citing 14 C.F.R. § 48.110 (2021); 49 U.S.C. § 44102 (1994)).

⁴⁷ Registration and Marking Requirements for Small Unmanned Aircraft, 14 C.F.R. § 48 (2015).

⁴⁸ U.S. Gov't Accountability Off., *Unmanned Aircraft Systems: Current Jurisdictional, Property, and Privacy Legal Issues Regarding the Commercial and Recreational Use of Drones—Appendices I-VI*, 8 (2020).

⁴⁹ Registration and Marking Requirements for Small Unmanned Aircraft, *supra* note 48.

⁵⁰ *Brennan*, 45 F.4th at 53.

⁵¹ *Id.*

⁵² U.S. Gov't Accountability Off., *supra* note 49, at 1, 46 n.188.

functionality on their privately-owned, recreational drones.⁵³ The Federal Appellate Court for the District of Columbia recently heard a Petition for Review of an Order of the FAA in which an avid drone user challenged the Remote ID rule claiming a violation of their Fourth Amendment rights.⁵⁴ The court rejected the claim due, in part, to the Open Fields doctrine.⁵⁵ This doctrine states that Fourth Amendment protection that is “accorded to ‘persons, houses, papers, and effects’ does ‘not exten[d] to the open fields.’”⁵⁶ The court found that drones fly out in the open, and people ordinarily lack a reasonable expectation of privacy “for activities conducted out of doors in fields.”⁵⁷ In sum, the FAA’s requirement of recreational drone users to enable Remote ID was upheld; and personal drone users must also register their drones, fly it in their line of sight and beneath 400 feet and comply with any other state or local recreational drone regulations.

IV. STATE AND LOCAL STATUTORY LAWS ON DRONES

The National Conference of State Legislatures has acknowledged that, as of the beginning of 2017, thirty-three states enacted various state laws and regulations on either individual drone use or commercial drone use.⁵⁸ Between 2017 and 2020, at least eighty-eight additional pieces of legislation have been enacted in twenty-six states.⁵⁹ As of October 31, 2022, only three states do not have drone laws:

⁵³ *Brennan*, 45 F.4th at 53, 57. The Remote ID requirement went into effect on September 16, 2023.

⁵⁴ *Id.* at 59, 62.

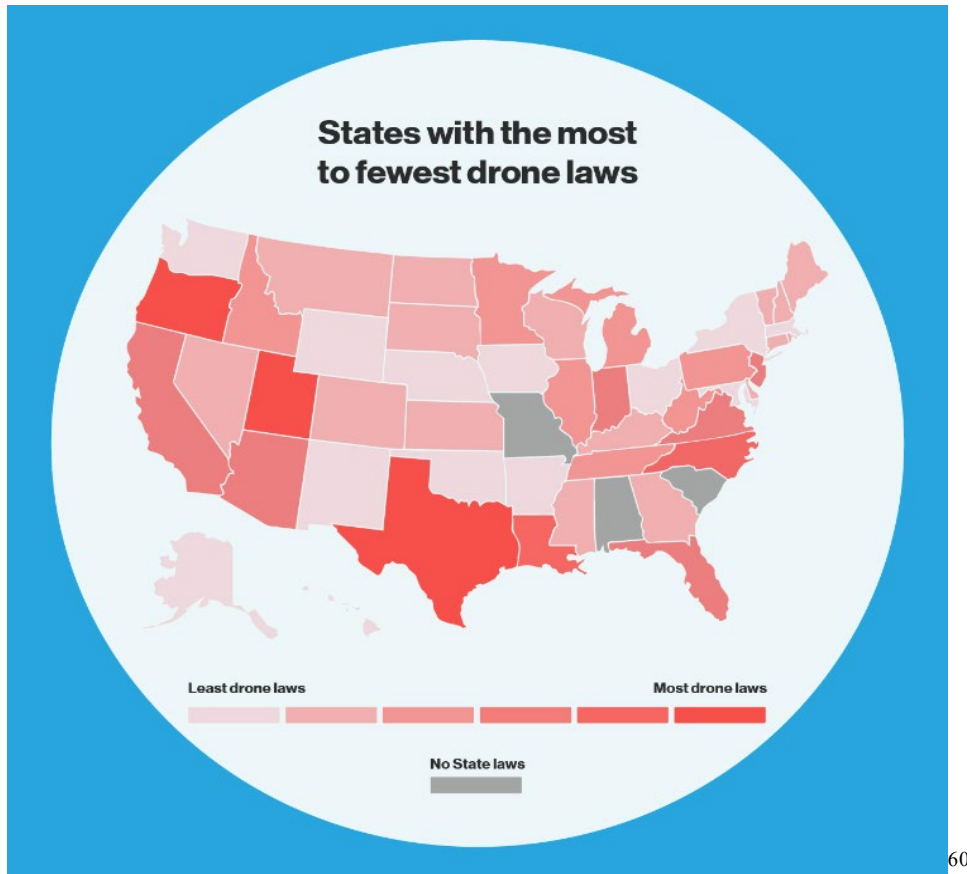
⁵⁵ *Id.*

⁵⁶ *Oliver v. United States*, 446 U.S. 170, 171 (1984) (citing *Hester v. United States*, 265 U.S. 57, 59 (1924)).

⁵⁷ *Brennan*, 45 F.4th at 61-62 (citing *Oliver*, 466 U.S. at 178).

⁵⁸ POSNER, *supra* note 1. This NCSL website posts annual updates on state drone legislative enactments: <https://www.ncsl.org/transportation/current-unmanned-aircraft-state-law-landscape>.

⁵⁹ *Current Unmanned Aircraft State Law Landscape*, NATIONAL CONFERENCE OF STATE LEGISLATURES (Oct. 26, 2022), <https://www.ncsl.org/transportation/current-unmanned-aircraft-state-law-landscape>. In 2018, thirty-one drone bills were enacted in nineteen states. In 2019, twenty-two drone bills were enacted in eighteen states. In 2020, eleven legislative bills were enacted in eight states.



These statutes address various topics, such as the state’s chosen definition of “drone” as it applies to insurers and restrictions on public drone use.⁶¹ Some states even regulate drone permissions and restrictions in hunting, law enforcement, and businesses in general.⁶² State and local laws and regulations are not preempted by the FAA’s federal regulations unless they infringe on the agency’s authority.⁶³

A. State Regulations

Currently, Minnesota is the only state requiring drone insurance,⁶⁴ but this requirement extends only to drones weighing more than fifty-five pounds (*i.e.*, commercial operators).⁶⁵ Thus, no states mandate liability insurance of any kind on recreational drone use. This absence is

⁶⁰ Alex Rivera, *Where to fly your drone safely*, VERIZON RESOURCE CENTER (Oct. 31, 2022), <https://www.verizonspecials.com/resources/residential-legal-status-of-drones-in-each-state/>.

⁶¹ POSNER, *supra* note 1. See 14 Va. Admin. Code § 5-342-110; 14 Va. Admin. Code § 5-341-70; 14 Va. Admin. Code § 5-342-60.

⁶² POSNER, *supra* note 1.

⁶³ Hadas Livnat, *Federal Regulation of Civil Unmanned Aircraft Systems (“Drones”)*, 31 A.L.R. Fed. 3d Art. 9 § 1 (2018) (citing *Singer v. City of Newton*, 284 F. Supp. 3d 125 (D. Mass. 2017)).

⁶⁴ Eric Griffith, *Which States Let You Fly Your Drone Without Restrictions?*, PCMAG (Dec. 26, 2022), <https://www.pcmag.com/news/which-states-let-you-fly-your-drone-without-restrictions>.

⁶⁵ Minn. Stat. Ann. § 360.59 (West 2021) (*citing* Minn. Stat. Ann. § 360.59 (West 2021)).

surprising, considering that establishing negligence against recreational drone users is a seemingly low burden, as proving the operator's negligence requires only a showing of reckless or unsafe operation.⁶⁶ Further, personal drone usage has been described as “perhaps the most dangerous in terms of potential liability” because operators may lose control of the drone or unknowingly violate FAA rules.⁶⁷ Casual drone operators flying in public may unintentionally fly their drones into others, causing serious bodily harm.⁶⁸

Virginia's Administrative Code defines “aircraft” as including hobby or model aircraft incapable of carrying people or cargo.⁶⁹ While the provision states that insurers may exclude “aircraft” from personal liability and medical payments, it also mandates that insurers “*shall provide coverage* for (i) drones without cameras and drones that are not capable of carrying people or cargo or (ii) hobby aircraft or model aircraft that are not capable of carrying people or cargo” that are applicable to personal liability and medical payment coverage.⁷⁰ Virginia has, in effect, prohibited its insurers from excluding coverage on recreational drones by requiring that insurers “shall provide coverage” for drones and hobby or model aircraft.

Notably, only three states have no regulations on drone use: Alabama, Missouri, and South Carolina.⁷¹ Most of the state-enacted legislation regarding drone use is unrelated to negligence, injury, or liability; instead, these laws largely focus on prohibiting invasion of privacy and flight over certain state-owned land.⁷² For instance, regulations “restrict[ing drone] use in state parks and wildlife areas”⁷³ is unlikely aimed at preventing negligence because state parks and wildlife areas are not typically crowded with children, joggers, and tourists. Thus, restricting recreational drone pilots from operations within these areas only minimally prevents harm to the public.

Tennessee has expressly banned drones from flying “in, from, and/or above University property” unless for educational purposes.⁷⁴ As to public use and recreation within its state parks, Tennessee's drone flight permit application requires, among other things, “certification that the Applicant agrees to remain liable” for all damage that the drone may cause while in flight.⁷⁵ Louisiana has prohibited the operation of drones in wildlife management areas and “targeted

⁶⁶ Brodkowitz, *supra* note 13, at 48.

⁶⁷ Pat Magarick & Ken Brownlee, § 26:4 *Unmanned aerial vehicles (UAV-Drone) coverage*, CASUALTY FIRE & MARINE INVESTIGATION CHECKLISTS (10th ed.), Westlaw.

⁶⁸ Brodkowitz, *supra* note 13, at 47 (referencing incident where “a drone decapitated a teen in a Brooklyn park in 2013”). *See also* Dan Weikel, *11-month-old girl hit in head by crashing drone; FAA investigating*, LOS ANGELES TIMES (Sept. 16, 2015), <https://www.latimes.com/local/lanow/la-me-ln-pasadena-drone-flight-20150916-story.html>; Haye Kesteloo, *Drone pilot fined \$160 for flying UAV that hit baby in the face*, DRONEDJ (Aug. 9, 2018), <https://dronedj.com/2018/08/09/drone-pilot-fined-160-for-flying-uav-that-hit-baby-in-the-face/>.

⁶⁹ 14 Va. Admin. Code § 5-342-30 (2022).

⁷⁰ 14 Va. Admin. Code § 5-342-110 (2022).

⁷¹ Griffith, *supra* note 65.

⁷² *Id.*

⁷³ *Id.*

⁷⁴ TENN. COMP. R. & REGS. 0240-10-06-.04 (2021).

⁷⁵ TENN. COMP. R. & REGS. 0400-02-02-.33 (2021).

facilities” which include schools and refineries.⁷⁶ The District of Columbia has prohibited permit requests for the operation of hobbyist drones from the Department’s recreational parks and facilities.⁷⁷ In California, a proposed bill in 2017 aimed to require all drone users to procure insurance.⁷⁸ However, that bill was vetoed by Governor Brown, who stated that it would have created “significant regulatory confusion. . . and ‘[p]iecemeal is not the way to go.’”⁷⁹

B. Local Regulations

As there are a multitude of recreational-use drone regulations within municipalities, this portion only addresses a couple. Similarly, in 2015, Chicago adopted an ordinance that incorporated the FAA guidelines into local law allowing the local law enforcement to enforce them.⁸⁰ Its original draft banned “all drone operations within the city limits unless the vehicles were registered with the city and the owner could provide insurance coverage.”⁸¹ However, the adopted version eliminated both the registration and insurance requirements, as many witnesses’ testimony was “favorable to drones.”⁸² It logically follows that casual drone operators want freedom to fly their drones. But would it not actually protect those drone pilots more if these safety and liability regulations were in place? These requirements would raise awareness that improper or uneducated drone use can pose a true danger to others.

Localities may also codify regulations in their administrative codes or ordinances, as Eastern Washington University has done.⁸³ This university requires non-university-purpose drones to do four things prior to flight above its campus: obtain certification from “the director,” provide FAA approval, contract to hold the university harmless from any liability incurred from a drone’s harm done to people or property, and to provide proof of insurance as required by “the director.”⁸⁴ There are nine sections within this chapter of the Washington State Code, including a drone-prohibited locations section.⁸⁵ The final provision establishes the result if a violation occurs – the university may pursue legal action against the violator, and that person is also liable for any

⁷⁶ La. Admin. Code tit. 76, § 111(G)(1)(o) (2022) (stating that “Operation of drones or unmanned aerial vehicles (UAV) on WMAs is prohibited.”). *See also* La. R.S. § 14:337 (stating that “The intentional use of an unmanned aircraft system to conduct surveillance of, gather evidence or collect information about, or photographically or electronically record a targeted facility without the prior written consent of the owner of the targeted facility.”). Note that “targeted facilities” include petroleum and alumina refineries, chemical and rubber manufacturing facilities, nuclear power electric generation facilities, and school premises.

⁷⁷ D.C. Mun. Regs. tit. 19, § 725 (2016).

⁷⁸ Rule, *supra* note 12, at 176; Steven Miller, *New California Drone Law!*, DRONE LAW LEGAL BLOG (Sept. 30, 2016), <https://www.hoverlaw.com/new-california-drone-law/>.

⁷⁹ Steven Miller, *New California Drone Law!*, DRONE LAW LEGAL BLOG (Sept. 30, 2016), <https://www.hoverlaw.com/new-california-drone-law/>.

⁸⁰ Perritt & Plawinski, *supra* note 6, at 380-81.

⁸¹ *Id.* at 381.

⁸² *Id.*

⁸³ Wash. Admin. Code § 172-110-050 (2015).

⁸⁴ *Id.* Note that according to Wash. Admin. Code § 172-110-030, director means “the Eastern Washington University Director of Public Safety.”

⁸⁵ Wash. Admin. Code § 172-110-050 (2015). *See also* Wash. Admin. Code § 172-110-070 (2015).

damages resulting from their use.⁸⁶

V. ANALYZING STANDARD POLICIES FOR COVERAGE

The Insurance Services Office, commonly known as ISO, is “an advisory organization that provides statistical, claims and actuarial information and policy language to insurers.”⁸⁷ In fact, many states look to ISO policies when writing their own policies.⁸⁸ If a drone pilot complies with all laws and regulations, the next question is: What insurance is required and what exactly will it cover? While a few insurance companies admit that their homeowners’ policies cover drone liability, others shy away from this concession.⁸⁹ Some insurance policies cover only property loss, and other policies cover an insured’s liability for any injuries the drone causes.⁹⁰ Drones can be fast and furious; and the inexperienced pilot may quickly realize the amount of liability that can arise from them. Many drone flyers merely want to fly their Christmas present without having to purchase another insurance policy – and this may be possible. After all, more than sixty-two percent of registered drones were for recreational use in 2022.⁹¹ The following analysis on insurance policies examines whether certain policies cover “the recreational drone itself, medical expenses if someone outside your household is injured, and legal expenses if you’re sued for drone injuries or property damage.”⁹² Of course, note that a policy’s plan limits still apply.⁹³

A. ISO’s HO-3 Homeowners’ Policy Language

After determining the regulations with which the drone user should comply, an analysis of the language of insurance forms is required to determine what policy may cover an accident. For recreational flights, an operator’s homeowners’ policy may cover certain liabilities. Insurance policies typically fall into one of two categories: personal lines or commercial lines.⁹⁴ Personal line insurance policies typically include automobile and homeowners’ policies, and most states use the standard policy forms created and developed by the ISO.⁹⁵ While not all states have identical insurance regulations, these differences are slight; as homeowners’ insurance is fairly standard

⁸⁶ Wash. Admin. Code § 172-110-090 (2015).

⁸⁷ Thomas Parry, *Chicago salons can’t subpoena insurer advisory group in COVID-19 coverage row*, WESTLAW INSURANCE DAILY DEBRIEFING, Mar. 11, 2021.

⁸⁸ MITCHELL L. LATHROP, 1 INSURANCE COVERAGE FOR ENVIRONMENTAL CLAIMS § 1.01A, n.1 (2022), Lexis.

⁸⁹ Daniel North, *Private Drones: Regulations and Insurance*, 27 LOY. CONSUMER L. REV. 334, 337 (2015). One insurance company allegedly told an insured that his homeowner’s policy would cover liability if the insured’s drone crashed and caused bodily injury or property damage, as long as the drone was used for recreational purposes only.

⁹⁰ DroneTrader, *14 Drone Insurance Providers for USA and Canada*, THE DRONETRADER BLOG (Mar. 26, 2019), <https://blog.dronetrader.com/list-of-drone-insurance-providers-for-usa-canada>.

⁹¹ *Brennan*, 45 F.4th at 55. The court notes that “of the 865,505 drones registered with the FAA by mid-2022, 538,172 were for recreational use.”

⁹² Molly Zilli, *Does Insurance Cover Drone Injuries?*, FINDLAW (April 18, 2018), <https://www.findlaw.com/legalblogs/personal-injury/does-insurance-cover-drone-injuries/>.

⁹³ *Id.*

⁹⁴ MITCHELL L. LATHROP, 1 INSURANCE COVERAGE FOR ENVIRONMENTAL CLAIMS § 1.01A (2022), Lexis.

⁹⁵ *Id.* at n.1.

throughout the United States.⁹⁶ Texas is the only exception, as its policy requirements vary more than the requirements in other states.⁹⁷ Homeowners have multiple policies to choose from with the most popular policy being the ISO HO-3 form.⁹⁸ This form provides the broadest coverage; and unless the insured owns a mobile home, condo, or older home, then the homeowner likely opts for an HO-3 policy.⁹⁹ ISO's sample HO-3 form provides the following definition of an aircraft: "Aircraft means any contrivance used or designed for flight *except model or hobby aircraft not used or designed to carry people or cargo.*"¹⁰⁰ Drones would likely fit in the exception for model or hobby aircraft. Insurance companies have generally adopted definitions similar to the above ISO definition.¹⁰¹

Standard homeowners' policies contain liability exclusions for "aircraft," but drones are exempt from the exclusion via the "model or hobby" aircraft carve-out.¹⁰² Raising awareness about the complexities of determining drone insurance coverage is of the utmost importance "because the [insurer's] duty to defend or the insurer's indemnification obligation 'could hinge on a single definition.'"¹⁰³ As a result, whether an insurance company will cover liability arising from drone use often hinges upon the definition of "aircraft."¹⁰⁴ While the jurisprudence on insurance coverage regarding recreational drone use is extremely limited, one 2018 California federal district court defined "aircraft" which was not defined in the policy but was unambiguous.¹⁰⁵ So, the Honorable

⁹⁶ *Are there different types of policies?*, INSURANCE INFORMATION INSTITUTE, <https://www.iii.org/article/are-there-different-types-policies> (last visited Mar. 1, 2023).

⁹⁷ *Id.*

⁹⁸ *Id.*; *Dwelling Fire, Homeowners Owner-Occupied, and Homeowners Tenant and Condominium/Cooperative Unit Owner's Insurance Report: Data for 2020*, NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS (2022), at 3, <https://naic.soutrounglobal.net/Portal/Public/en-GB/DownloadImageFile.ashx?objectId=9803&ownerType=0&ownerId=2006>. Here is an example of an ISO HO-3 form: https://www.iii.org/sites/default/files/docs/pdf/HO3_sample.pdf.

⁹⁹ *Are there different types of policies?*, *supra* note 96.

¹⁰⁰ For a sample of an HO-3 policy, see *Are there different types of policies?*, INSURANCE INFORMATION INSTITUTE <https://www.iii.org/article/are-there-different-types-policies> (emphasis added).

¹⁰¹ See generally *Farmers Smart Plan Home Policy Nevada*, FARMERS INS., https://doi.nv.gov/uploadedFiles/doinvgov/_public-documents/Consumers/Home/Farmers/56-5640_6-15.pdf (last visited Mar. 31, 2023); *State Farm Homeowners Policy Oklahoma*, STATE FARM FIRE AND CAS. CO., at 7 https://oidgov.wpenginepowered.com/wp-content/uploads/2019/08/040218_HW-2136-2017.pdf (last visited Mar. 31, 2023); *Farmers Smart Plan Home Policy – Oklahoma*, FARMERS INS., at 4 https://oidgov.wpenginepowered.com/wp-content/uploads/2019/08/010816_Farmers-Smart-Plan-HO-Form.pdf (last visited Mar. 31, 2023).

¹⁰² POSNER, *supra* note 1.

¹⁰³ Geoffrey F. Palachuk, *The New Decade Of Construction Contracts: Technological And Climate Considerations For Owners, Designers, And Builders*, 11 SEATTLE J. TECH., ENVTL. & INNOVATION L. 171, 191 (2020).

¹⁰⁴ POSNER, *supra* note 1.

¹⁰⁵ *Phila. Indem. Ins. Co. v. Hollycal Prod.*, 2018 U.S. Dist. LEXIS 211289, at *11 (C.D. Cal. 2018).

Judge Anderson concluded that “[t]he ordinary definition of an aircraft does not require the carrying of passengers or cargo . . . [and] that a drone is unmanned and operated remotely does not make it any less of an aircraft.”¹⁰⁶ The court also looked to the definitions of aircraft within 49 U.S.C. §40102(a)(6) and 14 CFR §1.1.¹⁰⁷ These federal regulations define an aircraft as any device whose purpose or intention is to fly in the air.¹⁰⁸ Judge Anderson held that the drone pilot’s insurance company had no duty to defend its insured because the claim was “not even potentially covered by the policy.”¹⁰⁹

Due to the difficulty in assessing whether or not a drone would qualify as a “model aircraft,” ISO developed six endorsements to clarify that drones would be covered.¹¹⁰ These endorsements do not cover trespass, invasion of privacy, or nuisance, and apply only to commercial drone use.¹¹¹ However, this illustrates the ISO’s position that recreational drone use should be covered because ISO’s standard homeowners’ policy language also allows coverage for liability stemming from recreational drones. The standard ISO HO-3 homeowners’ policy form explicitly defines “aircraft” as “any device used or designed for flight, *except model or hobby aircraft* not used or designed to carry people or cargo.”¹¹² A policy with this definition is sufficiently broad to cover the average recreational drone operator because the aircraft exclusion exempts model and hobby aircraft. As a result, any harm the drone would cause would be covered (within policy limits) under the “model or hobby” exception to the overall aircraft exclusion.¹¹³ While confusing at first glance, insurance policies are *excluding* aircraft liability, but *including* model or hobby aircraft coverage by distinguishing these terms within their definitions of “aircraft.”

However, there are no reported decisions in which a court assesses the “model or hobby” exception to the exclusion in a drone-related situation.¹¹⁴ In 2017, ISO released two endorsements proposing that insurance companies exclude liability from injuries and damages arising from drone operation.¹¹⁵ The first endorsement revised the aircraft definition to read as follows: “any contrivance used or designed for flight, whether or not model or hobby.”¹¹⁶ The second endorsement is titled “Personal Injury for Aircraft Liability Excluded.”¹¹⁷ This endorsement added

¹⁰⁶ *Id.* at *12.

¹⁰⁷ *Id.*

¹⁰⁸ *Id.*

¹⁰⁹ *Id.* at *15.

¹¹⁰ Carrie E. Cope & Keith Mandell, *128 Game of Drones: A 21st Century Challenge for Insurers*, in *NEW APPLEMAN ON INSURANCE: CURRENT CRITICAL ISSUES IN INSURANCE LAW* (2016).

¹¹¹ *Id.*

¹¹² POSNER, *supra* note 1; *Homeowners 3 – Special Form*, INSURANCE SERVICES OFFICE, INC., https://www.iii.org/sites/default/files/docs/pdf/HO3_sample.pdf.

¹¹³ POSNER, *supra* note 1. *See also* Pat Magarick & Ken Brownlee, §26:6 *Exclusions*, in 2 *CASUALTY INSURANCE CLAIMS* (4th ed.), Westlaw.

¹¹⁴ Eldon S. Edson, *Could A Standard Cgl Or Homeowners Policy Afford Coverage For A Drone-Related Liability Claim?*, in *NEW APPLEMAN ON INSURANCE: CURRENT CRITICAL ISSUES IN INSURANCE LAW* (2020).

¹¹⁵ *Id.*

¹¹⁶ *Id.*

¹¹⁷ *Id.*

aircraft liability to personal injury coverage,¹¹⁸ but it is only implicated in a standard homeowners coverage form if the endorsement is featured in the homeowners policy.¹¹⁹ Yet, as this comment will later discuss, insurance companies have yet to include these endorsements within their policies. These ISO endorsements exclude coverage for drone liability by revising the aircraft definition to define an aircraft as any contrivance used for flight, regardless of whether it is merely a hobby contrivance.¹²⁰ As a result, insurance companies should be eager to incorporate them to avoid payouts for drone incidents.

Another consideration in determining whether drones are covered under a homeowner's policy is whether the drone is used or designed to carry people or cargo.¹²¹ Cameras are commonly attached to recreational drones. This raises the question whether cameras are considered cargo. Some scholars assert that cameras are likely not "cargo" when the camera that is taking the photos "returns to its originating location."¹²² While drones carrying cargo would be excluded under the standard ISO HO-3 policy above,¹²³ this designation would only become relevant to recreational drone use if the pilot is delivering a package to a neighbor for noncommercial purposes.¹²⁴ For a drone to meet the "cargo" threshold, the drone must convey or transport the cargo to another place.¹²⁵ Further, courts have stated that "[c]learly, the term cargo has a strong commercial connotation."¹²⁶ Regarding the typical recreational drone pilot, the drone would unlikely be excluded based solely on the fact that an on-board camera constitutes an aircraft "designed to carry cargo." This is because a camera on a recreational drone is more closely related to an accessory that "returns to its originating location" than cargo transported to another place.

If the insurance policy does not expressly exclude drones, then the policy may likely provide "limited liability coverage for [drones] used for hobby activities . . . however, there is no first party coverage, other than as 'unscheduled personal property.'"¹²⁷ Furthermore, as previously discussed, if a hobbyist pilot flies the drone in violation of FAA rules, the liability exposure could

¹¹⁸ *Id.*

¹¹⁹ Edson, *supra* note 115.

¹²⁰ *Id.*

¹²¹ POSNER, *supra* note 1. See also Homeowners 3 – Special Form, Insurance Services Office, Inc., https://www.iii.org/sites/default/files/docs/pdf/HO3_sample.pdf.

¹²² Matthew G. Berard, *How the "Model or Hobby Aircraft" Exception Affects Insurance Coverage for Unmanned Aircraft*, For the Defense, Aug. 2015, at 30.

¹²³ See HO-3 Sample, *supra* note 100. See also *Phila. Indem. Ins. Co.*, 2018 U.S. Dist. LEXIS 211289, at *11-12.

¹²⁴ Berard, *supra* note 123, at 30.

¹²⁵ *Id.*

¹²⁶ *State Farm Fire and Cas. Co. v. Pinson*, 984 F.2d 610, 613 (4th Cir. 1993).

¹²⁷ Pat Magarick & Ken Brownlee, § 49:22 *Investigating an aviation accident*, Casualty Insurance Claims (4th ed.), Westlaw. For a definition of Unscheduled Personal Property, see Allstate, *What is scheduled personal property?*, Allstate (Mar. 2018), <https://www.allstate.com/resources/home-insurance/scheduled-personal-property> (defining "unscheduled personal property" as including belongings that may be covered by your standard personal property coverage, but that have not been specifically itemized on your policy. Unscheduled property is subject to the standard coverage limits (and sub-limits) stated on your homeowners [] insurance policy.)

exceed the amount that a homeowners' policy could cover.¹²⁸ Therefore, basic liability resulting from recreational drone incidents may be covered under a standard HO-3 ISO homeowners' policy, but this coverage may not be sufficient if extensive injury is sustained by a third party.

Regardless of the present status of federal drone-use regulations, some experts believe that the drone regulations will eventually require private drone users to carry liability insurance coverage which, in effect, would mandate minimum drone liability insurance requirements.¹²⁹ Insurance industry regulations are not governed at the federal level, but are governed at the state level.¹³⁰ So, to determine whether a particular insurance provider has the aircraft exclusion or model aircraft exemption requires an in-depth analysis into a specific insurance company's policies.

This comment next examines homeowner's policy language of four states: Nevada,¹³¹ Oklahoma,¹³² Missouri¹³³ and Maine.¹³⁴ Each post samples homeowner's policy forms on their Department of Insurance websites. The samples they provide are from the top performing insurance companies per market share where the insurance companies provide consumers with the ability to read their homeowners' policy form language in order to aid residents in deciding which company to select.

1. Nevada Homeowners' Policy Forms

In Nevada, State Farm Insurance, Farmers Insurance Group, and Allstate Insurance are the three leaders in the homeowners' insurance industry.¹³⁵ Nevada's Department of Insurance lists the latest market share data as from 2018.¹³⁶ State Farm held nearly 20% of the state's homeowners' insurance market share while Farmers held almost 15% and Allstate nearly 10%.¹³⁷ State Farm's sample policy interestingly neither defines aircraft, nor contains provisions

¹²⁸ Magarick & Brownlee, *supra* note 128.

¹²⁹ Sehrawat, *supra* note 21, at 130.

¹³⁰ See McGuire, *supra* note 7, at 307.

¹³¹ Nevada Department of Business and Industry, *Policy Forms Used by the 10 Largest Home Insurance Groups in Nevada*, NEVADA DIVISION OF INSURANCE, <https://doi.nv.gov/Consumers/Homeowners-Insurance/Policy-Forms/> (last visited Mar. 1, 2023).

¹³² Oklahoma Insurance Department, *Policy Forms Used by the 10 Largest Homeowners' Insurance Groups in Oklahoma*, OKLAHOMA INSURANCE DEPARTMENT, <https://www.oid.ok.gov/consumers/insurance-basics/home-insurance-policies/> (last visited Mar. 1, 2023).

¹³³ Missouri Department of Insurance, *Homeowners Policies*, MISSOURI DEPARTMENT OF INSURANCE, https://insurance.mo.gov/consumers/home/homeowners_policies.php (last visited Mar. 1, 2023).

¹³⁴ Maine Bureau of Insurance, *Homeowners Policy Comparison*, MAINE DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION, <https://www.maine.gov/pfr/insurance/consumers/consumer-guides/homeowners-policy-comparison> (last visited Mar. 1, 2023).

¹³⁵ Nevada Department of Business and Industry, *supra* note 132.

¹³⁶ *Id.*

¹³⁷ *Id.*

addressing hobby or model aircraft.¹³⁸ As a result, the issue of coverage in drone-related accidents would likely be decided in the courts if the insurer and insured become involved in a coverage dispute. If the drone is considered an “aircraft” in this State Farm homeowners’ policy, Section II – Liability Coverages states that the company will not pay for property damage arising out of aircraft ownership, use, or maintenance.¹³⁹

Farmers Insurance Group’s sample homeowners’ policy does define aircraft as “any device used or designed for flight, including aircraft parts, accessories or equipment. Aircraft *does not include model or hobby aircraft* not used or designed to carry people or cargo.”¹⁴⁰ Thus, while an aircraft is excluded from Farmer Insurance’s “Damage to Property of Others” section, a drone-related property injury could qualify for a property damage reimbursement of up to \$1,500 for another person’s property that may be damaged by the recreational-use drone.¹⁴¹ Similarly, the Liability Exclusions section excludes aircraft from Personal Liability, Medical Payments to Others, and Personal Injury Coverage.¹⁴² As model or hobby aircraft are not included in the “aircraft” exclusion,¹⁴³ another door opens for the possibility of drone coverage.

Allstate Insurance’s policy does not define aircraft but expressly exempts “model or hobby craft” from the Personal Property aircraft exclusion.¹⁴⁴ However, the policy’s Family Liability and Guest Medical Protection section excludes bodily injury or property damage arising out of the use or ownership of all “aircraft.”¹⁴⁵ This is intriguing because Allstate covers model or hobby aircraft under its Personal Property Protection section, yet does not have the same “model or hobby” exemption for bodily injury or property damage within its Family Liability and Guest Medical Protection section.¹⁴⁶ Allstate further emphasizes this method of coverage by including another qualified provision excluding bodily injury or property damage arising out of either “the negligent supervision” or any statutory liability imposed on an insured for damages derived from all aircraft.¹⁴⁷ In summary, a recreational drone owner may likely have coverage only for damage to the drone itself but not for bodily damage nor damage to third parties.¹⁴⁸ Nevada’s personal-use drone coverage varies considerably by company, illustrating the previously-mentioned principle

¹³⁸ See generally *Homeowners Policy*, STATE FARM FIRE AND CAS. CO., http://docs.nv.gov/doi/documents/home_policies/StateFarmForms/FP-7955.pdf (last visited Mar. 1, 2023).

¹³⁹ *Id.* at 16.

¹⁴⁰ *Farmers Smart Plan Home Policy Nevada*, FARMERS INSURANCE, at 4 https://doi.nv.gov/uploadedFiles/doinvgov/_public-documents/Consumers/Home/Farmers/56-5640_6-15.pdf (last visited Mar. 1, 2023).

¹⁴¹ *Id.* at 35.

¹⁴² *Id.* at 36, 38.

¹⁴³ See *id.*

¹⁴⁴ *House & Home Policy*, ALLSTATE VEHICLE AND PROPERTY INSURANCE COMPANY, at 12 https://doi.nv.gov/uploadedFiles/doinvgov/_public-documents/Consumers/Home/Allstate/AVP81.pdf (last visited Mar. 1, 2023).

¹⁴⁵ *Id.* at 23.

¹⁴⁶ *Id.*

¹⁴⁷ *Id.* at 24.

¹⁴⁸ See generally *House & Home Policy*, *supra* note 145.

that an insurance company's coverage for liability arising from drone use often hinges upon the use and definition of "aircraft."

2. Oklahoma Homeowners' Policy Forms

In Oklahoma, State Farm, Farmers Insurance Company, and Allstate Insurance are three of the "10 Largest Homeowners' Insurance Groups" in the state.¹⁴⁹ State Farm now distinguishes between aircraft and "unmanned aircraft systems used as model aircraft and operated solely for recreational or hobby purposes."¹⁵⁰ Assuming drones fall within the second category, property damage to the drone itself would be covered under this homeowners' policy. State Farm further exempts drones from the aircraft exclusion for Personal Liability and Medical Payments to others.¹⁵¹ Excluded from coverage are aircraft that cause bodily injury or property damage; but, "this exclusion does not apply" to unmanned aircraft used as model aircraft that meet three conditions.¹⁵² First, the unmanned aircraft must be used solely for recreation; second, the aircraft must remain within the pilot's line of sight; and third, the unmanned aircraft must weigh less than fifty-five pounds.¹⁵³

Farmers Insurance Company includes the word drone in its definition of aircraft, stating that an aircraft includes:

any device used or designed for flight, including: a. an unmanned, unpiloted or remotely piloted aerial device or vehicle which is deemed an aircraft by a federal or governmental agency, including but not limited to, a drone . . . [However,] Aircraft does not include model or hobby aircraft not used or designed to carry people or cargo, unless deemed to be an aircraft by a federal or governmental agency.¹⁵⁴

Interestingly, Farmers Insurance distinguishes between drones and model or hobby aircraft — something that few, if any, have done.¹⁵⁵ Because drones are, according to Farmers Insurance, deemed an aircraft by a federal agency, this policy's exclusions containing "aircraft" would certainly apply to drones, as well.

Allstate Insurance is also a top-ranked homeowners' insurer in Oklahoma.¹⁵⁶ Its policy form is essentially identical to its policy form in Nevada's (see discussion above) at least as far as

¹⁴⁹ Oklahoma Insurance Department, *supra* note 133.

¹⁵⁰ *State Farm Homeowners Policy Oklahoma*, STATE FARM FIRE AND CAS. CO., at 7 https://oidgov.wpenginepowered.com/wp-content/uploads/2019/08/040218_HW-2136-2017.pdf (last visited Mar. 31, 2023).

¹⁵¹ *Id.* at 24.

¹⁵² *Id.* at 25.

¹⁵³ *Id.*

¹⁵⁴ *Farmers Smart Plan Home Policy – Oklahoma*, FARMERS INSURANCE, at 4 https://oidgov.wpenginepowered.com/wp-content/uploads/2019/08/010816_Farmers-Smart-Plan-HO-Form.pdf (last visited Mar. 31, 2023).

¹⁵⁵ *Id.*

¹⁵⁶ Oklahoma Insurance Department, *supra* note 133.

aircraft definitions and exclusions are concerned.¹⁵⁷

3. Missouri Homeowners' Policy Forms

Missouri's Department of Insurance also issues a market share report for homeowners' insurance companies.¹⁵⁸ State Farm provides coverage to the highest market share at nearly 26%; American Family Mutual supplies over 15%; and third, Shelter Mutual supplies more than 5% of the market share.¹⁵⁹ This comment will only discuss the policy language in the top two companies, as "Shelter Insurance [] declined to participate in this important consumer initiative."¹⁶⁰

State Farm's homeowner's sample policy for Missouri does not define aircraft, nor does the policy separately list hobby or model aircraft.¹⁶¹ An insured could argue that recreational drones should have coverage due to this ambiguity. Ultimately, the answer lies within a court's future decision, as this has not yet been litigated. This argument has the potential to succeed, especially because at one point within the policy, an exclusion extends to "aircraft, motor vehicles, *recreational motor vehicles* or watercraft, airboats, air cushions or *personal watercraft which use a water jet pump powered by an internal combustion engine* as the primary source of propulsion."¹⁶² As this particular exclusion is very specific in regard to what exactly is excluded (i.e. "recreational motor vehicles"), the insured could argue that if State Farm meant for drones to be excluded here, the insurer undeniably would have included it as such within this very detailed exclusion clause. On the other hand, the insurer could argue that drones were included in aircraft or recreational motor vehicles.

American Family Mutual's homeowners' policy includes no aircraft definition; but the policy does qualify aircraft within its Personal Property exclusion as excluding only "aircraft and parts, whether assembled or unassembled. We do cover model aircraft not used or designed for transporting cargo or persons."¹⁶³ This appears to be sufficiently broad to include drones. American's Personal Liability and Medical Expense "aircraft" exclusion is ambiguous when considering whether drones would be covered. The policy language indicates that bodily injury or property damage arising out of the operation of aircraft, parachutes, or "other air conveyance[s] and their facilities" are excluded.¹⁶⁴ However, exempted from this exclusion are "model aircraft not used or designed for transporting cargo or persons."¹⁶⁵ Would drones fall under an excluded "other air conveyance" or an exempted "model aircraft?" One could argue that the drone does not

¹⁵⁷ *Deluxe Homeowners Policy*, ALLSTATE INSURANCE COMPANY, at 9, 19-22 https://oidgov.wpenginepowered.com/wp-content/uploads/2019/08/Allstate_AP2DeluxeHO.pdf (last visited Mar. 1, 2023).

¹⁵⁸ Missouri Department of Insurance, *supra* note 134.

¹⁵⁹ *Id.*

¹⁶⁰ *Id.*

¹⁶¹ *See generally State Farm Homeowners Policy*, STATE FARM FIRE AND CAS. CO., <https://insurance.mo.gov/consumers/home/documents/HomeownersPolicyFP-7955.pdf> (last visited Mar. 31, 2023).

¹⁶² *Id.* at 21 (emphasis added).

¹⁶³ *Missouri Homeowners Policy Special Form 3*, AM. FAM. MUT. INS. CO., at 3 <https://insurance.mo.gov/consumers/home/documents/02680.pdf> (last visited Mar. 1, 2023).

¹⁶⁴ *See id.* at 10.

¹⁶⁵ *Id.*

convey, which means “to transfer or deliver (something, such as property) to another.”¹⁶⁶ The answer to this question is yet to be determined, and there are plausible arguments on both sides. Again, the difference between an insurance company’s coverage of drone liability hinges upon a mere definition. Notably, as discussed later in the comment, ambiguities are construed in favor of the insured and against the insurer.¹⁶⁷

4. Maine Homeowners’ Policy Forms

State Farm, Liberty Mutual and Allstate Insurance are three of the largest providers in Maine.¹⁶⁸ As previously shown in the other State Farm policies, there is no definition for aircraft, but two instances in which unmanned, model or hobby aircraft, used exclusively for recreational purposes, are differentiated among aircraft.¹⁶⁹ In the first instance, aircraft is excluded under Personal Property coverage;¹⁷⁰ yet drones would probably be covered as model aircraft used solely for noncommercial purposes. The second instance occurs as an exemption from an exclusion within the Liability Coverage section in regard to Personal Liability and Medical Payments to Others.¹⁷¹ While no coverage exists as to bodily injury or property damage arising out of an aircraft’s use or ownership, the exclusion does not apply to unmanned, hobby aircraft as long as it is within the operator’s visual sight range and does not weigh more than fifty-five pounds.¹⁷² Notably, however, the policy excludes unmanned, model aircraft damages to other aircraft or resulting out of interference with “aircraft carrying people.”¹⁷³ This emphasizes the importance of always operating a drone in compliance with all state and federal regulations to ensure insurance coverage.

Analogous to State Farm’s policy, Liberty Mutual’s homeowners’ policy separates hobby aircraft from typical aircraft in two instances: a Personal Property exclusion and a Personal Liability and Medical Payments to Others exclusion.¹⁷⁴ This policy is more subtle in its differentiation as it simply states that “[a]ircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.”¹⁷⁵ As discussed earlier, drones are more analogous to a model or hobby aircraft not designed to carry people and cargo. Particularly helpful for drone owners is the liability exemption from the exclusion because the policy excludes coverage for any bodily injury or property damage arising out of not only the ownership or use of an aircraft, but also “(2) The entrustment by an ‘insured’ of an aircraft to any

¹⁶⁶ *Merriam-Webster.com Dictionary*, MERRIAM-WEBSTER, <https://www.merriam-webster.com/dictionary/convey> (last visited Mar. 1, 2023).

¹⁶⁷ *Phila. Indem. Ins. Co.*, 2018 U.S. Dist. LEXIS 211289, at *10.

¹⁶⁸ Maine Bureau of Insurance, *supra* note 134.

¹⁶⁹ *State Farm Homeowners Policy Maine*, STATE FARM FIRE AND CAS. CO., at 7, 26 https://www.maine.gov/pfr/insurance/themes/insurance/pdf/state_farm_companies/State%20Farm%20Fire%20and%20Casualty%20Company/hw_2119.pdf (last visited Mar. 1, 2023).

¹⁷⁰ *Id.* at 7.

¹⁷¹ *Id.* at 24, 26.

¹⁷² *Id.* at 26.

¹⁷³ *Id.*

¹⁷⁴ *Deluxe Homeowners Policy*, LIBERTY MUT., at 3, 11-12 https://www.maine.gov/pfr/insurance/themes/insurance/pdf/liberty_mutual_group/liberty_mutual_fire/libertyguard_h3_policy_fmho_943.pdf (last visited Mar. 1, 2023).

¹⁷⁵ *Id.*

person; or (3) vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using an aircraft.”¹⁷⁶ Without this express drone exemption, a parent is vicariously liable for a minor child’s negligent drone operations.

Allstate, another major insurance provider in Maine, utilizes the same aircraft stipulations as those in the Nebraska and Oklahoma homeowners’ policy forms.¹⁷⁷

Additionally, the policy should be examined to determine whether it has an “intentional acts” liability exclusion. If it does, any injuries intended or expected by the insured are excluded.¹⁷⁸ Also, the operator of a recreational drone should be an insured under the drone owner’s homeowner’s insurance policy. A typical definition of “insured” includes residents of the policyholder’s household who are relatives or residents who are under twenty-one years of age.¹⁷⁹ Typically, full-time students who were previously residents are also covered.¹⁸⁰ Homeowners’ policies differ from automobile insurance policies regarding coverage of permissive users.¹⁸¹ For example, an automobile insurance policy typically includes coverage for permissive users with the following provision: “insured means . . . any other person for his or her use of your car.”¹⁸² Homeowners’ policy definitions for “insureds” have no such provision.¹⁸³ Thus, there is a difference between loaning someone your car under your automobile policy and loaning someone your drone under your homeowner’s policy. Damages arising from the loaned car would be covered, while damages arising from the loaned drone would not be covered.

B. Other Insurance Options for Drones

1. A Comparison to Recreational Marine Insurance

Insuring a drone under a separate policy may be intimidating to the average consumer. However, automobiles, boats, and many other conveniences have separate liability policies. An apt comparison to drone-specific insurance is recreational boat insurance. The regulation of insurance lies within the state’s authority via the McCarran-Ferguson Act.¹⁸⁴ Similarly, for recreational boat insurance, courts have decided to “leave the regulation of marine insurance with

¹⁷⁶ *Id.* at 12.

¹⁷⁷ *See generally* Standard Homeowners Policy, ALLSTATE INSURANCE COMPANY, https://www.maine.gov/pfr/insurance/themes/insurance/pdf/allstate_Ins_group/allstate_ins_co/ap1_std_ho_policy_jacket.pdf (last visited Mar. 1, 2023).

¹⁷⁸ Appleman on Insurance Law & Practice and Appleman on Insurance Archive § 119.13 (2nd ed. 2011), Lexis.

¹⁷⁹ *See, e.g. Homeowners Policy, supra* note 139, at 1.

¹⁸⁰ *See, e.g. Farmers Smart Plan Home Policy Nevada, supra* note 141, at 6.

¹⁸¹ *Contrast Homeowners Policy, supra* note 138, at 1 *with Car Policy Booklet*, STATE FARM FIRE AND CAS. CO., at 5 https://doi.nv.gov/uploadedFiles/doinvgov/_public-documents/Consumers/9828A.pdf (last visited Mar. 1, 2023).

¹⁸² *Car Policy Booklet*, STATE FARM FIRE AND CAS. CO., at 5 https://doi.nv.gov/uploadedFiles/doinvgov/_public-documents/Consumers/9828A.pdf (last visited Mar. 1, 2023).

¹⁸³ *See, e.g. Homeowners Policy, supra* note 139, at 1.

¹⁸⁴ McGuire, *supra* note 7, at 307.

the states and apply state law to cases involving maritime insurance policies.”¹⁸⁵ This means that courts generally determine the coverage of marine insurance policies by looking to state law for proper interpretation.¹⁸⁶

It is common practice for recreational vessel owners to insure their vessels with the same company that carries their homeowner’s insurance.¹⁸⁷ Recreational vessels are usually insured under “all risks” policies which include property coverage and protection against other risks.¹⁸⁸ All risks policies usually have warranties that the owner will use the boat for recreational purposes only.¹⁸⁹ As this comment explains, drone-specific policies may also require that pilots use the insured drone for hobbyist purposes only.¹⁹⁰

Another similarity between marine insurance and drone insurance is the branches of coverage. Marine insurance may provide hull coverage and liability coverage.¹⁹¹ Hull coverage includes property protection for any loss or damage to the vessel that stems from a covered loss.¹⁹² Liability coverage protects the insured from costly claims that stem from collisions or third-party injuries.¹⁹³

As recreational boat insurance has expanded, courts’ interpretations of maritime insurance policies have resulted in a more favorable result for the insured, as the burden has shifted to insurers to demonstrate when coverage does not apply.¹⁹⁴ The last section of this comment illustrates that similar burdens exist in most insurance jurisprudence¹⁹⁵, which would also apply to drone insurance cases. Finally, increased state regulations for marine insurance addresses higher consumer expectations¹⁹⁶ which favors the insured. If the same pattern occurs with drone regulations, then recreational drone users may end up receiving more generous coverage under their policies.

2. Is Drone-Specific Insurance Worth It?

Few insurance companies currently have chosen to initiate a new niche in the insurance industry—policies specific to incidents arising out of drones.¹⁹⁷ Coverage varies, as some companies provide hull coverage only for the drone property loss, while others include liability

¹⁸⁵ ARTHUR R. MILLER, 14A FED. PRAC. & PROC. JURIS. § 3675 (2022), Westlaw (citing *Wilburn Boat Co. v. Fireman’s Fund Ins. Co.*, 348 U.S. 310 (1955)).

¹⁸⁶ ARTHUR R. MILLER, 14A FED. PRAC. & PROC. JURIS. § 3675 (2022), Westlaw (citing *Hartford Fire Ins. Co. v. Mitlof*, 193 F.R.D. 154 (S.D. N.Y. 2000)).

¹⁸⁷ *Id.*

¹⁸⁸ The Florida Bar, *Chapter 14 Pleasure Boats*, Maritime Law and Practice (6th ed. 2019), Westlaw.

¹⁸⁹ *See id.*

¹⁹⁰ *See generally Model Aeronautics National Model Aircraft Safety Code*, Academy of Model Aeronautics (2018), <https://www.modelaircraft.org/system/files/documents/105.pdf>.

¹⁹¹ 1 LNPG: NEW APPLEMAN WASHINGTON INSURANCE LAW § 1.10 (2022), Lexis.

¹⁹² *See id.*

¹⁹³ *See id.*

¹⁹⁴ Jeffrey E. Thomas, *Insurance – General*, 6 CONN. INS. L.J. 187, 188 (1999).

¹⁹⁵ *See generally Phila. Indem. Ins. Co.*, 2018 U.S. Dist. LEXIS 211289.

¹⁹⁶ Hallock, *supra* note 196, at 280.

¹⁹⁷ North, *supra* note 90, at 357.

coverage.¹⁹⁸ Procuring a drone policy eliminates the ambiguity of whether the user's current insurance will cover damages from an accident.¹⁹⁹ Drone-specific insurance will still cover only liability stemming from negligent injuries.²⁰⁰ Intentional misconduct, spying on others, or other criminal actions will also result in a loss of coverage.²⁰¹ While another insurance expense is likely unappealing, it could be the difference between paying a small fee and being liable for another's expensive medical bills.²⁰²

In general, drone-specific insurance consists of two components: (1) liability, which covers damage to third parties, and (2) hull coverage, which covers damage to the drone itself.²⁰³ Liability limits of \$1 million generally cost between \$600 and \$800 annually.²⁰⁴ More recently, drone-specific insurers offer "on-demand" insurance, which is usually \$10 per hour of coverage.²⁰⁵ Like all insurance, a pilot's failure to comply with certain requirements can result in the cancellation of coverage.²⁰⁶

C. Academy of Model Aeronautics

One option is for recreational drone pilots to register for The Academy of Model Aeronautics ("AMA")'s Full Membership plan for a fee of \$85 per year.²⁰⁷ The AMA Full Membership plan includes \$2,500,000 of personal liability insurance coverage and \$25,000 of medical coverage.²⁰⁸ This insurance policy is issued through "a special insurer and typically pays out after [the pilot's] homeowner's policy is exhausted."²⁰⁹ This plan covers drones heavier than two pounds and drones that fly faster than sixty miles per hour.²¹⁰ Under its Full Membership plan, AMA also allows insured to add other members of the same household for a discounted price.²¹¹ For users flying drones less than two pounds and slower than sixty miles per hour, AMA has the

¹⁹⁸ DroneTrader, *supra* note 91.

¹⁹⁹ Zilli, *supra* note 93.

²⁰⁰ *See id.*

²⁰¹ *Id.*

²⁰² *See id.*

²⁰³ Jennifer Trock et al., *The Use of Unmanned Aircraft Systems in the Construction Industry in the United States and Canada: An Overview of the Applicable Frameworks*, 12 No. 1 J. AM. COLL. CONSTR. LAW. 4 (2018).

²⁰⁴ *Id.*

²⁰⁵ *Id.*

²⁰⁶ *Id.*

²⁰⁷ *Compare membership options*, ACADEMY OF MODEL AERONAUTICS, <https://www.modelaircraft.org/membership-options> (last visited Mar. 31, 2023).

²⁰⁸ *Id.*

²⁰⁹ Ann Carrns, *Getting a Drone as a Gift? Check Your Insurance*, N.Y. TIMES (Dec. 14, 2016, 6:01 PM), <https://www.nytimes.com/2016/12/14/your-money/money-adviser-drones.html>. This article consists of information obtained through an interview of Chris Hackett, who was the Sr. Director for personal lines for the Property Casualty Insurers Association of America in 2016.

²¹⁰ *Compare membership options*, *supra* note 208.

²¹¹ *Id.*

Park Pilot membership plan.²¹² This plan costs \$48 annually and has a reduced coverage limit of \$500,000 for personal liability.²¹³

Home About AMA **Membership**

Renew a membership

Don't miss a single moment of fun.

RENEW

Renew your membership.

Renew someone else's membership.

Make changes to your membership for next year.

Full membership

All the best of AMA for the aviator in you.

SIGN UP

Membership benefits

Fly the greatest variety of aircraft.

Maximum insurance coverage. ([Learn more](#))

Access to low-cost commercial insurance.

Model Aviation monthly magazine.

Ability to fly at thousands of AMA chartered club sites with appropriate club membership(not included).

Competition and voting privileges.

...and more!

\$85 / year
(\$75 / year ages 65+)

[COMPARE BENEFITS](#)

Park Pilot membership

The perfect fit for small-field and indoor aviators.

SIGN UP

Membership benefits

Fly electric aircraft less than 2lbs and slower than 60mph.

Reduced insurance coverage, compared to Full Membership. ([Learn more](#))

...and more!

\$48 / year

[COMPARE BENEFITS](#)

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Receiving coverage requires drone pilots to operate within the AMA National Model Aircraft Safety Code which is one page and consists of only ten list items.²¹⁵ The safety code requires the pilot to avoid the following: flying recklessly, flying over unprotected people or moving vehicles,

²¹² *Membership Enrollment Center*, ACADEMY OF MODEL AERONAUTICS, <https://www.modelaircraft.org/membership/enroll> (last visited Mar. 31, 2023).

²¹³ *Compare membership options*, *supra* note 208.

²¹⁴ *Membership Enrollment Center*, *supra* note 214.

²¹⁵ *Membership Enrollment*, ACADEMY OF MODEL AERONAUTICS, <https://www.modelaircraft.org/membership/enroll/quick> (last visited Mar. 31, 2023). *See also Academy of Model Aeronautics National Model Aircraft Safety Code*, *supra* note 191.

and flying within twenty-five feet of other people.²¹⁶

D. Skywatch.ai

Another drone insurer is Skywatch.ai which offers annual,²¹⁷ monthly,²¹⁸ and hourly²¹⁹ plans for drone insurance. Skywatch.ai is the leading company for on-demand drone insurance in the United States.²²⁰ This insurer's annual policy price depends on several factors that the user can select, including: the liability limit, the number of drones covered, whether physical damage is covered, and whether additional medical expenses are selected.²²¹ At a minimum, this policy costs \$466 annually and includes a liability limit of \$500,000.²²² On the other hand, a liability limit of \$10 million with \$5,000 in medical expenses included costs \$3,476 annually.²²³ The monthly for a \$500,000 liability limit is \$44, and \$324 for \$10 million with \$5,000 in medical expenses.²²⁴ Although the company's hourly policy prices are not listed on their website, one customer stated that his cost was \$6.30 for an hour with a \$500,000 liability limit.²²⁵ This customer review indicates that hourly plans are also priced based on the radius that the user selects.²²⁶ Because Skywatch.ai's insurance plans vary greatly in cost, a drone user should consider how much they expect to use their drone when selecting a plan.

In summary, if a recreational drone pilot is looking to mitigate liability risks and hesitant to rely on their homeowner's policy for coverage, drone-specific insurance may be an affordable and smart choice. If, however, an insured relies on their homeowner's policy, then there is reliable jurisprudence on how a court will handle the dispute.²²⁷

²¹⁶ *Academy of Model Aeronautics National Model Aircraft Safety Code*, *supra* note 191.

²¹⁷ *Annual Drone Insurance Your Way*, SKYWATCH.AI, <https://www.skywatch.ai/us/annual-drone-insurance-plan> (last visited Mar. 1, 2023).

²¹⁸ *Manage your drone insurance by the month*, SKYWATCH.AI, <https://www.skywatch.ai/us/monthly-plan> (last visited Mar. 1, 2023).

²¹⁹ *Hourly Drone Insurance On-Demand*, SKYWATCH.AI, <https://www.skywatch.ai/us/product> (last visited Mar. 1, 2023).

²²⁰ UAV Coach, *Drone Insurance: A Step-by-Step Guide to Liability & Drone Hull Insurance*, UAV COACH, <https://uavcoach.com/drone-insurance-guide/> (last visited Mar. 1, 2023).

²²¹ *Drone Insurance Customize Annual Policy*, SKYWATCH.AI, <https://portal.skywatch.ai/insurance/annual> (last visited Mar. 1, 2023).

²²² *Id.*

²²³ *Id.*

²²⁴ *Drone Insurance Customize Monthly Policy*, SKYWATCH.AI, <https://portal.skywatch.ai/insurance/monthly> (last visited Mar. 1, 2023).

²²⁵ Review of *SkyWatch.AI Drone Insurance*, GOOGLE PLAY REVIEWS, https://play.google.com/store/apps/details?id=ai.skywatch.droneinsurance&hl=en_US&gl=US (last visited Mar. 1, 2023). Customer stated: "Just completed my first three flights with Skywatch drone insurance. Activating and paying for the insurance was unbelievably easy. The app is very easy to use and seem to work very good. As for filing any claims or collecting on any claims I have no idea how smooth that would go, lets hope that NEVER happens. The Drone Insurance prices I think are very reasonable, I went with \$500,000 coverage for 1 hour 1/4 mile radius with my 10% discount it was \$6.30 definitely peace of mind and well worth it."

²²⁶ *Id.*

²²⁷ See generally *Phila. Indem. Ins. Co.*, 2018 U.S. Dist. LEXIS 211289.

E. How Courts Interpret Insurance Policy Exclusion Language

If a drone pilot sues alleging coverage under the policy, a court will follow the jurisprudential rules for analyzing insurance policies.²²⁸ Insurance policies are interpreted “according to the plain meaning a layperson would ordinarily give it unless the parties used a word in a technical sense.”²²⁹ Ambiguities are construed in favor of the insured and against the insurer,²³⁰ so a drone pilot should bring all ambiguous language to the court’s attention. Finally, an insurer bears the burden of establishing that an exclusion applies.²³¹ The burden of proof then shifts to the insured, who must establish that an exception to the exclusion applies in order to re-establish coverage.²³² Therefore, a drone user seeking coverage should be prepared to prove that the model or hobby exception to the aircraft exclusion applies. The insured pilot would otherwise lose coverage under their homeowner’s policy.

VI. PROPOSALS FOR THE FUTURE OF DRONE INSURANCE

As demonstrated throughout this comment, determining whether a drone user is insured is an incredibly complex task that requires expert-level knowledge in the insurance field. As of December 2020, the FAA estimated 1.44 million drones were identified as recreational aircraft.²³³ They further concluded that the number of recreational aircraft is nearly 30% more than those actually registered.²³⁴ The FAA’s recreational drone forecasts for the future years are:

Total Recreation/Model Fleet (Million sUAS Units)

Fiscal Year	Low	Base	High
<u>Historical</u>			
2020	1.4365	1.4365	1.4365
<u>Forecast</u>			
2021	1.4544	1.5022	1.5417
2022	1.4668	1.5303	1.5935
2023	1.4708	1.5415	1.6157
2024	1.4719	1.5455	1.6237
2025	1.4724	1.5510	1.6347

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²²⁸ *Id.* at *10.

²²⁹ *Id.*

²³⁰ *Id.*

²³¹ *Hollywood Flying Serv., Inc. v. Compass Ins. Co.*, 597 F.2d 507, 508 (5th Cir. 1979).

²³² *Berard, supra* note 123, at 26 (citing *Quaker State Minit-Lube, Inc. v. Fireman’s Fund Ins. Co.*, 868 F. Supp. 1278 (D. Utah 1994)).

²³³ FAA, *FAA Aerospace Forecast Fiscal Years 2021-2041*, at 46.

²³⁴ *Id.*

²³⁵ *Id.* at 47. Note that sUAS means small unmanned aircraft systems, which is a synonym for a drone.

As this table proves, recreational drone use is not rare. At a minimum, the chart predicts that 1,470,800 people are flying drones as hobbyists in 2023.²³⁶ The insurance industry can no longer delay implementing clear-cut regulations. So, what is the best course of action for the future?

When looking to our international counterparts, Australia and Canada have already required liability insurance for drone users.²³⁷ Costa Rica also requires drone owners to purchase liability insurance that covers damages to third parties to operate.²³⁸ Due to the heavily state-regulated insurance industry,²³⁹ each state must enact drone insurance regulations. While states have increasingly enacted legislation regarding drone use in general,²⁴⁰ no states have enacted drone insurance requirements for recreational drone pilots.²⁴¹

States need a model insurance policy to look to—the FAA, ULC, or another national entity should enact model rules that states can adopt with minor modifications. Further, states should not hesitate to adopt these model drone insurance clauses due to insurance companies' opinions on the matter. While requiring insurance for recreational drones may be premature, states should, at the minimum, adopt laws like Virginia's regulations, prohibiting the exclusion of drones from homeowner's policies.²⁴² Alternatively, if states do decide to prohibit drone coverage under homeowner's policies, then they should use their marine insurance regulations as a model for drone-specific insurance policies.

Marine insurance has many parallels to drone-specific insurance: hull versus liability coverage, disclosure requirements for the intended use of the item, and an overall movement towards consumer expectations. While Marine insurance has several state regulations, drones do not. Drone insurance companies must be regulated to ensure consumers are protected against their insurers, and states need to keep up with this expanding market. Doing so is necessary to help the average consumer from incurring expensive accident liability when they seriously hurt another person. Insurance exists ultimately to protect consumers. It is time for states to step up and develop well-informed, strategic frameworks for the coverage of imminent negligent drone accidents.

²³⁶ *Id.*

²³⁷ North, *supra* note 90 at 357.

²³⁸ Jose M. Canaura, *Drones Have Arrived, With New Opportunities and Challenges: A Comparative Approach to Regulations Governing the Operations of Unmanned Aerial Vehicles in the United States, Italy, Costa Rica, United Arab Emirates, Canada, Nicaragua, Spain, and Saudi Arabia*, 26 ILSA J. INT'L. & COMP. L. 401, 434 (2020), Lexis.

²³⁹ See McGuire, *supra* note 7, at 307.

²⁴⁰ See POSNER, *supra* note 1.

²⁴¹ See MINN. STAT. ANN. § 360.59 (West 2021). The only state with drone insurance requirements is Minnesota, which extends only to non-recreational use drone pilots.

²⁴² See 14 VA. ADMIN. CODE § 5-341-70 (2023).