

Dealing with Drones – Don't Get Grounded

The potential use of UAVs (unmanned air vehicle systems), also known as drones, for commercial purposes is flying high on a wave of better pricing, improved quality and more reliable operations. In the electricity distribution sector the sky is the limit for the potential to make use of these devices: remote monitoring of power lines, infrared thermography of infrastructure equipment or other visual inspections. **But what are the challenges and regulatory requirements you need to be aware of before becoming airborne?** The rules and regulations are under constant review with changes expected in 2016, so it is imperative you stay up to date with requirements for operating UAVs.

From MEARIE's perspective the main concern is the liability exposure – the risk of harming another's property or breaching privacy. According to Kelly Friedman of DLA Piper (Canada) LLP, speaking at the recent MEARIE Conference, the liability risks which may arise from the commercial use of UAVs are, from a safety standpoint, similar to a manned aircraft: loss or damage to the UAV, personal injury and property damage; and the new risks including the potential for trespass, nuisance, privacy and cyber security exposures. But there are other concerns and requirements to meet as well.

Aviation in Canada is the responsibility of Transport Canada and is governed by the Aeronautics Act and Canadian Aviation Regulations. These regulations encompass the commercial use of UAVs. As such, specific licensing (Special Flight Operations Certificate) and training are required to commercially operate in Canada. It may be possible to obtain an exemption from the licensing requirement, particularly if you are operating devices over 2kg and less than 25kg. *(Please reference - Additional Resources on the next page).*

Flight Conditions, Pilot Training and Insurance

If you are eligible to avoid the licensing requirement based on the above exemption, there are still strict conditions which must be met in order to operate lawfully. The exemption for devices over 2kg and less than 25kg outlines specific requirements including those related to flight conditions, pilot training and insurance:



Flight Conditions – Articles 15 and 16 of the exemption are important conditions related to urban/built up areas. They state the following:

15. The pilot operating under this exemption shall only operate a UAV at least five (5) nautical miles away from the centre of any aerodrome, (includes hospitals with a heliport).
16. The pilot operating under this exemption shall only operate a UAV at least five (5) nautical miles away from a built-up area.

Considering most LDCs' service territories include built-up areas, it may be impossible to meet this condition.

Pilot Training – Articles 47 and 48 of the exemption state the following:

47. The pilot operating a UAV system under this exemption shall have successfully completed a pilot ground school program that provides instruction on the following subject areas:
 - a. airspace classification and structure;
 - b. meteorological and NOTAM reporting services;
 - c. interpretation of aeronautical charts and the Canada Flight Supplement; and
 - d. applicable content of the Canadian Aviation Regulations.

48. The pilot conducting operations under this exemption shall be appropriately trained on the UAV system and qualified for the area and type of operation as referred to in Transport Canada guidance material.

Insurance – Article 4 of the exemption states that liability insurance with a limit of no less than \$100,000 is required. **However, standard liability insurance policies, including the MEARIE Liability policy, contains an aircraft exclusion and therefore there is no coverage.** Due to the specialized nature of this operation a standalone aviation liability policy is required. Subject to completing an application and meeting the underwriting criteria, MEARIE can arrange a policy to cover your operations.

No matter if you are using the drone yourself or contracting out for services, consider the risks, regulatory requirements and remember liability policies will have an exclusion. **Standalone aviation liability policies are a must.** Don't be grounded by the rules and regulations. Perform your due diligence and be prepared to take advantage of the potential opportunities UAVs offer.

Additional Resources

Exemption for UAV greater than 2kg and less than 25kg
<http://www.tc.gc.ca/civilaviation/regserv/affairs/exemptions/docs/en/2879.htm>

Transport Canada – Canadian Aviation Regulations and Advisory
<http://www.tc.gc.ca/eng/acts-regulations/regulations-sor96-433.html>
<http://www.tc.gc.ca/eng/civilaviation/opssvs/ac-600-004-2136.html>

Flying Unmanned Aircraft for Work or Research
<http://www.tc.gc.ca/eng/civilaviation/standards/standards-4179.html>

Do I need permission? – Transport Canada
http://www.tc.gc.ca/media/documents/ca-standards/Infographic_Permission_to_fly_a_UAV_Print_English.pdf

FAA in United States
<http://www.canadianunderwriter.ca/news/faa-partners-with-industry-on-next-steps-in-drone-operations/1003610433/?&er=NA>

Before you buy a UAV consider this:

If you are considering purchasing and using a UAV as part of your operations, make sure you take into account the following:

- Regulatory environment, licensing, training and use restrictions
- Pilot training requirements
- Liability issues include privacy and potential cyber attacks
- Insurance requirements – standalone liability policy required
- Notification requirements to fly over other owners' property

Before you contract out for UAV services consider this:

If you are considering contracting out for drone services, make sure you take into consideration the following:

- Specific detailed contract outlining service to be delivered
- Experience, qualifications and proper licensing of contractor
- Evidence of insurance, both liability and aviation liability
- Request being added as an Additional Insured

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