

DRONE INSURANCE PROGRAM (DRIP) - NEW

July 12, 2017

This Bulletin updates and replaces the Bulletin dated July 11, 2014 - CSURMA Launches New Coverage Program for Unmanned Aerial Vehicles (UAVs aka: "Drones")

What's New?

DRONE INSURANCE PROGRAM (DRIP)

- **for small, non-commercial drones only***



* Automatic coverage for *small Unmanned Aircraft Systems (sUAS aka: drones)*, as defined by Title 14 of the Code of Federal Regulations (14 CFR) Part 107; *i.e., 55lbs maximum total weight at takeoff including all onboard equipment, fuel, etc., and used for non-commercial (non-compensated) purposes only.* For other drones, please contact Alliant.

What's the coverage?

1. This new program, effective July 1, 2017, covers Aviation Liability for small drones that are owned, non-owned or hired by the University and/or its Auxiliary Organizations, and
2. Operated for non-commercial purposes by a campus or an auxiliary organization of the CSU. Other drones, including larger drones or any drone used for commercial purposes, will need special underwriting attention. Please contact Alliant.
3. Coverage includes:
 - Small drones owned by the University and any CSU Auxiliary Organization which are used for non-commercial purposes.
 - Non-owned small drones leased to, hired by, or lent to the University or any CSU Auxiliary Organization, which are used with the permission of the owner for non-commercial purposes.
4. Coverage is "automatic" for Aviation Liability insurance – *non-commercial use of small drones only*. As such, there is no need to report your qualified drone(s) at this time, however, CSURMA is required to conduct a survey on drone usage annually. We ask for your fullest cooperation during the survey for the benefit of all CSU campuses and auxiliary organizations.

What's my cost?

There is no additional premium to your campus or auxiliary organization to cover your qualified drones. The insurance is 100% prepaid by CSURMA. However, other drones may result in an additional premium that is chargeable to you.

How has coverage changed and improved?

Previously, CSURMA covered drones up to one hundred pounds maximum take-off weight (100lbs MTOW), providing \$20,000,000 in liability coverage.

For Campus members, because coverage was afforded under the Campus Liability risk pool, the coverage was subject to your campus deductible. This new plan is provided by Chubb Aviation, a specialty insurer, who covers 100% of the drone liability, thus removing CSURMA from risk. The Chubb policy provides \$50,000,000 aviation liability coverage with zero deductible (\$0).

For Auxiliary Organizations, With the exception of Employment Practices Liability, AORMA Liability program currently has no deductible. Similar to the Campus Liability program, aviation liability coverage limits are increased to \$50,000,000 with no deductible.

What about loss or damage to my drone?

1. Hull Insurance to cover loss or physical damage to the drone itself, including all on-board equipment, is not included, but may be purchased separately.
2. If purchased, campus or auxiliary organization will be responsible for the total cost of the optional Hull Insurance as applicable.
3. Please contact Alliant for quotes. We will need a description and usage of the drone, including year, make, model, and value for each drone to be quoted for Hull Insurance.

I have questions about FAA certification. Where can I find answers?

Please refer to the August 19, 2016 memo from Willy Hsu, University Counsel (copy attached). This memo recaps FAA rules, Part 107, that became effective on August 29, 2016 regarding permitted operation of small Unmanned Aircraft Systems (sUAS or small UAS) without the need to obtain formal FAA authorization; i.e., Certificate of Authorization or "COA".

Caveat: The memo is accurate as of August 19, 2016. You are advised to review the FAA website for any updates to ensure compliance, particularly as respects commercial vs. non-commercial uses, and educational usage.

- *Check the FAA website for the latest information: www.faa.gov/uas/*
- *Refer to your University Counsel for questions regarding FAA rules.*

Who do I contact for insurance questions or assistance?

For coverage questions, or to obtain a quote for Hull Insurance, please contact:

- Rob Leong (rleong@alliant.com 415-403-1441) or
- Mimi Long (mlong@alliant.com 415-403-1423)