

# Insurance industry reacts to new FAA commercial drone rules

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by [Caitlin Bronson](#) | Jun 23, 2016

An insurance industry group has voiced its support for new commercial drone rules issued by the federal government Tuesday.

The Federal Aviation Administration's new guidelines allow a number of businesses to use small drones under 55 pounds to complete various tasks, including aerial photography and emergency response. The drones can only be flown below 400 feet, during the day and at least five miles from the airport. Pilots must be at least 16 years old and have passed a written test.

The FAA stopped short of allowing drones to deliver packages, though industry analysts believe that as federal regulators get more comfortable with the notion, drone delivery will be given the green light.

The agency sent its rules out to state and local governments, who have been issuing their own rules in recent years. Though the guidelines are not binding on these governments, the FAA recommended they follow its lead.

Drone makers, technology companies and certain businesses have been lobbying for FAA guidelines for five years, as have insurance companies.

The National Association of Mutual Insurance Companies (NAMIC) expressed its approval of the rules almost immediately, saying the FAA has taken a "flexible approach" that will ensure safety while allowing for growth and innovation.

The group was particularly interested in how the rules would affect insurers' ability to use commercial drones in the aftermath of a natural disaster to enable swifter claims processing for victims.

“Mutual insurers, as much as anyone, understand the need to make sure safety is the top priority,” said Jimi Grande, senior vice president of federal and political affairs for NAMIC. “Just as important, however, is the recognition that the enormously broad scope of potential uses for drones means that, in some instances, operational limitations could undermine the very effectiveness of drone technology.”

NAMIC had expressed concern on that issue during the rulemaking process, questioning whether requirements that drone flight be limited to the line of sight of the operator and not flown over people were “excessively limiting” – particularly in the context of insurer use.

The FAA responded by creating a waiver process in the final rule that companies can use to work around these restrictions, on a case-by-case basis.

“Whether it’s a damaged roof or a neighborhood devastated by a hurricane, one of the most important features of drone technology is the ability to provide a view that cannot safely be obtained by a person,” Grande said. “Those flights would not be allowed under the rules for drone use, which shows why the waiver process will prove vital to the continued growth of this emerging technology.

“There is still much to be done to integrate drones into the national airspace, but allowing some flexibility into the rules governing flights is a good first step.”