



Product: UAS Pay-As-You-Go

Manufacturer Information

Product information

This is an Unmanned Aircraft System (UAS) insurance product which provides cover for the potential risks arising from ownership of UAS, whilst the UAS is in flight on days selected and booked, on the ground or in transit by insured or the UAS operator, in connection with business and commercial activities during the Policy period. For purposes of this insurance product UAS includes payload (detachable or non-detachable). Cover also includes physical loss of or damage to UAS spares.

There is also the option to buy a Liability Only version of the UAS product which provides cover for the potential liability to others arising from the use of the UAS in connection with business and commercial activities during the Policy period.

This product is a 'pay as you go' product allowing prospective insureds the option to purchase a full annual commercial drone operators policy or the option to purchase an annual out of flight theft and accidental damage policy with the option to purchase in-flight days as required by the needs of the business.

There are 3 variations of the product available:

1. Pay as you Fly + - include 30 days comprehensive in-flight cover plus annual out of flight theft and accidental damage cover for all equipment with the option to purchase additional 'in-flight' days.
2. Annual Drone Insurance - annual comprehensive commercial drone insurance policy.
3. Third Party Liability Only - Fully flexible third public liability cover for accidental damage to property, or to a member of the public, whilst the insured drone is in flight and being operated commercially

Optional additional covers include:

- UAS Operators Indemnity
- Liability to UAS Operators
- Cyber Extension - Loss of digital assets up to £10,000
- Alternative hire costs of a maximum period of 30 days hire or when hire costs reach £1,000
- Buy additional insured flying days (In-Flight Cover)

Policies can either be paid at the time of purchase or there is also the option of interest free Direct Debit.

There is a premium cap, so no matter how many days flown the customer never pays more than the annual drone insurance premium quoted for the same risk. There is the option to cancel booked days and receive a credit if the customer can't fly, plus the customer can rollover up to 7 unused in-flight days at renewal.

Policy can be accessed on-line 24/7 from a Smartphone, PC or Laptop.

Target market

- Commercial entities registered in England, Northern Ireland, Scotland, Wales, the Isle of Man, the Island of Guernsey, the Island of Jersey, and the Island of Alderney.
- Insureds with a maximum single drone value and payloads up to £250,000. Drone MTOW up to 30KG.
- Insureds that are EC785/2004 and CAA compliant to operate a drone commercially.
- Insureds who wish to insure a Maximum of 10 drones on one policy.



Types of customer for whom the product would be unsuitable

- Commercial entity operating drones in the USA or a sanctioned country.
- Commercial entity with drone value and payloads in excess of £250,000 or Drone MTOW over 30KG
- Commercial entities not registered in England, Northern Ireland, Scotland, Wales, the Isle of Man, the Island of Guernsey, the Island of Jersey, and the Island of Alderney
- Consumers/ individuals looking for drone insurance

Any notable exclusions or circumstances where the product will not respond

Restrictions:

- The UAS operator is required to hold every permission, license and certificate legally required to perform the activities covered in each country in which they operate (where applicable). Where specific permissions / licenses / certification is / are not required for the activities covered in a particular country the UAS operator is to comply with the regulations / requirements for UAS operations in that country
- Any UAS operator undergoing a flight assessment and / or examination which forms part of their continuation training is to be supervised by a training course examiner / instructor at all times.
- Insured to comply with all international and national regulation, with air navigation and airworthiness orders and requirements issued by any competent authority affecting the safe operation of the UAS, and shall ensure that:
- the UAS is airworthy at the commencement of each flight;
- all log books and other records in connection with the UAS which are required by any official regulations in force from time to time shall be kept up to date and shall be produced to the insurer or their agents on request;
- employees and agents comply with such orders and requirements.
 - Each UAS will not exceed thirty (30) kg
 - Any UAS with inbuilt 'Return to Home' function will have it set to 'on' at all times except where the UAS is over water when it is set to return to a suitable fixed location on land or vessel

Exclusions:

- Illegal use of the UAS or use for any purpose other than business and commercial activities.
- Taking off, landing, or attempting to do so in a place not recommended by the UAS manufacturer unless due to a forced landing or due to force majeure
- Operating in the USA or sanctioned countries
- Bodily injury sustained by anyone employed by the insured entity

Limit of Liability:

- Variable but all limits will be clearly set out in the policy schedule, less any applicable deductible also clearly set out in the schedule

Other information which may be relevant to distributors

This product is approved for sale with up to 2 distributors in the chain.

Where Distributor 1 sells this Product via multiple other distributors (via sub-delegation or sub-brokering), it is their responsibility to ensure all distributors have been provided this document, have reviewed it and understand the content. If there is any additional remuneration, including commissions, fees or other 'non-standard' remuneration charged to the customer by other distributors, it is the responsibility of Distributor 1 to inform TMK of these details accurately and in full.

No further distributors in the chain are permitted without TMKS' approval. Any such approval will include consideration of their impact on product value.

This product can be sold with or without advice in line with FCA regulations or local regulations if distributor is not regulated by the FCA.

All distributors are expected to fully understand the eligibility criteria, covers and exclusions of the product.

Sales journeys must identify customer eligibility and ensure that key information and choices to be made are presented to customers in a way that supports a customer through the process of understanding core cover and configuring optional elements of insurance to suit their specific demands and needs.

This product can be sold via an online quote and buy system.

Commission & Fees

If there is a coverholder in the chain, they are expected to ensure that maximum commission rates do not exceed those stipulated within the Binding Authority Agreement.

The coverholder is expected to maintain oversight of all broker commissions (where applicable) and, where there may be a risk to product value, remedial action should be taken immediately including notification to Tokio Marine Kiln.

The following fees may be charged in relation to the distribution of this product:

- Up to £25 administration fee or cancellation fee
- Up to £15 Mid-Term Adjustment fee for mid-term adjustments where more than 20 mid-term adjustments may be made in the year.

Brokers are reminded of their own regulatory obligations in relation to remuneration under PROD 4.3.6 as well as the requirements to make all necessary disclosures to the customer.

How value is assessed

Value is assessed based on a number of metrics, including underwriting, claims and complaints information as well as through broker and coverholder engagement.

Remuneration paid as set out in our agreements with distributors has been considered as part of the value assessment.

If additional add-ons (including premium finance) are sold alongside this product or additional remuneration is charged, this may affect the value for the customer.

Further information on our product approval processes can be obtained on request.

Date Fair Value assessment completed	September 2023
Expected date of next assessment	September 2024