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Emailed to: [drone@transport.govt.nz](mailto:drone@transport.govt.nz)

To the Drone Safety and Regulation Engagement team - The Ministry of Transport.

## **ICNZ submission on Drone Safety and Regulation Engagement with Key Stakeholders**

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Thank you for the opportunity to submit on Drone Safety and Regulation issues as outlined in the Ministry of Transport engagement paper September 2019.

The Insurance Council of New Zealand (ICNZ) represents general insurers who insure about 95 percent of the New Zealand general insurance market, including about a trillion dollars' worth of New Zealand property and liabilities. A number of our members provide insurance coverage for drones including drones for personal use.

Larger commercial drones used for reconnaissance and survey work are important to the insurance industry for timely and efficient management of claims. Claims can range from tall building fires and structures affected by earthquakes to wide area damage that precludes people from entering the damage zone due to safety issues.

The use of drones needs to be balanced against safety for all other aircraft of which insurers (international insurers) have an insuring interest.

Some home contents insurance products cover personal use drones so long as they are not being used in a way that breaches CAA rules parts 101 & 102. Coverage is usually capped up to \$5,000 for the value of the drone.

Commercial use drones are normally covered under a specific commercial use drone policy that are in effect an aviation policy. Typical coverage can be up to \$250,000 for the drone itself and \$10 million for liability. Coverage for statutory and privacy breach liability can also be included.

ICNZ agrees that it is time for a review of the current regulations governing drones due to improved technology with some drones such as remote identification and geo fencing that can make drone operation safer and traceable.

We believe that any proposal to relax CAA Part 101 rules for drones under 25 kg would need to see more effective drone user education and training. Many private drone operators do not know the safety rules.

ICNZ would recommend that a working group be established to carefully consider all the issues raised in the engagement document. Drone safety and the developing new technology for remote identification and geo fencing for drones is complex. Standards may need to be developed and these should harmonise with international rules.

Such standards could govern the types of drones that can be sold in New Zealand and how that can improve safety.

It would appear that EU standards are currently the most comprehensive.

We think that the proposal for a registration system for all drone operators has merit whether that be electronic registration or a physical registration application. Registration brings with it, thresholds for operator competency, traceability and accountability.

ICNZ would be happy to be involved in any working group that may be established to review the safety and regulation of drones in New Zealand.

If you have any questions, please contact me on (04) 495 8005 or by emailing [john@icnz.org.nz](mailto:john@icnz.org.nz).

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Lucas', written in a cursive style.

**John Lucas**  
Insurance Manager