



EXPERTISE



DRONES

Drones are helping insurers determine causation quicker.



By Nick Lock,
Head of Property Claims

Drones were the subject of unpopular press following chaos at Gatwick Airport in December 2018, where the devices grounded more than 1,000 flights by repeatedly flying over the airfield. However, drones are playing an increasingly important role within insurance, and are becoming particularly prevalent in the investigation and resolution of claims.

From navigating dangerous accident scenes to more quickly establishing the cause of damage, drones can be integral in reducing the time it takes to reach a resolution for the customer.



Across the industry we've heard reports of an increase in fires and fire spread over recent years, spanning from electrical faults to health and safety failures. According to the Association of British Insurers (ABI), 2018 saw the highest number of fire claims since records began, with an incurred cost of £1,298m.¹ The changing nature of warehouse storage (open-plan rather than the compartmentation we saw more readily in the past) means that insurance costs for commercial fires can easily exceed the £1million mark. Just recently, Allianz Insurance saw a claim for a well-known chain store where fire had spread through a large area, completely destroying the building and the stock stored within. With costs estimated to be almost £3million and the business left without any premises, Allianz dispatched a drone to determine causation and establish the extent of the damage; given the sheer size of the affected area, this would have taken far longer without aerial images.

These images picked up by the drone pointed to the fire starting outside. This allowed our investigators not only to establish the root cause of the disaster, but also to understand the layout of the site. This confirmed that policy conditions had been complied with and that the loss was covered. Speeding up the investigation process also led to securing temporary premises for the business more efficiently, which in turn minimised the extent of business interruption. The use of drones often avoids the need for unsightly scaffolding. Allianz chose to use drones in two recent cases involving roof inspection, recognising that the more traditional methods of scaffolding and construction on a property could have been detrimental to business continuity.

When a fire renders a building too dangerous to investigate, drones can provide a safe means of determining causation without putting humans at risk. Allianz came across a recent case where a fire at a popular high-street store spread to other premises within a shopping street, rendering the building structurally unsound. The roof of the building had caved in as a result of the fire, and so drone use was the only means of safely investigating causation and policy liability.

Drones are a relatively new innovation but their value in the claims investigation process is already being recognised, in helping to reach a swifter resolution for insurance customers.

Allianz's Head of Property Claims Nick Lock says,

"We are increasingly finding that utilising properly authorised drone operators can determine cause and cost of fire losses much quicker than traditional methods. This enables us to focus investigation efforts appropriately and make early interim payments to enable our customers' businesses to move on and recover from even the most devastating losses without unnecessary delays."

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1 ABI Market data 2018