

Real-Time Aerial Imagery Services for the Insurance Industry - Answers to Frequently Asked Questions



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1. Question: How can this service affect the bottom line for insurers?

Answer: Aerial surveillance services are not a substitute for the intimate contact between recovery personnel and the insured. But providing comprehensive information to field agents can save them time by providing positive identification of an address on the ground that may not be recognizable in the midst of the zone of destruction.

An aerial imagery service provider can minimize the claims adjusters' time on the ground, or even reduce the number of personnel required to assess the damage over a wide area by providing instant access to aerial imagery.

Example: The cost of providing aerial imagery can be compared to the cost of an extended stay for a CAT response team. A fully-equipped surveillance aircraft with crew, providing 6-8 hours of real-time streaming and recorded video, will cost a small fraction of the cost to field that team for a day. The surveillance crew would free inspectors and claims adjusters to move on to other venues days earlier, thus improving their efficiency in the field and cutting the company's expense of fielding the team while providing better (faster) service to insured clients.

A side benefit is the good publicity that can be gained from providing state-of-the-art services to speed claims. That will boost future policy sales. All of this goes to the insurers' bottom line.

2. Question: Who provides aerial surveillance services to the insurance industry?

Answer: The technology used is fairly new, the result of R&D to miniaturize aerial surveillance systems for the U.S. military. The pioneers of this new service are spread around the country, and as their results become known, demand for their services is expected to grow exponentially.

3. How quickly can an aerial surveillance mission team be mobilized?

Answer: That depends upon the nature, timing and location of the CAT event, and the policy of the company responding. A typical response¹ to an assignment would be as follows:

¹ Although aircraft and pilots are FAA Instrument Flight Rule (IFR) qualified and can proceed to a disaster area 24/7, weather in the target area may be a consideration when starting surveillance operations, in which case flight operations will commence as soon as safe and legal flying conditions permit.

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- **Earthquakes:** launch within one hour of receiving the assignment during normal business hours; otherwise within three hours, plus flight time from the point of aircraft departure.
- **Flash floods** (heavy rains, dam failures, etc.): same as earthquakes.
- **Floods** (rising water): these can often be predicted in advance, allowing time for planning and pre-positioning. A surveillance team can be on station as the event occurs with advance notice.
- **Human factor CATs:** same as earthquakes for events such as:
 - aircraft crashes (e.g., 9/11/01, or TWA Flt 800, 1996)
 - off-shore ship collisions or fires (Andrea Doria 1956, Carnival Ecstasy 1998)
 - oil rig disasters (BP's *Deepwater Horizon* oil spill, 2010)
 - oil tanker disasters (the *Exxon Valdez*, 1989)
 - train derailments, bridge collapses, acts of terrorism, industrial explosions, etc.
- **Hurricanes:** Atlantic named storms can now be followed from the time of their formation and tracked for the life of the storm. Their strength can be measured, and their landfalls predicted in advance, which allows the surveillance aircraft to be prepositioned prior to a storm's arrival. Then the aircraft can follow the storm as soon as the air is clear, often on the same day.

Recent example: An aircraft and 3-man crew deployed from New England to North Carolina 24 hours in advance of Hurricane Irene's landfall on 8/26/11. They were ready to perform storm damage assessment there after safely sitting out the storm on 8/26. After following the storm up the East Coast, they were on station by 8/29/11 filming Irene's flood damage in Vermont.

- **Tornadoes:** same as earthquakes and flash floods.
- **Tsunamis:** The International Tsunami Warning System can provide early warning when the source of a tsunami is distant (earthquake, volcanic eruption). It may be possible to be on scene for its arrival with advance notice; otherwise, the response is the same as in the case of an earthquake.

4. Question: What do aerial surveillance services cost?

Answer: Costs will vary with the amount of time contracted, the amount of advance notice for the requested services, on the aircraft type (e.g., fixed wing aircraft or helicopter), and on the imaging equipment used by a particular company. Discounts for multiple hours might be offered on a sliding scale for "blocks" of flight time (e.g., 10-hour increments) or for pre-payment. Clients may be able to negotiate daily or weekly rates for even more savings.

5. Question: Can multiple insurance companies pool resources to share the cost of these services?

Answer: Companies can certainly collaborate to do this. Each aerial surveillance service provider would have its own policies regarding how they would handle such an arrangement.

For more information, visit www.assist-us.com or contact a company representative at **603-219-0922** or info@assist-us.com.