

May 30, 2025

Attn: Kathryn Callahan
Director of Regulatory Policy
Maryland Insurance Administration
200 St. Paul Place
Suite 2700
Baltimore, Maryland 21202
Via email: kathryn.callahan1@maryland.gov.

RE: Draft Bulletin: Cancellations, Nonrenewals, and Claim Denials Based on Satellite and Aerial Imagery

Dear Ms. Callahan,

APCIA appreciates the work of the Maryland Insurance Administration (MIA) in drafting a proposed Bulletin to guide insurers who utilize aerial imagery technology. The American Property Casualty Insurance Association (APCIA) is a national trade organization whose members write approximately 67.1% of the homeowners insurance market in Maryland. APCIA welcomes the opportunity to comment on the Maryland Insurance Administrations (MIA) draft bulletin Cancellations, Nonrenewals, and Claim Denials Based on Satellite and Aerial Imagery.

While we understand the MIA's desire to provide guidance, respectfully, APCIA members have identified a number of significant concerns with the current draft that could hinder innovation and negatively impact the use of aerial imagery in the property insurance market.

Aerial imagery use by insurance companies is an efficient means of obtaining information about risks either under consideration or that they write. These pictures provide a unique perspective about risk characteristics not typically available through ground observation. There are many consumer benefits that result from aerial imagery, including:

- Convenience compared to in-person inspections;
- Safety for inspectors and underwriters (i.e. ladder fall);
- Can inform consumers of the need to improve conditions to better protect themselves;
- Promotes insurance availability;
- Lowers expenses for carriers to ensure competitive prices in the marketplace;

There are generally three types of image gathering technology:

Drones – usually risk-specific flown over buildings in airspace that is not controlled by the Federal Aviation Administration. Drone flight operations may be carried out by insurance employees or third-party vendors.

Low Level Aircraft – these are third-party companies that fly planes at altitudes of approximately 8 - 10,000 feet in a grid pattern over the US collecting images.

Satellites – which provide images through Google Earth or Google Maps plus Google Street View.

All of the technologies capture pictures of objects or property on the ground at a specific point in time reflecting the state of the property as well as the surrounding area. The information contained in the images is visible from publicly available vantage points. These images, enhancement services, and other tools are offered to a myriad number of industries including local governments, real estate firms, surveyors, as well as insurers.

Aerial imagery whether obtained via satellites, low altitude aircraft, or drones is a developing technology which allows insurance companies to obtain information safely and efficiently. These images may be used to assess the property condition and identify potential hazards the client may not be aware of. Additionally, aerial imagery from planes or satellites offers insurance professionals a complete view of the property at issue. Aerial imagery provides a level of consistency and detail to the consumer and insurer that previously was challenging to obtain. With a reliable view of properties, insurers can assess the condition of roofs, identify surrounding hazards like tree coverage and evaluate defensible space around structures with greater speed and precision.

APCIA has several concerns with the draft Bulletin. The Bulletin should be amended to apply to authorized insurers writing personal lines property policies. The use of aerial imagery in commercial lines of business is of tremendous value and business owners understand the technology is one component of their overall risk management strategy. Additionally, imposing underwriting requirements upon surplus lines insurers is outside the jurisdiction of the MIA.

There are undefined as well as defined terms that should be reviewed. There are no statutory definitions for words like "low-resolution", "unclear", "imprecise" and "outdated images". Images, regardless of age, which accurately depict the risk should be the standard. If age is a concern, consideration should be given to allow pictures that are up to 24 months old be used. Typically, vendors obtaining aerial images provide updates within six months for metropolitan areas, however, they may not update rural areas for up to 18 months or longer.

The terms "aerial imagery" and "satellite imagery" are inconsistent when compared to other states' approaches as well as within this Bulletin. APCIA recommends that the MIA use "satellite imagery" and define it as "use of satellite or aircraft to obtain images of properties." Drones are typically used on-site by a pilot on the ground, meaning a drone sortie is a "physical inspection". No members have indicated they use balloons for obtaining property photos, so APCIA suggests deleting same from the definition.


The MIA appears to require physical inspection should there be any dispute arising from the use of aerial imagery. Requiring additional investigation including a physical inspection will potentially draw out the length of a claim, and eliminates any cost savings in the underwriting or claims processes, which may have an impact on consumers.

Streaking, discoloration, etc. are, in some cases, actual indications of issues with roofs' condition and usefulness. Severe streaking, for example, indicates granular loss which exposes the asphalt layer, leading to failures. The assertion that cosmetic blemishes, such as streaking or discoloration, without further evidence of roof degradation indicates a lack of understanding what streaking and discoloration reflects in terms of damage to the roof, which is generally more than just "cosmetic."

APCIA members typically provide images to their customers upon request. Proactively providing images is burdensome, costly, and will require extensive changes to current business operations.

Thank you for the opportunity to share our concerns with the proposed Aerial Imagery Bulletin. APCIA appreciates the desire to provide guidance to insurers that wish to use aerial imagery, and wishes to work collaboratively with the MIA on this issue. Please do not hesitate to contact us if you have questions, need additional information, or would like to meet to discuss further.

Sincerely,



Nancy J. Egan,
Vice-President, State Government Relations- Mid-Atlantic
Nancy.egan@APCIA.org Cell: 443-841-4174