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STATE OF MAINE
DEPARTMENT OF PROFESSIONAL & FINANCIAL REGULATION
BUREAU OF INSURANCE



Joan F. Cohen
Commissioner

Bulletin 483

Use of Aerial Imagery by Homeowners Insurers

The Maine Bureau of Insurance has received inquiries and requests for hearings over the past two years related to some homeowners insurers' use of aerial imagery in making nonrenewal determinations.¹ When used appropriately, aerial imagery can expedite claims handling, save time, and provide a safe way of making evaluations of property conditions.

While aerial imagery can provide benefits when used appropriately, its misuse can result in inaccurate decisions and consumer confusion. The Bureau has received requests for hearings under the Maine Property Insurance Cancellation Control Act (MPICCA)² from homeowners who have received nonrenewal notices based primarily or entirely on an insurer's review of aerial imagery. In some instances, insurers have not informed homeowners that a nonrenewal action is being taken based upon aerial imagery, and homeowners do not learn that aerial imagery has been used until shortly before the date of a hearing.

In addition to not being aware of the use of aerial imagery, homeowners have complained that insurers' notices regarding the condition of the property have been too vague to act upon, that the image relied upon by the insurer is not recent (some have been more than 18 months old), that the image does not clearly show damage or disrepair, that the image shows the wrong structure or property, that homeowners are not provided copies of the image, and that homeowners are not allowed to dispute the findings with the insurer without requesting a hearing or filing a complaint with the Bureau.

Insurers are reminded that they should use due diligence when utilizing aerial imagery and ensure that any action taken is based on accurate information. Insurers should keep in mind the following when using aerial imagery for nonrenewals, cancellations, underwriting, claims handling, and similar activities:

1. **Aerial Imagery, if Used, Should be Used as Only One Tool.** Aerial imagery, in many instances, should not be the only information utilized in decision-making. For example, blurry, older images that appear to show staining or discoloration of shingles will usually not be enough, standing alone, to prove that a roof must be replaced. If inconclusive aerial imagery leads to concerns, an insurer should obtain recent, clear information, through a physical inspection or otherwise, to establish whether there is an issue with the condition of a property that is substantial enough to determine the insurability of the property.

¹ As used in this bulletin, "aerial imagery" refers to photographs, videos, or other visual data captured using satellites, aircraft, drones, or other aerial platforms.

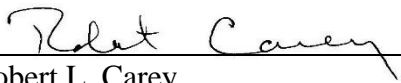
² 24-A M.R.S. Chapter 41, Subchapter 5 (§§ 3048–3061).

2. **Consumer Access to Imagery.** If a homeowner requests a hearing under the MPICCA, they will be entitled to view evidence relied upon by the insurer in making the nonrenewal or cancellation determination. If the insurer uses aerial imagery as a basis for nonrenewal, it is best practice to notify the homeowner before initiating the nonrenewal action, provide the homeowner with copies of any aerial images used in taking the action, and allow the homeowner to provide updated information or dispute the accuracy of the imagery used. Many hearing requests can be resolved before the hearing when the homeowner is given an opportunity to provide more accurate information to the insurer. Insurers are encouraged to issue loss control recommendations and provide homeowners with reasonable time to make needed repairs before taking other action, such as nonrenewal.

3. **Insurers Should Consider the Age and Clarity of Aerial Imagery.** As noted above, older aerial imagery often will not accurately portray the current condition of property. When initiating a nonrenewal action, insurers should be utilizing recent, accurate imagery. Under the MPICCA, the burden is on the insurer to prove the reason for non-renewal. If a change to the insurability of the property is asserted as a reason for nonrenewal, recent evidence will be required to meet this burden of proof. Older imagery will often not be sufficient.

The Bureau urges insurers utilizing aerial imagery to keep these concerns in mind.

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