

# How Drones Can Safely Raise Your Firm To New Heights

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If your construction firm isn't already using unmanned aerial vehicles, a.k.a. drones, you're probably wondering what all the hype is about.

A number of technological innovations in the last several years have suddenly made these flying machines cheaper and better than ever before. They're now easy to control, they offer excellent video capabilities, and they do it all for a fraction of what they cost just a few years ago.

It's no wonder the Federal Aviation Administration expects about 600,000 drones to be flying commercially within a year, up from about 20,000 currently registered.

It's also no wonder why people can't stop talking about them in the construction industry. In short, drones can revolutionize the way builders do business.

They're faster than human surveyors. They can collect data accurately and frequently. They turn that data into topographical maps of worksites, 3D structural models to track construction progress and volumetric measurements to monitor supply stockpiles.

The list goes on. They can monitor job sites to identify safety risks. They can keep investors happy by showing them slick videos of construction progress. They can be programmed to do all this automatically on a consistent basis.

The bottom line is that they allow construction companies to operate more efficiently, to cut costs, to reduce risks and speed up their work. Drones are so clearly a potential boon to this industry that PwC predicts construction to be a major driver of the commercial drone market, which is estimated to exceed \$5 billion in the next three years.

Of course, those are all the potential advantages, and they could easily be spoiled if firms aren't mindful of the potential disadvantages.

## DRONE RISK AND REWARD

One of the biggest drone-related concerns in the news has been about privacy, as people worry about flying camcorders accidentally or intentionally snooping on them. It's important to make sure any homeowners around a construction site are comfortable with drone usage, but that's a relatively minor concern for builders.

The main concerns for builders break down into three main categories: mid-air collisions, loss on control, and regulatory compliance.

A mid-air collision with a manned aircraft is clearly the most catastrophic potential risk, which is why the FAA recently released regulations, which include that drones can't fly higher than 400 feet and can't fly at night.

While drones are far more reliable than ever before, loss of control is still a threat. Many drones have fail-safes in case something goes haywire in flight, but that definitely doesn't mean they're foolproof.



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Then there are the regulations, which are the murkiest risk of all. We thankfully recently received guidance in federal law, but there's still a hodgepodge of state and local laws.

Of course, drones also have tremendous potential for risk reduction. They can ensure teams are using proper safety measures, and can assess the causes of jobsite accidents to prevent future accidents from occurring.

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### NEW TOOL IN THE TOOLBOX

Is anyone using drones in our region? Absolutely, and it will almost certainly grow.

There are already a number of larger firms employing drones in their work in the New Jersey, New York and Pennsylvania areas. They're primarily used by general contractors, some vertical contractors, and heavy civil contractors. They're mostly for checking worksite progress and safety, but they are increasingly popular for home builders as well.

In fact, we've worked with a number of contractors that are starting to use drones in a variety of applications.

Mount Group, in Berlin, NJ, is one example. President and owner Dave Smith said that they use drones for inventory control and volume calculations of bulk materials at their quarry and recycling operations.

Still, we caution businesses about jumping into drone use without doing due diligence.

First, we recommend adopting a formal checklist of protocols and best practices for safe operations, which are available from more and more trade organizations. Even though it's a nascent field, there are already formal ways of safely operating drones.

Just in case something does go wrong, we also point out that drones are excluded from general liability insurance coverage, which means firms need an endorsement on their existing policy or a separate policy. Fortunately, there are more and more insurance carriers offering policies for drones today as well.

Ultimately, you can believe the hype with drones, and there are clear ways that they can safely raise your construction operations to new heights.

*About the Author: James Hanrahan is Vice President of the Construction & Development Practice for Conner Strong & Buckelew, where he is responsible for business development and risk management. He has more than 23 years of experience in underwriting and risk management, and works with a variety of builders and contractors in New Jersey, New York and Pennsylvania markets.*