October 19, 2026

Mr. Will Melofchik
Chief Executive Officer
National Council of Insurance Legislators

*via email*

**Re: Joint Trades Response to Proposed Amendments to Aerial Imaging Model Draft**

Will:

The American Property Casualty Insurance Association and the National Association of Mutual Insurance Companies ("the trades") appreciate the opportunity to share their thoughts on the recent proposed amendments to the NCOIL aerial image model draft.

When this issue was first brought to NCOIL's attention, proponents of the model urged its adoption to address a particular situation – a nonrenewal decision in a homeowners' policy being made based upon an aerial image. The current draft of the model (not including the proposed amendments) addresses this situation. To that end, the trades oppose the proposed amendments.

The proposed amendments create uncertainty. For example, we read "as **a** basis" in the preamble to Section 5 versus "as **the** basis" in Section 5(a) and (e), effectively setting up two different standards for determining the role the image played in the non-renewal decision. Moreover, whether an aerial image is "a basis" or "the basis" of an underwriting decision can be debated if the insurer elects to nonrenew for additional reasons unrelated to the image.

Also, a provision has been added: "… including the specific standards that any repairs must adhere to." This provision places an undue burden upon insurance companies to provide specific remediation or repair recommendations. If a property owner relies on a remediation or repair method recommended by an insurance company, and that method fails to remedy the damage, responsibility for the inadequate repair may shift to the insurance company that directed or recommended the course of action. Insurance companies do not want to be placed in such a position.




Our overarching concerns remain: accurately matching rate to risk requires the use of underwriting tools which allow insurers to efficiently inspect properties. Moreover, insurers remain concerned about potential litigation risks stemming from multiple interpretations of legislation as well as exposing them to potential liability by requiring them to provide remediation recommendations.

To that end, if NCOIL opts to adopt the latest proposed amendments, the trades would recommend the following amendments to the model draft:

1. Change "a basis" to "the basis" in the preamble of Section 5.

2. Amend the definition of "aerial image" to not include images taken from a drone used in a subsequent underwriting inspection. In practice, insurers may use an image from a fixed wing aircraft to identify properties warranting additional underwriting review. In some situations, an insurer may opt to use a drone to inspect the property a second time (such as the case in three story homes, or to prevent possible damage to the roof by walking on it). If a drone is used as a follow up underwriting tool, then the provisions of the model should not apply.

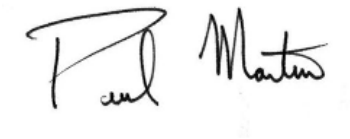
3. A new Section 5(f) which reads:

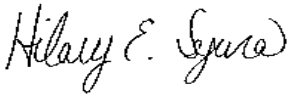
   "This section does not apply to nonrenewal decisions where:

   1. The insurer utilizes additional underwriting tools to inspect the property prior to the nonrenewal decision being made;
   2. The underwriting decision applies to a geographical area and not to a particular residence; or
   3. The reasons for the non-renewal are not curable by the policyholder.

The trades believe these additional amendments would preserve the utility of the technology while addressing the stated concerns of the model's advocates; we urge you to adopt them if NCOIL elects to adopt the most recent proposed amendments removing the "solely" language.

Sincerely,





Paul Martin

Vice President – State and Policy Affairs

NAMIC

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APCIA