Title: Insurance for Drones **IA No:** **RPC Reference No: DfT00357** **Lead department or agency:** Department for Transport **Other departments or agencies:** Department for Business, Energy and Industrial Strategy	**Impact Assessment (IA)** **Date:** 15/07/2016 **Stage:** Consultation **Source of intervention:** Domestic **Type of measure:** Primary legislation **Contact for enquiries:** [redacted]

Summary: Intervention and Options

RPC Opinion: Fit for purpose

Cost of Preferred (or more likely) Option				
Total Net Present Value	**Business Net Present Value**	**Net cost to business per year** (EANDCB in 2014 prices)	**One-In, Three-Out**	**Business Impact Target Status**
£m NQ	£m NQ	£m NQ	In scope	Qualifying provision

What is the problem under consideration? Why is government intervention necessary?

There are already established EU insurance requirements for some drones (essentially all drones other than those within the state aircraft and model aircraft categories) which are enforced by domestic secondary legislation). However these requirements were published in 2004 and were designed to cover all aircraft and air carriers. With the development of drones in recent years, concerns have been expressed that the minimum level of insurance required by EU Law is too low, and that insurance provision may be inadequate in other ways. Government intervention in this market is the quickest and simplest remedy.

What are the policy objectives and the intended effects?

1. Design insurance requirements that ensure operators get the coverage they need and that victims of accidents are protected, allowing drone businesses to develop safely.
2. Include drone insurance requirements in the same legal instrument as other domestic insurance rules, making the law more user friendly and coherent.
3. Allow the government to make further changes when needed to adapt to the rapidly changing drones market, ensuring that the UK environment is internationally competitive.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

There are three options being considered; do nothing, create an enabling power in primary legislation, or work with industry to encourage best practice standards. Our preferred option is for the SoS to be given an enabling power to make secondary legislation relating to drones insurance. The secondary legislation would lay out the detail of the insurance requirements, developed following public consultation. This option offers protection to drone users and potential victims of drone accidents more rapidly, and comprehensively than the other options. Option three has been considered, and discounted, as we do not think it will lead to universal coverage. Creating an enabling power in UK primary legislation would also have the advantage of ensuring that any changes to drone insurance requirements would be included in the same domestic secondary legislation as existing requirements.

Will the policy be reviewed? Requirements set out in secondary legislation will be formally reviewed in line with government guidance.

If applicable, set review date: The review date will be decided once the consultation has shaped the requirements, we will review this alongside the secondary legislation.

Does implementation go beyond minimum EU requirements?		Yes		
Are any of these organisations in scope?	**Micro** Yes	**Small** Yes	**Medium** Yes	**Large** Yes
What is the CO_2 equivalent change in greenhouse gas emissions? (Million tonnes CO_2 equivalent)		**Traded:** NA	**Non-traded:** NA	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible SELECT SIGNATORY: ..... ***Date:*** .....

Summary: Analysis & Evidence

Policy Option 2

Description: For the SoS to be given an enabling power to make secondary legislation relating to drones insurance.

FULL ECONOMIC ASSESSMENT

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low:	**High:**	**Best Estimate:** NQ

COSTS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low				
High				
Best Estimate	NQ		NQ	**NQ**

Description and scale of key monetised costs by 'main affected groups'

Due to the uncertainty in the design details of the policy, and significant issues with forecasting the number of drone operators, costs have not been monetised in this IA. We will work to produce robust estimates in the final stage IA.

Other key non-monetised costs by 'main affected groups'

Drone operators: Small additional cost associated with upgrading or changing existing insurance policies, although this cost maybe offset by falling premiums arising from increased competition in the insurance industry.

BENEFITS (£m)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional		Optional	**Optional**
High	Optional		Optional	**Optional**
Best Estimate	NQ		NQ	**NQ**

Description and scale of key monetised benefits by 'main affected groups'

Due to the uncertainty in the design details of the policy, and significant issues with data on insurance products with in the drone industry, the benefits have not been monetised in this IA. We will work to produce robust estimates in the final stage IA.

Other key non-monetised benefits by 'main affected groups'

Third Parties (members of the public): Appropriate compensation should they be involved in a drone related accident.

Drone operators: Reduced financial liability in the face of accidents.

Key assumptions/sensitivities/risks **Discount rate** n/a

As the impacts have not been monetised there are currently no assumptions or sensitivities. In the final IA the main assumption we will make will be on drone ownership in the future, we will test this assumption with a low, central and high estimate. The main risk in changing insurance requirements is setting a standard which insurers cannot provide cover for, or it is at a premium which prices drone operators out of the market. The Government will be consulting in advance of making any changes to ensure this does not happen.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			Score for Business Impact Target (qualifying provisions only) £m:
Costs: NQ	**Benefits:** NQ	**Net:** NQ	NQ

Evidence Base (for summary sheets)

Introduction;

We live in an era of unprecedented change: to our businesses, our economies and our societies. Technological advancement has become a key driver of this change.

The emergence of drones – unmanned aircraft – and drone-powered solutions are good examples of where disruptive[1] technologies can bring about new products, services and challenges to a range of industry sectors.

The application of drones has potential to improve efficiency and safety, delivering better services to customers reducing costs and bringing vast economic benefits for businesses and the public sector. An example of this is in the energy sector, where drones can be used to conduct safety inspections more quickly than before. This prevents prolonged shut down periods of energy plants, which can otherwise result in the loss of millions of pounds of output. Thanks to such benefits, the potential economic value of drones is huge. PwC estimates the value of drone-powered solutions at over $127bn by 2025[2].

With new technologies come both benefits and risks. The government is committed to ensuring that any development of drone services occurs in a responsible, safe way. Our consultation will build on our stakeholder engagement programme to identify key areas of interest and concern for all stakeholders, including the general public.

This impact assessment regarding drone insurance discusses one possible approach for improving the protection offered to citizens and ensuring that drone users are adequately accountable for any risks they create. We will use the consultation to consider the need for such a measure and to seek views on how this policy should be refined and implemented to ensure our policy goal of a responsible drone industry, that maximises benefits and minimises negative impacts on society is realised.

Problem under consideration

There are already established insurance requirements at an EU level for some drones - namely all drones other than leisure use drones of less than 20kg (and any in the state aircraft category). However, the European Regulation in question (EC Regulation 785/2004) was created in 2004 and deals with aviation insurance in general. Since then the drones market has changed considerably, and continues to change rapidly. As such, we already have a recommendation from the House of Lords, in the House of Lords Report on Civil Use of Drones in the EU (2015)[3], that the Commission should increase the minimum amount of public liability cover required by commercial RPAS / drone operators under Regulation 785/2004 needs to be increased. We are not aware of any Commission proposal to amend Regulation 785/2004.

The Department for Transport also has anecdotal evidence that the current insurance requirements are failing the drones market and users and injured parties in other ways too. Specifically, stakeholders have informed the Department that:

- Where insurance is available it is considered very expensive;
- Almost all insurance policies available are standard policies so are void if terms and conditions are not met, meaning there is no real protection for injured parties; and
- Outside of commercial use policies the availability and level/type of cover is generally quoted as being very difficult to find.

These points also find support in the House of Lords Report.

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[1] A disruptive technology is one that significantly alters the way that businesses operate. It may force companies to alter the way that they approach their business, risk losing market share or risk becoming irrelevant. Recent examples of disruptive technologies include smartphones or advanced genomics.

[2] http://press.pwc.com/News-releases/global-market-for-commercial-applications-of-drone-technology-valued-at-over--127-bn/s/AC04349E-C40D-4767-9F92-A4D219860CD2

[3] http://www.publications.parliament.uk/pa/ld201415/ldselect/ldeucom/122/122.pdf

The Government plans to test these claims and seek further evidence of these problems in our consultation. Following analysis of this, the Government will then make a decision as to whether to proceed with this insurance proposal. If the claims outlined above are sound and/or if others exist they could pose a risk to a sustainable market for drones in the UK. There are significant opportunities for the UK industry to be the leader in drone technology applications. As drone technology develops, we want to ensure at every step of the way that the UK environment is competitive internationally, attracting drone application developers to the UK, whilst ensuring public safety and trust in drones. If drone users and the general public are faced with an unreliable and / or inadequate insurance provision, this creates uncertainty and doubt, which would stymy the integration of drones into UK society and the realisation of the benefits they can bring.

Rationale for intervention

The current regulation stipulating minimum insurance for air carriers and aircraft operators was published in 2004, since which time the market for drones has emerged and has continued to develop. There are therefore some requirements set out in this regulation that were developed primarily with air carriers and traditional aircraft operators in mind, before drones became popular in the commercial and private market. Areas in which we think it is especially important to have regard to the differences between drones and the aircraft and air carrier market as a whole are set out below.

Differing Risk Profile

Comprehensive coverage addressing the different risk profile of drones. As drones have a different risk profile to other aircraft there are elements of the current insurance which may not be comprehensive enough. We are already seeing some voluntary industry standards[4] emerging which go beyond the Regulation 785/2004[5] minimum insurance requirements, especially with regards to the level of public liability insurance, although this is by no means comprehensive. The present situation means that if an accident occurs, there is a risk that coverage is not comprehensive and that an injured member of the public may not be able to obtain adequate compensation, or do so easily, from the drone operator. This suggests the existence of negative externalities. To ensure that public confidence in drone insurance standards, and by association, public trust in drones, are maintained as the market develops, we recommend further regulation to ensure that all drones insurance coverage is comprehensive and reliable.

Operating characteristics

Drones have unique characteristics which set them apart from other aircraft and air carriers which mean they need insurance requirements tailored to their segment of the market. Regulation 785/2004 was primarily aimed at the protection of commercial airline passengers from all sorts of problems while they are in the 'custody' of the airline. There are therefore references in it to such things as 'war, acts of terrorism, hijack, sabotage' that were obviously never intended to cover someone flying a drone. Despite this, we have received reports that some insurers feel obliged by the regulation to cover this too in their drones insurance offering. This could lead to more expensive and complex policies, confusing users. As more complex and new drone-powered commercial solutions are developed, this differentiation from other aircraft and air carriers' insurance requirements will deepen, leaving drone operators and potential accident victims without the compensation and certainty they need.

Infancy of the Insurance Market

The market for insurance policies with regard to drones is relatively young in comparison to that for other types of aircraft, and therefore clear requirements are needed to ensure industry knows what to include to create robust, comprehensive insurance products. It is important for maintaining public trust and the drone industry's confidence that there is consistency in drone insurance requirements and that they can be adapted when needed to respond to the changing market. Intervention may be required on a regular basis in order to have regulation that is proportionate and tailored to the unique characteristics of the drone market, allowing the UK market to be internationally competitive.

Many of these issues were discussed in the House of Lords European Union Committee report on the Civilian Use of Drones in the EU (2015) which considered the equivalence between manned aircraft and

[4] This is a view from the CAA, who are provided with insurance certificates or other evidence of valid insurance for aircraft and air carriers, and have said that many have public liability insurance that goes beyond the required level set out in Regulation 785/2004.

[5] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2004:138:0001:0006:EN:PDF

drones regarding existing insurance requirements, and identified issues specifically relevant to insurance for drones. As noted, the HL report highlighted that the minimum level of public liability cover required under Regulation 785/2004 was no longer enough for commercial RPAS / drones and recommended that it be increased.

The intervention proposal

Given that there are several areas of insurance that may need to be addressed (as laid out above), the unique nature of drone operations and the pace of change within the drones sector, the proposal for intervention is to create an enabling power in primary legislation to specifically make provision for insurance requirements for drones. The consultation would then focus on the areas of secondary legislation required to implement this and address the issues raised.

This intervention proposal would allow the Government to make provision for drones insurance that is tailored to the needs of drone operations and any injured parties, whilst addressing the HL recommendation and others that may arise following analysis of the evidence the consultation will gather regarding the anecdotal reports the Department has received. The proposed intervention would also enable the Government to amend drone insurance requirements in response to changes in the drones market, without the need for primary legislation. Altogether, this intervention proposal would therefore ensure the public is protected and adequately compensated in event of a drone accident, and create the conditions for businesses and drone users to flourish in the certainty that they are affordably and comprehensively insured.

Policy objective;

We have three main policy objectives, which will underpin our insurance policy design and our questions in the consultation. We will consider what are the most effective actions to:

1. Develop insurance requirements that ensure operators get the coverage they need and that victims of accidents are protected, whilst setting the framework for businesses to thrive.
3. Allow the government to make further changes when needed to adapt to the rapidly changing drones market, ensuring that the UK environment is internationally competitive.

We would seek to include any new drone insurance requirements in the same legal instrument as other domestic insurance rules, ensuring the law remains user friendly and coherent.

Description of options considered;

The Status-Quo

Minimum insurance requirements for air carriers and aircraft operators are mandated under Regulation (EC) No 785/2004, and enforcement of these requirements is provided for in the Civil Aviation (Insurance) Regulations 2005[6]. It requires most operators of aircraft (except those in excluded categories), to hold adequate levels of insurance in order to meet their liabilities in the event of an accident. Amongst other things the Regulation specifies the minimum levels for third party insurance for aircraft operating into, over, or within the EU depending on their Maximum Take-Off Mass (MTOM). It does not apply to model aircraft with an MTOM of less than 20kg – this includes the large majority of

[6] http://www.legislation.gov.uk/uksi/2005/1089/contents/made (original version of the instrument)

drones that leisure users fly. However, any drones being used commercially, no matter their weight, are required to have insurance.

Insurance requirements for air carriers and aircraft operators are set in terms of Special Drawing Rights (SDRs)[7];

- Passengers at 250,000 SDRs per passenger, or 100,000 SDRs per passenger for passengers in the case of non-commercial operations by aircraft with an MTOM of 2,700kg or less.
- Baggage at 1,000 SDRs per passenger
- Cargo at 17 SDRs per kg
- Liability for third parties,

Category	MTOM (kg)	Minimum insurance (million SDRs)
1	< 500	0.75
2	< 1,000	1.5
3	< 2,700	3
4	< 6,000	7
5	< 12,000	18
6	< 25,000	80
7	< 50,000	150
8	< 200,000	300
-9	< 500,000	500
10	≥ 500,000	700

Figure 1 Insurance in respect of liability for third parties

In the current market for drones we do not see the carriage of passengers (and by extension baggage) and therefore elements of the regulation will not be applicable at present, but may apply as the market develops. An area we would expect to see growth in the shorter term is with relation to cargo.

Air carriers and aircraft operators are required to demonstrate compliance with EU Regulation 785/2004 by providing the CAA with a deposit of an insurance certificate or other evidence of valid insurance when applying for a permission under the Air Navigation Order 2009.

Option 1: Do Nothing

Drone operators would continue to be required to have minimum levels of insurance as set out in EU Regulation 785/2004. On 23 June, the EU referendum took place and the people of the United Kingdom voted to leave the European Union. Until exit negotiations are concluded, the UK remains a full member of the European Union and all the rights and obligations of EU membership remain in force. During this period the Government will continue to negotiate, implement and apply EU legislation. The outcome of these negotiations will determine what arrangements apply in relation to EU legislation in future once the UK has left the EU.

Under the 'Do Nothing' option, issues with the current Regulation that have already been identified would not be rectified. As the drone market develops, the impact of these issues would increase and others might come to light.

[7] SDR is an international reserve asset, created by the IMF in 1969 to supplement its member countries' official reserves. At the time of writing 1 SDR was worth £1.04.

Option 2: Create an Enabling Power in Primary Legislation

Creating an enabling power in primary legislation would allow us to put in place improved insurance requirements, tailored to the drone market, following consultation with stakeholders and the public. In the consultation we would like to explore whether respondents believe the insurance industry is adequately providing for drones, and how well they think individual elements of the insurance requirements are working. Using the views and evidence gathered through the consultation the Government would then aim to include an appropriate enabling power in primary legislation and work up draft secondary legislation to lay out any proposed changes to insurance requirements for drones. Some of the areas we are particularly interested in are:

1. Levels of Public Liability; the HL report recommended that the Commission increases the minimum amount of public liability cover required by commercial drone operators.
2. Completeness of Insurance Policies; the HL report also identified that questions were being asked as to the quality of insurance products already in use. Anecdotal evidence suggests that user-error may not be covered under traditional policies leaving considerable scope for the insurance to be rendered useless.
3. The risk profiles for different commercial uses; may be considerably different requiring a tailored approach to each segment of the market.
4. The relationship between risk and MTOM (Maximum Take-Off Mass): this may mean that insurance requirements could be put in place which avoid placing unnecessary burden on smaller / lower risk drone users (while still ensuring compliance with EU Law).

We will be seeking views in the public consultation as to other areas of insurance provision that could require reviewing. We will also be asking respondents to share their views on the impacts of addressing these issues with regulation.

The Government would engage with the drones and insurance industry, including the Drones Industry Action Group recently launched by the Government, to ensure that the proposed regulatory changes were proportionate.

Option 3: Work with Industry to encourage best practice

The Government already has considerable engagement with the drones and the insurance industry, and has also recently launched a specific Drones Industry Action Group. Following the consultation, the Government could explore with industry options for addressing the issues that are arising and potentially developing an industry agreed and improved standard for drone insurance. Drone operators looking for more confidence and certainty that their insurance policy would meet their needs could then protect themselves by only purchasing drone insurance from a kite-marked drone insurance company.

However, this is not an approach commonly found in the insurance industry, where requirements for insurance standards tend to be set by law.

More importantly, this option would not be a comprehensive solution as there would be no legal requirement for insurance companies to meet this standard, and in the interests of competing for business and keeping prices low, many companies might choose not to obtain higher levels of insurance than the law requires. Uninformed drone operators might therefore still purchase a policy which does not adequately meet their requirements, and the general public could still therefore be exposed to the risk of not being able to easily or properly access compensation for any injuries resulting from an incident involving a drone.

Monetised and non-monetised costs and benefits of each option (including administrative burden);

Due to the uncertain nature of this policy at the present time this IA does not look to monetise the costs and benefits but will consider the potential impacts on each affected group under option 2.

Third parties would find it easier to obtain compensation for accidents involving drones, as the new requirements will ensure drone operators have insurance to comprehensively cover liabilities.

Drone operators might need to change or upgrade their insurance policies in order to comply with the new insurance requirements. This will impose a familiarisation cost, the administrative cost of changing their insurance policy, and a financial cost in the change in insurance premium. Given that there are already insurance requirements in place it is unlikely that these would amount to a significant amount.

Drone operators would benefit from having more complete insurance products, which they would be able to fully rely on in the event of an accident, reducing the exposure to themselves/their business. Another benefit may be that the stimulation of the insurance market leads to increased competition and lower premiums.

Different segments of the market (owners of drones being used for commercial purposes and leisure drone users) are likely to experience impacts in different ways as we develop a proportionate policy.

At this time it is difficult to access robust forecasts in the number of drone users as manufacturers tend not to share their data. However, as at 6 July 2016, there were 1771 commercial drone operators registered with the UK's Civil Aviation Authority.

The Insurance Industry would be affected by regulation that changes insurance requirements, and would need to respond to the demand for different insurance products. In some instances we anticipate that this is already happening, for example insurance products already offer a higher level of public liability cover than is mandated by Regulation 785/2004. For other policy responses the insurance industry may have to invest time in understanding the risks and costs of accidents within the drone industry in order to accurately price their products. There may be a short term administrative cost to do this but we anticipate that insurance companies will offer products priced at a level which covers any development costs.

Another potential impact on the insurance industry is that by drawing attention to the market and setting out clear requirements, we may see new entrants, increasing the competitiveness of the market and bringing down the price of premiums.

The Civil Aviation Authority will continue to be the competent authority to which air carriers and aircraft operators shall demonstrate compliance with the insurance requirements. There may be a familiarisation cost to the CAA as the requirement(s) for insurance changes, although we would expect this to be minimal.

In the final IA we intend to monetise the cost impacts of insurance requirements, central to this will be the collection of data on the current and future number of drone users. Sales data for drone units is not widely shared due to the commercially sensitive nature of this information. There are some figures in the public domain such as "Maplin alone sold more than 17,000 drones in the UK in the past 12 months" (http://www.bbc.co.uk/news/uk-england-34269585) but this gives sales for only one retailer and no indication for what proportion of units are small "toy" drones that would likely be exempted from any registration scheme. Statistics from the USA Federal Aviation Administration (FAA) registration scheme can provide an indication of the order of magnitude for current drone ownership, with 460,000 registrations since December 21st 2015. In addition to the obvious population differences (317m compared to 64m) it is unclear whether the UK market is more or less developed the USA market.

The biggest unknown we face is the future growth of the market. The CAA has data on the number of commercial operator registrations issued. 1753 such registrations had been issued from June 2015 until June 2016, however with only one year of data, estimating a trend is not possible. We may see a low scenario, in which the limitations on drone use growth (technological, social and regulatory) mean that drone adoption slows leaving only several thousand commercial operators and the leisure market shrinks as drones are seen as a "fad". A "central" scenario in which drone use continues to accelerate at approximately the current rate may seem reasonable, but it is unclear whether a linear growth rate based on 1 year of data would accurately estimate potential growth, particularly as we are in the early stage of technology adoption, and we expect growth to increase rapidly in response to the developments in technology and regulation allowing a wider range of activities to become "drone powered". We should therefore also consider a "high scenario" representing a further acceleration of drone adoption, however here we have the question of how quickly drone use will increase, when this acceleration will occur and at which point market saturation occurs.

Given our limited evidence for UK commercial use and current lack of data for UK leisure drone use, making unfounded forecasts for the sake of quantification, will only stand to make our analysis less robust. In the consultation we will make a call for evidence for data and estimates of current and future drone adoption, and work with disruptive technology experts across government to ensure any assumptions used in the final stage are reasonable. We will carry out sensitivity tests and present a

range of scenarios, which although will not be certain bounds of potential costs and benefits, will give an indication of the expected reasonable variation.

During the consultation we will also need to engage with insurers who are currently providing bespoke insurance for drones in order to further our understanding of the costs of premiums. Having a greater understanding of how drone insurance is costed will allow us to calculate the financial impact of changing insurance requirements.

Rationale and evidence that justify the level of analysis used in the IA (proportionality approach);

As we are currently at consultation stage there is considerable uncertainty in the shape of the policy and this IA has therefore not considered any monetised costs and benefits. We intend to develop the policy taking account of the consultation and will also conduct analysis into the impacts of this policy as it takes shape.

There has also been limited scope to collect robust data in an industry that is still in its infancy. Whilst this consultation is live we will work closely with stakeholders to fill these data and evidence gaps in order to carry out a complete, robust analysis in the final stage IA.

Risks and assumptions;

The primary risk is that we set a standard for insurance which leads to the insurance industry struggling to develop such products, or the price of premiums being unachievable for certain subsets of drone users – thus either pricing them out if the market, or leading to a high level of non-compliance. We intend to mitigate this risk by identifying at consultation stage where stakeholders consider the market failures occurring, and what measures would be a proportionate policy response. Option 2 allows us to respond in a flexible manner following consultation with the public.

Direct costs and benefits to business calculations (following OITO methodology);

We have not quantified the costs and benefits to business at this stage due to the uncertainty in the policy, but we will carry out a full monetised analysis of the policy for the secondary legislation that will accompany the primary legislation. At this stage the measure will be in scope for OITO.

Wider impacts

Small and Micro Business Assessment

This measure is not expected to directly impact Small and Micros Businesses disproportionately. During policy development we intend to tailor the regulation so as to ensure a proportionate approach to small or micro businesses (which we believe to make up the majority of commercial drone operators). This

proportionate approach may allow small and micro businesses to enter the market if they are currently unable to bear the costs of insurance.

Competition Assessment

This measure is not expected to directly affect competition. During policy development we may use the secondary legislation to encourage a more competitive market for drone insurance.

Human Rights Impact

This measure is not expected to impact upon Human Rights.

Justice Impact Test

This measure is not expected to have an impact on the justice system.

Greenhouse Gases Impact Test

This measure is not expected to impact greenhouse gas emissions.

Equalities Impact Assessment

This measure is not expected to impact any particular group in a discriminatory or unfair way.

Wider Environmental Impact

This measure is not expected to impact the wider environment.

Family Test

This measure is not expected to impact families.

Health Impact Assessment

This measure is not expected to impact health.

Rural Proofing Toolkit

This measure is not expected to impact those in a rural setting unfairly.

Sustainable Development

This measure is not expected to impact sustainable development.

Summary and preferred option with description of implementation plan.

The preferred option is option 2; the creation of an enabling power in primary legislation, which would be accompanied by secondary legislation detailing the policy response developed in line with the summer consultation.

Evaluation & Review Plan

Due to the policy being in the early stages there is no plan to evaluate at this time, although we will put a robust evaluation plan in place when drawing up secondary legislation.

We will continue to review the policy during the consultation stage and as the market develops, taking account of the technological and regulatory changes. We expect this policy to be significantly reviewed in the period up to 2020 by which point we expect the conditions to exist that will allow drones to be flying Beyond Visual Line of Sight (BVLOS) operations in UK airspace.