



WEST VIRGINIA INSURANCE BULLETIN No. 25-02

Insurance Bulletins are issued when the Commissioner renders formal opinions, guidance or expectations on matters or issues, explains how new statutes or rules will be implemented or applied, or advises of interpretation or application of existing statutes or rules.

► **USE OF AERIAL IMAGERY BY HOMEOWNERS INSURERS** ◀

The West Virginia Office of the Insurance Commissioner (OIC) has received inquiries related to insurers' use of aerial imagery, particularly regarding homeowners insurance.¹ When used appropriately, aerial imagery can expedite claims handling and provide a safe way of making evaluations of property conditions. It may be especially useful during catastrophic weather events and when claims adjusters are unable to safely reach areas impacted or destroyed by severe weather.

However, while aerial imagery can provide benefits when used appropriately, its misuse can result in inaccurate decisions and consumer confusion. For example, aerial imagery can be misused if an insurer relies upon aerial images that are vague, not recent, show the wrong structure or property, or do not clearly show damage or disrepair. Accordingly, insurers are reminded that they should use due diligence when utilizing aerial imagery and ensure that any action taken is based on accurate information. Specifically, insurers should be cognizant of 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

If possible, aerial imagery should not be the only information utilized in decision-making. For example, blurry or older images that appear to show staining or discoloration of shingles will usually not be sufficient, standing alone, to prove that a roof must be replaced. If an insurer's review of aerial imagery leads to concerns, the insurer should work to 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.

2. Consumer Access to Imagery

If an insurer uses aerial imagery as a basis for nonrenewal, it is best practice to notify the homeowner before initiating the nonrenewal action, advise the homeowner that the nonrenewal action is being taken based upon aerial imagery, 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 aerial imagery used. If a

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.

homeowner files a complaint with the OIC, the homeowner will be entitled to view evidence relied upon by the insurer in making the nonrenewal or cancellation determination. Many consumer complaints are based upon a lack of communication. The OIC believes that some of these complaints can be resolved or avoided when insurers communicate clearly with homeowners, homeowners are given an opportunity to review evidence relied upon by the insurer, and homeowners have reasonable opportunity to provide responsive information. 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 based upon aerial imagery, insurers should be utilizing recent, accurate imagery. The burden is on the insurer to prove the reason for nonrenewal. 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 aerial imagery standing alone will often not be sufficient to meet this burden.

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

Please email any questions regarding this Insurance Bulletin to OICBulletins@wv.gov.

Issued: April 16, 2025



Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner