

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

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BULLETIN MEL 26-21

Date: January 1, 2026
To: Fund Commissioners of Member Joint Insurance Funds
From: MEL Underwriting Manager, Conner Strong & Buckelew
Re: Unmanned Aircraft Systems ("Drones")

Coverage for Unmanned Aircraft Systems ("UAS") is included in the JIF and MEL Casualty policies. The member entities will receive coverage through the first \$5 million of coverage with the local JIF and MEL.

** This does not apply to the NJUA JIF.*

Municipalities considering drone shows should take appropriate steps to manage the unique aviation, liability, and public-safety risks associated with these events.

We recommend that municipalities:

1. Use written contracts that include appropriate risk-transfer, indemnification, and hold-harmless provisions
2. Require adequate insurance coverage, including commercial general liability and aviation/UAS liability coverage, with the municipality named as an additional insured where appropriate
3. Verify that the contractor uses properly certificated and qualified remote pilots and personnel
4. Require compliance with all applicable FAA, state, and local laws, regulations, permits, and authorizations. Municipalities should also coordinate with appropriate public-safety personnel and confirm that site, crowd, weather, and emergency procedures are addressed before the event

We strongly recommend counsel review of the planned operations of the UAS and the compliance requirements.

Following is the link to the FAA's UAS rules:

<https://www.faa.gov/uas/>

Following is the specific site for FAA's Public Safety and Law Enforcement Toolkit:

https://www.faa.gov/uas/public_safety_gov/public_safety_toolkit/

Municipal drone light shows in New Jersey must comply with strict Federal Aviation Administration (FAA) regulations, requiring Part 107 certification, operational waivers for swarms or night flights, and local launch-and-landing site permissions.

Federal FAA Requirements

- Part 107 License: Commercial drone light show operators must hold an FAA Remote Pilot Certificate.
- Operational Waivers: Because light shows involve a single pilot managing multiple drones simultaneously (swarming under 14 CFR § 107.35) or flying at night without standard flashing anti-collision lights (§ 107.29), operators must obtain specific [FAA Part 107 Waivers](#) via the [FAA Aviation Safety Portal / DroneZone](#).
- Operations in controlled airspace require prior clearance through LAANC or DroneZone. Operators must also check for active Temporary Flight Restrictions (TFRs) or stadium "No Drone Zones".

Part 107, and as further modified, is the regulation for drone usage. Below are a few highlights.

Summary of Small Unmanned Aircraft Rule (Part 107) – July 6th, 2026

Operational Requirements:

- Always avoid manned aircraft.
- Never operate in a careless or reckless manner.
- Keep your drone within sight. If you use First Person View or similar technology, you must have a visual observer always keep your drone within unaided sight (for example, no binoculars).
- You cannot be a pilot or visual observer for more than one drone operation at a time.
- Do not fly a drone over people unless they are directly participating in the operation.
- Do not operate your drone from a moving aircraft.
- Do not operate your drone from a moving vehicle unless you are flying your drone over a sparsely populated area and it does not involve the transportation of property for compensation or hire.

The above description is a general discussion of the coverage and limits provided by the FUND. Please have counsel review the most recent regulations regarding unmanned aerial systems, as the above may not be the most recent. The actual terms and conditions are defined in the policy document and all issues shall be decided based on the policy document.

If you have any questions concerning this bulletin, please contact your Risk Management Consultant, JIF Executive Director or the Underwriting Manager.

cc: Risk Management Consultants
Fund Professionals
Fund Executive Directors