MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
9 Campus Drive, Suite 216
Parsippany, NJ 07054
Telephone (201) 881-7632

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")**

This bulletin does not apply to the NJUA JIF.

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. Vicarious liability for Non-Owned drones is covered under the MEL's Non-Owned Aircraft policy.

The Federal Aviation Administration has well-defined how a UAS can be operated, which intuitively addresses many risk management needs. Please ensure federal, state and local rules are followed for proper operation. Following are highlights from the FAA's rules, but please note these may update over time. 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) – as of July 6th, 2026

- 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.

Federal FAA Requirements

- Part 107 License: Commercial drone light show operators must hold an FAA Remote Pilot Certificate.
- Operational Waivers: Depending on the factors of operation, waivers may be required. See the FAA Aviation Safety Portal / DroneZone for examples.
- Controlled Airspace: 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".

Drone Shows Special Considerations

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

We recommend members:

1. Use written contracts that include appropriate risk-transfer, indemnification, and hold-harmless provisions (see the MEL's Contractual Guidelines);
2. Require adequate insurance coverage, including commercial general liability and aviation/UAS liability coverage, with the member named as an additional insured with primary/non-contributory provisions, where appropriate (see the MEL's Contractual Guidelines);

3. Verify the contractor uses properly certificated and qualified remote pilots and personnel; and
4. Require compliance with all applicable FAA, state, and local laws, regulations, permits, and authorizations. Members should also coordinate with appropriate public-safety personnel and confirm that site, crowd, weather, and emergency procedures are addressed before the event.
    a. 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.

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/

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