What You Need to Know!

Drones and Insurance in South Africa

From spraying crops to fighting crime, drone technology usage has skyrocketed in South Africa, which was one of the first African nations to bring in proper drone laws. Paul Cartwright, Michael Homveld, and Jakop Mphofu of Deneys survey a fast-changing landscape and the insurance risks and gaps arising from more drones in the sky.

Drones are everywhere in South Africa these days. Whether it's farmers spraying crops, mining companies surveying land, or security firms keeping an eye on neighbourhoods, they've become a go-to tool across dozens of industries. As prices have dropped and the tech has improved, more and more people from hobbyists to big businesses are getting their hands on them.

But here's the thing: more drones in the sky means more accidents, more damage, and more insurance headaches. And South Africa's insurance needs to seize the opportunities.



The Rules

South Africa was one of the first African countries to bring in proper drone laws. The Civil Aviation Authority (SACAA) sets the rules under something called Part 101. If you're flying a drone for business, you need to register it, get a certificate as an operator, and your pilot needs a licence, complete with exams and a medical check. Hobbyists flying smaller drones (under 7 kg) get off a bit easier, but there are still rules to follow and the flying restrictions are still stringent. You have to keep the drone in your line of sight, stay below 120 metres, and only fly during the day. No operating your drone near airports, prisons, police stations, or over crowds without special permission is permitted.

If you break these rules you could face fines or even criminal charges and crucially, your insurance might not pay out if something goes wrong during an illegal flight.

Where Things Get Tricky

The problem is that these regulations were written when drone tech was still in its early days. The SACAA knows they need updating especially around things like AI-controlled drones and flights beyond what the pilot can physically see, but the changes have been slow to come through. This creates a grey area. Operators can accidentally fall foul of the rules without even realising it, and that can have serious knock-on effects for their insurance cover.

South Africa was ahead of many countries in introducing drone regulations, but the industry has evolved dramatically since then. The challenge today is that the rules were written for a very different era of drone technology.



Many drone operators assume their existing business insurance will respond to an incident, but that is often not the case. Without specialist cover, a single accident could leave an operator exposed to significant liability.

The Insurance Gap

Here's where it gets properly concerning. Many standard liability insurance policies in South Africa exclude damage to property arising from "aircraft", and drones are clearly defined as aircraft. Therefore, if your drone crashes into someone's property or injures a person, your regular business insurance might not cover you at all. Add into the mix the advancement and use of Artificial Intelligence into drone operations, and there could be various gaps in coverage. Some policies do offer limited drone cover, but it often comes with strict conditions, such as being fully compliant with every regulation at the time of the incident. Given how fast the rules and technology are changing, even a small, unintentional slip-up could void cover entirely.

For businesses that rely on drones, this is a serious blind spot. Specialist drone insurance does exist, typically covering third-party liability, damage to the drone itself, and sometimes attached equipment like cameras. But the market for it in South Africa is still quite small, with only a handful of providers offering these products.

South Africa's Unique Risks

Flying drones comes with its own set of challenges. Think extreme heat, high winds, dust, and vast remote areas. Add in the fact that drones often share airspace with crop dusters and helicopters near mines or game reserves, and the risk of mid-air collisions becomes real. Furthermore, given these harsh conditions the risk of technical failure remains high. There's also a privacy angle. Drones fitted with cameras for surveillance, common in anti-poaching and township security, must comply with South Africa's data protection law (POPIA). If operators collect personal information without following the rules, they could face regulatory action and civil claims, and most insurance policies don't cover data breaches.

What Needs to Happen

The bottom line is that the drone industry in South Africa is growing fast, but the regulations and insurance products haven't all kept pace. There's a real opportunity for insurers to step up and design products that properly reflect how drones are being used today. Until that happens, operators, whether commercial or casual, need to be very careful about what their insurance does and doesn't cover.