

Important Facts about the Unmanned Aircraft Industry

Commercial UAV Outlook

- As applicable regulations, operational requirements, and industry standards develop, so too will the commercial UAS industry.
- Relatively inexpensive UAV under 55 pounds are economically viable from a commercial standpoint, and market demand for these aircraft will grow within the constraints of the regulatory and airspace requirements.
- By 2020, FAA estimates that about 30,000 small unmanned aircraft will be used for all types of business purposes.

Applications of UAVs

UAVs have a wide variety of applications that touch almost every industry:

- Border surveillance
- Pipe/power line surveillance
- Suspect tracking
- Agricultural applications
- Traffic monitoring
- Communications/broadcast
- Disaster response/relief
- Movie production
- Damage assessment
- Aerial news coverage
- Atmospheric/weather research
- Mail/freight transport
- Critical infrastructure monitoring
- Flood mapping
- Damage surveying
- Real estate mapping
- Aerial photography
- Mining
- Sporting events coverage
- Wildlife monitoring



UAV MARKETS

Two Main Potential Markets for UAVs

- According to the Association for Unmanned Vehicle Systems International (AUUSI), the two most promising commercial and civil markets for UAVs are:
 - Precision agriculture
 - Public safety
- Precision agriculture and public safety are both estimated to account for 90% of the known potential markets for UAVs.

Applications of UAVs for Insurance Industry

UAVs have numerous applications for insurance industry, with the six below currently on the forefront:

Roofing Investigations — UAV can be used to inspect damage (e.g., hail damage, nail pops, roof blisters, and wind damage)

Building Envelope Investigations — Infrared cameras attached to UAV can detect a building's heat signature, can examine wet areas in roofs and walls, and are useful in identifying areas of excessive air leakage.

Locating individuals — Infrared cameras attached to UAV can help locate individuals by detecting a person's heat signature at night or in bad weather.

Catastrophe Damage Assessment — Played a role in earthquake, flood, tsunami, and wildfire damage assessment internationally (in future, will do the same domestically). Also likely that UAV will be able to track weather in real-time, being able to fly with and within storms.

Fire and Explosion Investigations — UAV used to inspect large, complex fires and explosions, which have historically presented investigative challenges.

Underwriting Surveys — Assessing condition of building's exterior in underwriting applications.

American International Group, Inc. (AIG) is a leading international insurance organization serving customers in more than 130 countries. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: www.linkedin.com/company/aig

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds, and insureds are therefore not protected by such funds.