

Homeowners angry: eyes in the sky and AI lead to lost insurance coverage

Cybernews

Customers are angry with insurance companies not renewing their home coverage after using drones to inspect their properties. Sometimes unfair decisions are based on incomplete or inaccurate information.

California woman Joan Van Kuren spent over \$200,000 to remodel her home when her insurance policy was not renewed because drone images showed “hazards” around it, CBS Sacramento reports. She was a customer at CSAA for nearly 40 years, during which time she recalls paying a total of \$80,000.

Cindy Picos, who lives in northern California, was dropped by her home insurer after aerial photos revealed her roof was in poor condition. The insurer refused to let her see the photos, the Wall Street Journal reported.

CSAA, which was the insurance company in both situations, commented to CBS Sacramento that they use “proprietary aerial imagery” and do not use drones.

Privacy advocates also have first-hand experience with eyes from above. Albert Fox Cahn, the founder and executive director of the New York-based civil-rights and privacy group Surveillance Technology Oversight Project (STOP), found his insurance revoked following the AI-powered drone surveillance of his property.

“Suddenly, any leak, fire, or tree branch falling onto the hundred-year-old Hudson Valley house that’s been in my family for nearly 40 years could wipe out my bank account,” Cahn shared on Business Insider.

Cahn’s situation was resolved due to the insurer’s error – the company never sent a cancellation notice, which is required by consumer protection laws. The privacy advocate calls for updated regulations on

using AI in insurance, as current regulations do not adequately protect customers from AI-based decisions.

Insurance representatives often argue that avoiding high-risk homes leads to better pricing for everyone. At the same time, homeowners insurance costs are going through the roof.

To place eyes in the sky, the insurance industry has established an airplane imagery program, called the Geospatial Insurance Consortium (GIC), which claims to cover 99% of the US population. It uses drones, manned airplanes, and high-altitude balloons to photograph properties.

“Whether you need a wide vertical view, a superbly sharp oblique image, or location content to help provide critical insights, you’ll have access to it all. Scroll through the provided galleries for a sneak peek of what we’ve captured recently,” GIC’s website reads.

According to United Policyholders, a non-profit organization helping consumers of all types of insurance, the practice of using drone photos, AI, risk modeling, and risk scoring systems to drop customers when their current policy expires seems unfair but is technically legal.

“If this happens to you, contact your insurer and get details on why they’re non-renewing you. Ask to see the photos. If they mistook a skylight or solar panel for damaged roof tiles – set them straight. Ask if there are any steps you can take to get them to reverse their decision. Start shopping for replacement coverage right away. Most states require insurers to give you at least 30 days to find a new policy, some longer,” UP advised.

According to previous reporting by WSJ, insurers usually examine aerial photos for four things: roof problems, undeclared pools, trampolines or other equipment, overhanging trees, and excessive yard debris.