

## Policy Information Update, March 15, 2016

### *Ag Policy Comparison*

Everything that you loved about our old AA 501 policy was carried over into our new AG500 policy. We have enhanced the policy and it is presented in a modern, easy to read format.

The construction of the new AG500 policy is vastly different since it doesn't follow the traditional insurance policy layout and design. The AG500 follows the same format and has some the same wording as that of Old Republic Aerospace's other newer policy forms (CA500 and PB500).

We have always had significant advantages written into our Agricultural policy form over our competition. We've kept those in place with this new policy, some examples:

1. Policy Territory. ([Page 2](#)) We don't restrict the territory to your state and surrounding states like some of our competitors. We offer coverage in the 48 contiguous United States.
2. Farmer, Owner, Grower (FOG). ([Page 17](#)) We automatically include the farmer, owner, grower for whom work is performed by you as additionally insured under our policy. Our competitors exclude these as additional insured and offer to add them back for a fee.
3. Adjacent Fields coverage. We don't exclude (and thus we include) coverage for fields adjacent to those being sprayed which are owned by the same person/organization as the field you were hired to spray. Our competitors exclude this coverage from their policy and then might offer to write coverage back to include it, for a fee.
4. Crops Being Treated. Like Adjacent Fields above, we don't exclude (and thus we include) coverage for the crop being treated (a.k.a. Target Crop). Our competitors exclude this from their policy and then might offer to write coverage back to include it, for a fee. This coverage is like an errors and omission coverage or professional liability. For example, it would apply to a situation where the wrong chemical was applied (i.e. herbicide rather than fungicide) or where residual herbicide may have been in the aircraft and a subsequent insecticide application showed damage to the target crop from that residual herbicide.

A big improvement with the AG500 is that nearly all of the amendments which were automatically attached to the AA 501 have been incorporated into the base policy language (see reference list below). This makes the policy easier to understand as it eliminates the need to read through additional amendments and refer back to the applicable section of the policy to see what is changed by those amendments.

The amendments which have been incorporated into the base policy language on the AG500 are listed along with the page number where you can find the referenced language in the new AG500 policy (if applicable):

1. AA400
  - a. Replaced the reference to the obsolete term "unlimited chemical" throughout the policy to Comprehensive Chemical
  - b. Replaced the old exclusion 1. a. "when the aircraft is leased or rented to anyone or if the insured is charging anything of value for its use" to "is leased, rented, or loaned to any person or organization operating the aircraft which provides a benefit to the insured for use of the aircraft." In the AG500, that has been further refined to "is leased, rented, or loaned to any person or organization, other than you, operating the aircraft" and can be found on Page 3.
  - c. Added a definition "The Company" to mean Old Republic Insurance Company Page 1.
2. GFMEX Mexico warning Page 2
3. PA313 Asbestos exclusion Page 6, paragraph 6 (b)
4. AA48C War exclusion Page 4, paragraph 3
5. AA 908 "Canceling or Changing the policy" Page 24
6. AA560 "Losses not covered" page 9 "Wear and Tear to Engines"
7. AA 597 "Care Custody Control Amendment" Page 15, What We Do Not Cover Under This Part, paragraph (3).
8. 2000a Date Recognition Exclusion Amendment Page 6, paragraph 6 (c)

The AG500 has improved coverage in two areas:

1. Within the definition of "occurrence", we improved that definition to include "The dropping of any agricultural seeds, fertilizers, fungicides, insecticides, herbicides, defoliants, desiccants or chemical, by any one (1) aircraft for one (1) customer on one calendar day shall be considered one (1) occurrence (Page 29). In the old AA 501 policy, that did not include the "one aircraft" reference which meant that a loss involving multiple aircraft working for one insured, doing multiple loads for one customer would only be considered one occurrence and would be limited to that per occurrence limit. With the new wording, in that same scenario, it would be considered more than one occurrence.
2. We have added (on Pages 15 and 20, paragraph 3) a coverage not previously offered on our Agricultural policy form, which is First Aid Expense up to \$5,000

We have incorporated four common industry exclusions into our AG500 policy which was not in the AA501 but which are standard in the marketplace. They are:

1. Combinations of chemicals. Page 22, paragraph 12
2. Multiple aircraft if not all carrying the same liability category. Page 22, paragraph 13
3. Consequential losses Page 5, paragraph 5
4. Mold/fungus. Pages 6 and 7, paragraph 6(d)

If you have any questions about any of the changes to your policy, please contact your aviation insurance agent.