

A row of white agricultural helicopters parked on a tarmac. The helicopters are viewed from a low angle, showing their landing gear and the front of their fuselages. The background is a clear sky. The text is overlaid on the right side of the image.

Ag Aviation Insurance: Claims Process and Coverage

Thomas R. Wolf

T&M Aviation, Inc.

Abbeville, LA

A Little About Myself.....

- President of T&M Aviation, Inc. (2008)
- Commercial Instrument Single Engine and Multi-Engine Airplane Land Rating
- Commercial Helicopter Rating
- Airframe & Powerplant Mechanic Rating
- Commercial Aerial Applicator
- Bachelor's Degree in Business Administration from University of Louisiana at Lafayette
- Grew up in Aviation



About T&M Aviation, Inc.

- Established in 1998
- Founded by Ron Wolf (Father) (Raised on a NW Iowa Corn, Beans, Cattle and Pig Farm)
- Operate 2 Bell JetRangers and 4 Bell LongRangers
- Licensed in 25+ States
- Special Projects include Aerial application at Camp David, and many Department of Interior projects



Disclaimers and Goals of this Presentation

- Every insurance policy is different
- Every situation is different
- Share experiences T&M has had over the last 20 years
- Relationships between Landowner, Grower, Consultant, and Aerial Applicator.
- Answer any questions

Common Definitions

- Negligence – failure to use reasonable care, resulting in damage or injury to another
- Indemnity – security against or exemption from legal liability for one's action
- Exclusion – an item at risk specifically not covered by an insurance policy or other contract.
- Liability – the state of being responsible for something, especially by law
- Settlement – an official agreement intended to resolve a dispute or conflict
- Agent – broker
- Underwriter – company that underwrites an insurance risk

Coverage Amounts

- State of Louisiana Financial Responsibility - minimum requirement
 - aerial applicators who do not apply phenoxy herbicides- \$25,000;
 - aerial applicators who apply phenoxy herbicides- \$50,000.
- Average Operator - \$250,000- \$300,000 chemical drift liability
- T&M Aviation, Inc. - \$1,000,000 chemical drift liability \$5,000,000 General Liability
- Important notes –
 - Is the aircraft listed on the cert?
 - Is the cert current?

USAIG Certificate of Insurance

This is to certify to: State of Louisiana
Office of State Purchasing
Attn: Jeannie Prejean

whose address is: P.O. Box 94095
Baton Rouge, Louisiana 70804

that: T & M Aviation, Inc.

whose address is: 9 Jimmy C. Vorhoff, Jr. Drive
Abbeville, Louisiana 70510

is at this date insured with one or more of the several participating companies of the United States Aircraft Insurance Group, for the Limits of Coverage stated below, at the following locations: the United States of America.

Descriptive Schedule of Coverages	1982 Bell 206B III, N106JC		Limits of Coverage		
	Kind of Insurance	Policy Number	Policy Term	Each Passenger	Each Occurrence Aggregate
AIRCRAFT LIABILITY	400AC-55070	January 10, 2018 - January 10, 2019			
<i>With respect to Part 135 Operations:</i>					
Combined Liability Coverage for bodily injury and property damage					\$ 5,000,000
<i>For all other approved uses:</i>					
Combined Liability Coverage for bodily injury (except to passengers) and property damage					\$ 1,000,000
COVERAGE FOR NON-EMPLOYEE CREW FOR AERIAL APPLICATORS					
	400AC-55070	January 10, 2018 - January 10, 2019			
Combined Liability Coverage for bodily injury and property damage Subject to a maximum of			\$ 1,000,000 \$ 100,000	Each Occurrence Each Non-Employee Crew Member	(Part of and not in addition to Combined Liability Coverage for bodily injury and property damage)
Personal Injury			\$ 1,000,000 \$ 100,000	Each Occurrence and Aggregate Each Non-Employee Crew Member	(Part of and not in addition to Combined Liability Coverage for bodily injury and property damage)
AERIAL APPLICATOR'S COVERAGE includes Comprehensive Chemical Coverage including Adjacent Fields and Crops being Treated					
AIRCRAFT LIABILITY	400AC-55070	January 10, 2018 - January 10, 2019			
Combined Liability Coverage for bodily injury (except to passengers) and property damage					\$ 1,000,000 \$ 1,000,000

Duty to Defend

Defending suits. We will defend any liability suit brought against you for bodily injury, mental anguish, personal injury or damage to property to which this insurance applies, even if the suit is groundless. We will also pay all cost of your defense, including investigation and court costs. We may investigate, negotiate and settle any claim or suit, if we decide this is appropriate. But, we won't be obligated to pay any claim or judgement or to defend any suit after your "Limit of Coverage" has been exhausted by payment of judgements or settlements.

Duty to Indemnify


Combined Liability Coverage for bodily injury and property damage. If you have this coverage, we'll pay claims for those sums that you become legally obligated to pay as damages for bodily injury, mental anguish, personal injury and damage to someone else's property resulting from ownership, maintenance, or use of the aircraft, But we won't pay more for injuries and damage in any one occurrence than the "Limits of Coverage" shown on the Coverage Summary Page.

What Information is needed for a claim?

- Notify the applicator as soon as possible, so the applicator can notify their underwriter, especially if it may be a bodily injury claim.
- Information needed will be: Grower name, Land Owner Name, Address, Phone Numbers
- Complete and Accurate application report
- As applied map, the raw as applied data files from the aircraft, be able to overlay that data on different maps, etc.
- Data from any tracking device the operator may have
- Pictures
- Product labels
- Names and contact information of any possible witnesses.

Application Report

T&M Aviation, Inc. - 9 Jimmy Vorhoff Drive - Abbeville, LA 70510 - (337) 893-9074



Job #: 1185022
Batch #: 284
Pilot/Operator: Stanley Hebert
Pilot/Operator Address: 9 Jimmy C Vorhoff Jr Dr, Abbeville, LA, 70510
Ground support provided by:
Job Type: Aerial Application

Customer: Babin Farms, Inc.
 534 Rodriguez Dr., Raceland, LA 70394
 Ralph Babin

Grower: Ralph Babin - Babin Farm, Inc.
 P.O. Box 356, Raceland, LA 70394
Acres: 46
Crop: Sugar Cane Purpose: Growth Regulator
State: County:
Township:
Tier & Range:
Center: 29° 44.9855' -00° 57.87'
Field name(s): T544-86,85,13,14,15,16,17,8,7,6

Product(s) Provided by Customer:

Product	Company	Restricted Use?	EPA Reg #	Rate per Acre	Acres	Total Volume Used
Roundup Power Max (glyphosate)	Monsanto	No	504-540	5.3 fl ozs	46	1,304.688 gallons

Carrier Product	Rate per Acre	Acres	Total Volume Used
Water	2.06 gallons	46	136.1 gallons

GPA: 3.0

Comments: Bill this to Lafourche Sugars

Released by Customer	App. Date Range		Assigned App. Date	Actual App. Date	Actual App. Time	
	App. Start Date	App. End Date			Start Time	End Time
YES	Nov 03	Nov 07	Nov 03	Nov 03, 2018	09:03 AM	09:35 AM

Temperature	Wind Direction	Wind Speed	Humidity	Acres Applied
56.0	180	3.0		46

Pilot/Operator Name	Pilot/Operator Pest. Lic. #	Business Name	Bus. Pest. Lic. #	Plane #/Equipment
Stanley Hebert	36872	T&M Aviation, Inc.	2683361	N231RL

Created at 02/05/2019 04:02 PM

Job # 1185022

What happens next?

- Site Visit
- Try to identify what happened: Was it weather? Pushing the lines to hard? Chemical failure?
- Depending on the situation, it may be something the applicator and grower can resolve between each other.
- If the situation is more complicated, it may require some experts to make assessments.
- Applicator may turn it over to their insurance company at that point to handle the claim.
- Continue to gather information.
- Resolve

Who is liable?

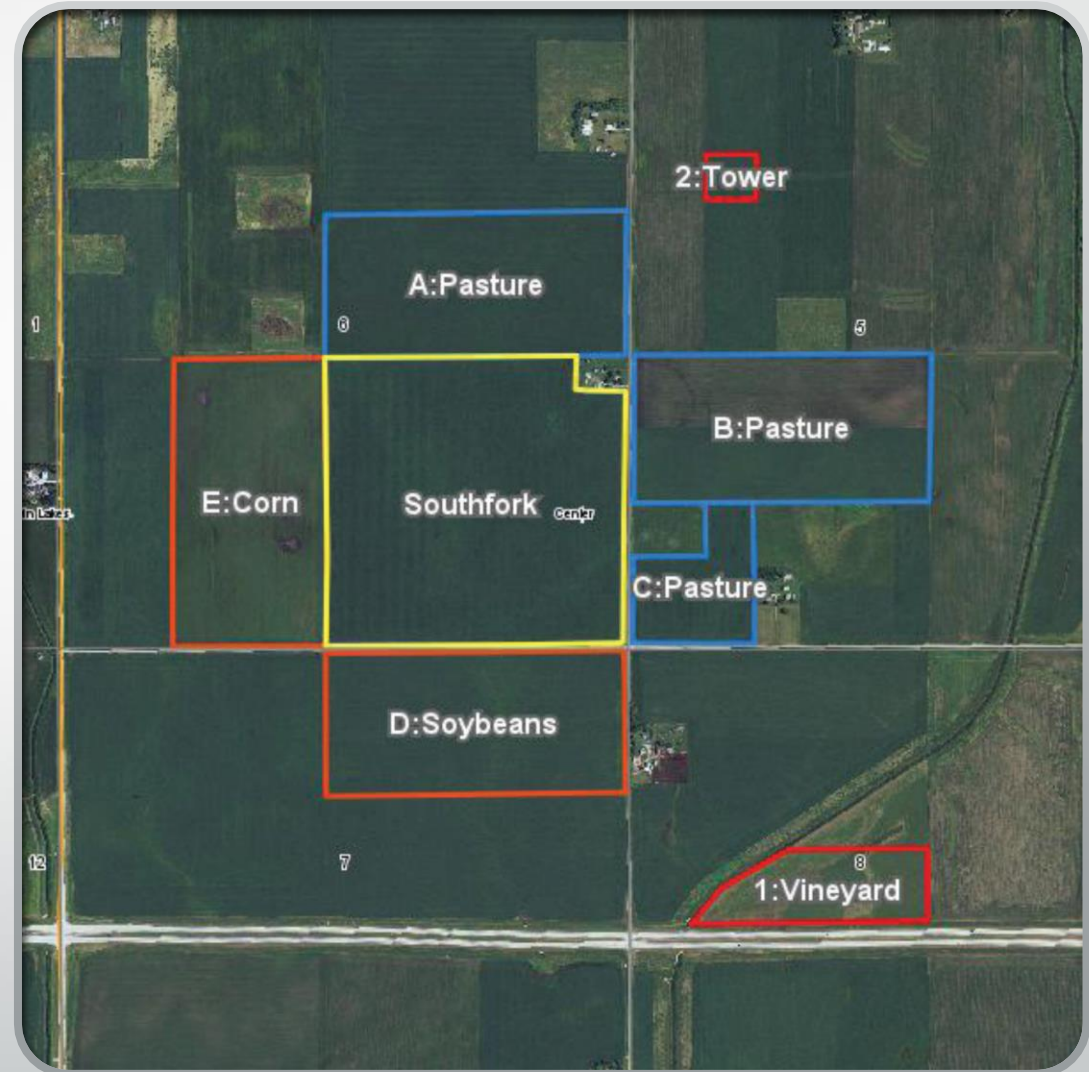
- Dependent on the Situation
- Grower
- Land Owner
- Consultant
- Applicator / Operator
- Chemical Manufacturer

Exclusions

- Most all policies exclude damage caused by noise , poor application, chemical efficacy
- Example: Cattle Experience
- Grower and Chemical distributor did not warn about cattle in the vicinity
- Grandfather(Cattle Farmer) was able to help us salvage some of the lost
- \$25,000 cash to settle

Risk Reduction

- MAPS – Technology like Flight Plan Online
 - Why are good maps important?
- Good Communication – between grower, consultant, applicator, land owner, neighbors.
- Contracts – Between grower and operator
- Chemical Prescriptions



Good Questions to ask your Aerial Applicator

- What coverages do you have? Chemical drift liability? General Liability?
- What are the liability limits?
- How do you keep your records? How do you manage as applied data?
- Pattern test? How Often?
- Flow control?
- Guidance system?
- Shapefiles?
- Nozzle selection?
- Training?
- Safety plan?





This Photo by Unknown Author is licensed under [CC BY-SA](https://creativecommons.org/licenses/by-sa/4.0/)

What to expect if a claim goes to Trial

In Conclusion

- Communicate with the aerial applicator to ensure proper coverages are in place
- Have aerial applicators utilize technology to reduce the risk of liability and ensure the application is delivered appropriately.



Questions??