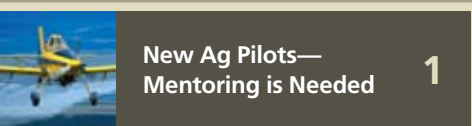


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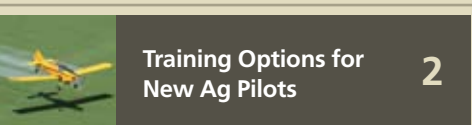
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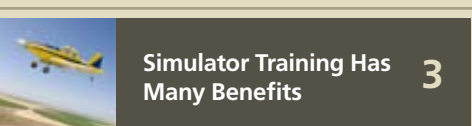
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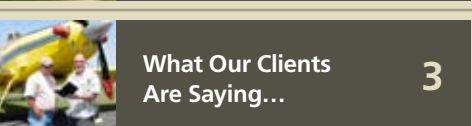
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New Ag Pilots—Mentoring is Needed

In the last five years I have seen a dramatic increase in calls from pilots in other segments of the industry (corporate pilots, flight instructors, airline pilots), as well as new commercial pilots, all inquiring on how to become an aerial applicator. Some have attended one of the many “Ag Schools” and feel they are ready to go to work in someone’s turbine spray plane.

As our experienced operators know, there is a huge learning curve to this business. Confidence in your piloting skills is required, but “cockiness” may get you killed. There are also complicated nuances in managing different chemicals and weather conditions to control drift. The completion of an “Ag School” is similar to a Private Pilot Rating—it is nothing more than a license to learn.

Also in the last five years, the insurance markets have been working harder to try to accommodate new pilots breaking into the industry. But it is almost a requirement that any new ag pilot work with an experienced operator that has a good loss history—essentially a mentor.

In most cases the specifics of the mentor’s training program is left to the experienced operator, but here are some successful ideas that we have seen in the past:

- The new pilot works on the ground as a loader first. For obvious reasons this is a good idea especially if they have never been around a spray operation or worked with the vast array of chemicals and additives that are in use.

(Continued on page 2)

Chemical Liability Insurance Coverage

What chemical liability limits of insurance coverage should an aerial applicator purchase?

This is a question that can be impacted by the operators’ contracts, competitors’ coverage, your net worth, exposure to loss and availability of limits in the insurance marketplace.

Let’s start by discussing what is commonly available for chemical liability. For chemical coverage it would start at \$100,000 each person, \$300,000 each occurrence for bodily injury and \$100,000 for property damage liability. This limit would typically have a \$300,000 policy aggregate for bodily injury and \$100,000 for property damage. This means that if any chemical claims (judgments) exceed \$300,000 for bodily injury and \$100,000 for property damage liability during the policy period, any additional liability would be born

by the operator unless he bought a new policy. There are higher limits available which can increase the chemical policy aggregate on the above limit to \$500,000.

The next increment would increase to a single limit for chemical of \$300,000 combined single limits for bodily injury and property damage liability with a \$300,000 policy aggregate. This is also available at a higher increment of \$500,000 combined single limit as well as \$1,000,000 combined single limit under rare circumstances.

If the insured is a municipality and does mosquito abatement, up to \$10 million of chemical liability is available.

I usually suggest that the operator purchase as much as they can afford. In Florida, most
(Continued on page 3)

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New Ag Pilots (cont'd.)

- The new pilot sits through “ground school” with the experienced operator reviewing accidents that have happened, and things “not to do.” The purpose of this is to inject a little fear in them before they start working.
- The new pilot performs simulated spray runs with water for the mentor. This gives the new pilot some ideas of how hard to turn, are they too low or too high, did they check for wire/obstacles before they started the pass, etc.
- The new pilot practices dumping a load in different flight attitudes to learn how the specific aircraft will react. This is a good time to drive home that their life is more important than saving the load. Cockpit management is critical, especially the new pilot’s ability to operate the GPS system and still be aware of what is around them outside the aircraft. GPS has revolutionized the industry but these systems have been key factors in many accidents.

Again, this type of information is just common sense and everyday practice for the experienced operator, but the new pilot doesn’t know what they don’t know. What we on the insurance side are looking for from the mentor operator is more than just teaching skills. I like to see the mentor operator study the new pilot’s attitude as much as anything. As the comedian Ron White says, “You can’t fix stupid,” or reckless, and I would rather a new pilot be washed out of the business than to force the fit and have it lead to an accident, or worse.

If you are getting ready to start a new pilot and want some ideas of how to “break them in,” please give us a call and we would be happy to give some ideas and structure a program for you, or just be a sounding board if nothing else.

—John Worthing

Training Options for New Ag Pilots

As many of you know the aerial application industry is growing and the demand for highly trained and experienced aerial applicator pilots is also increasing. Many new aerial applicator pilots have experienced the overwhelming task of gaining the necessary experience and receive the training that is essential in obtaining the goal of being a safe and qualified agricultural pilot.

When I am faced with the task of obtaining insurance quotations for operators, the first topic that is always raised is training. The question that is always asked by underwriters from the various insurance companies that insure aerial applicators is to describe what type of training the operator has received. Approved and recognized training is typically received from a highly experienced mentor in the business who has worked extensively with the new pilot or from a formal aerial applicator training school. After a successful completion of training, the pilot is well on his or her way to having a long-standing career in the industry as well as being desired by future employers.



Listed below are several training options that are currently available within the aerial application industry. The various options include both training received in the aircraft or within a simulator (like that offered by Central Florida Ag Aero, see page 3). Each method presents its own benefits. Whichever option is chosen to gain experience and provide the necessary training will be sure to result in a rewarding career in the fascinating industry of aerial application.

—Alison Hunter

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Simulator Training Has Many Benefits

Central Florida Ag Aero (CFAA), the world's only simulator training school for Agricultural pilots, is flying high under its new management team, headed up by simulation pioneer Andy Montague. The training school owns the only serviceable agricultural aircraft simulator in the world, and operates a comprehensive training program for agricultural pilots from its convenient location in Orlando.

Andy Montague is a veteran with an impressive reputation when it comes to simulator training. He explains, "Simulator training can bring many benefits to pilots as well as owners and operators of agricultural aircraft." He continues, "The hourly costs of simulator training are far less than training in a real aircraft. It also reduces the number of actual flying hours a pilot needs to maintain a high standard of proficiency, which reduces costs further."

The benefits of simulator training extend beyond cost savings. One of the most significant advantages of using a simulator is that pilots can train for situations they would not be able to in a real aircraft without the risk of causing harm to the pilot or potentially expensive damage to the plane. Montague says, "Our training syllabus includes a full range of flight

emergencies to better prepare pilots to respond to real emergency situations. This results in improved pilot competency and higher safety standards that in turn will add value to the bottom line." He adds, "Statistically pilots who train in simulators have consistently better safety records than those who don't. Our training exposes and fills knowledge gaps and in doing so improves pilot confidence. For example, we train pilots to use proper engine and propeller handling procedures, which reduces the risk of engine damage caused by human error."

CFAA offers a range of training options, which are fully customizable to meet the needs of its clients. There is an initial three-day turbine transition course, which is designed to provide pilots who are transitioning from piston engine aircraft with the key skills they need to fly turbine-powered agricultural airplanes safely and efficiently. This course combines classroom training with simulator training and is also ideal for experienced turbine pilots without previous simulator time who wish to hone their skills and increase their aeronautical knowledge. There is also a two-day recurrent training course, which serves as a refresher for turbine pilots who want to maintain a high level of pilot competency.

What Our Clients Are Saying...

"I have known Pete (Torell) for several years and have found that I can trust his advice. He is knowledgeable in our business and takes part in both local and national associations. I view our relationship as a friendship that is based on trust and mutual respect. I know that I can count on him to help when we need it. We hope we never need to use our insurance but if we do I know that Pete will do his best to place us with the best company for a competitive price."

Adrian Rodriguez, Roma Air, Belle Glade, FL



Adrian Rodriguez (left) with NationAir agent, Pete Torell

Chemical Liability (cont'd.)

operators carry \$500,000 combined single limit. In other states, I often see the starting point above more commonly purchased. That limit may not be enough if there is a large loss. The only benefit to the operator might be that the claimant may settle for it if the operator doesn't have assets that can be easily attached if it gets pushed through the legal system. This gives to the philosophy that the more you have and the better coverage you have, the bigger target you are for the plaintiff's lawyer. Nobody ever said life was fair.

Depending on the equipment you operate, what you spray, your loss experience, and the length of time you have been in business may also determine what limits will be available. Make certain that you have your agent review your contracts so that you will be able to comply with them meeting their insurance requirements.

I have seen operators use their insurance coverage limits to promote their business. If they carry higher limits than their competitors, the grower may not be exposed to drift claims for chemical losses to adjacent farmers that they would with a competitor with lower limits. The grower needs to understand that he will be forced into a chemical claim and will be sharing limits with the operator if, in fact, he is named as an additional insured under the operators' policy.

Ultimately, the operator must determine what is available, what he can afford and balance what level of protection will allow him to survive a loss and continue to stay in business. It is important that the operator have a good aviation insurance agent that can provide the best options and is well-versed in insuring aerial applicators.

—Peter W. Torell, CAIP

About NationAir

NationAir Aviation Insurance has been committed to the agricultural aviation industry for over 32 years.

A unique business like agricultural aviation requires specialized insurance knowledge. Liability insurance against claims alleging bodily injury, or property damage arising from normal business operations is just the beginning. There are other unique aspects of coverage required to successfully operate an agricultural aviation business.

Fortunately, NationAir has specialized in this area for decades, and understands all the details and issues related to the aerial applications business. Our experience and knowledge in this niche enable us to be effective advocates with the insurance underwriters on behalf of our agricultural aviation clients. We'll help you find the right coverage at the best rates possible, and help you review your coverage periodically to make sure it keeps up with your changing business needs.



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