



Products and people you can rely on

Agricultural Insurance Programs



- Agricultural Output
- Agricultural General Liability
- Agricultural Commercial Umbrella and Excess Liability
- Farmowners
- Farm Umbrella
- Farm Monolines

More than 300 companies write about \$1 billion of premium each year using AAIS farm and ag programs. That includes half of the top farm insurers in the country.

AAIS Agricultural Insurance Programs

You can't insure today's agricultural enterprises with modified policies from yesterday.

Big farms have gotten bigger, small farms have become more diverse, and family farms still account for the majority of farms. Yet, your product line has to be able to address them all.

AAIS is second to no one in its commitment to providing policy forms, manual rules, and rating information for insuring property and liability exposures on farms and other ag-related enterprises.

More than 300 companies write about \$1 billion of premium each year using AAIS farm and ag programs. That includes half of the top farm insurers in the country.

Sherry Taylor, AAIS manager of farm and agribusiness

"Our team is committed to providing insurers of farms and agribusinesses with products that respond to the rapidly **changing nature of agriculture** in this country.

"Where a county once had dozens of family farms, today you may find a few highly-consolidated production and processing operations, several specialty producers, and several 'hobby farms,' along with some traditional family farms that remain.

"We're in an exciting phase of introducing new programs and revising those now widely used throughout the industry to give our customers **the most comprehensive and flexible farm & ag product line.**

"Our programs also feature product innovations that reflect profound changes in agriculture. These include the increased dependence on automated equipment, the growing need for commercial-style income coverage, and the fact that acreage often does not adequately reflect a risk's concentration of exposure.

"These trends call for developing **new rating procedures and rating bases**, and AAIS is providing them.

"AAIS's new and expanded farm/ag product line demonstrates our **long-term commitment** to insurers who compete in the agricultural market."



*"Our programs feature **product innovations** that reflect profound changes in agriculture."*

Agricultural General Liability Program (AgGL)

The AgGL is the first standardized general liability program designed for agricultural operations, and it is rapidly growing in use.

It features two base forms, each of which can be written on a stand-alone basis or combined in a package policy with any other farm property, inland marine, or commercial property form:

- The Farm Commercial Liability Form limits coverage to farming and related operations, but allows coverage for other exposures by endorsement or dec page entry.
- The Agribusiness Commercial General Liability Form provides coverage for all operations of an insured except those explicitly excluded.

Along this line, “custom farming” is specifically defined and insured under the farm commercial form, up to an annual threshold of receipts.

Custom farming is a covered activity unless explicitly excluded under the agribusiness CGL form (although a CGL care, custody, and control exclusion may be triggered under certain classes).

Limited coverage for chemical drift is built into each base form, and personal liability coverage can be added by endorsement.

Each form also includes a comprehensive set of up-to-date exclusions and optional endorsements.

These include exclusions recently standardized for general liability coverage (mold, silica, unsolicited transmissions, and others) plus several addressing exposures specific to agriculture, including certain logging or lumbering operations, requirements under the Migrant and Seasonal Worker Protection Act, and animal diseases.

The AgGL also provides more than 150 multistate endorsement options addressing, among other things, employee benefits liability, employment practices liability, chemical drift, aircraft crop dusting, and pollution.

The program manual contains more than 300 agricultural classifications, many of them providing sales-based rating information that is sensitive to inflation and reflects the level of exposure not directly related to acreage.

The AgGL is first standardized general liability program designed for agricultural operations.

The manual includes a six-step “Commodity Price Stabilization Plan” which makes it easy to adjust the sales rating base in some classes for fluctuations in commodity prices.

The manual also provides an IRPM plan that allows underwriters to apply a credit or debit to the calculated premium based on several risk-related characteristics of an operation.



Agricultural Commercial Umbrella and Excess Liability Program (AgXL)

AAIS's latest agricultural product innovation is the industry's first standardized umbrella/excess liability program designed for farming, agribusiness, or ag-related commercial operations.

Although designed to be used with the AAIS AgGL Program, the AgXL forms are flexible enough to be used with other farm and agricultural insurance programs.

This program provides three base forms :

- The Agricultural Commercial Excess Liability Form provides excess coverage over underlying policies (including personal liability), plus a separate products/completed work aggregate.
- The Farm Commercial Umbrella Form provides umbrella coverage over a farm commercial liability policy.
- The Agribusiness Commercial Umbrella Form, provides umbrella coverage over an agribusiness general liability policy.

These forms provide structured alternatives for writing umbrella and excess liability coverage over any underlying auto, farm, agribusiness, commercial, or other policy.

Personal liability coverage and a separate products/completed work aggregate can be added by endorsement to each umbrella form.

The AgXL base forms provide structured alternatives for writing excess and umbrella liability coverage over any underlying auto, farm, agribusiness, commercial, or other policy.

The AgXL program includes nearly 100 endorsements for tailoring policies to each risk. These include multiple pollution options, designated vehicle and driver exclusions, and the ability to provide claims-made excess coverage over claims-made employment practices liability or employee benefits liability coverage endorsements.

The program's sample manual provides a suggested rating procedure and instructions on how to construct policies.





Agricultural Output Program (AgOP)

The AgOP provides forms, manual classifications and rules, and rating information for insuring property exposures for more than 80 eligible classes of agriculture-related risks.

The AgOP's flexible rating procedure is ideally suited to agricultural operations, and the policy can be packaged with any commercial liability or agricultural specialty liability policy.

The AgOP simplifies the process of structuring property coverage for an agribusiness account.

Modeled in part after the AAIS Commercial Output Program (COP), the AgOP provides broad commercial property and inland marine coverage in a single policy form.

Coverage for builders risk, computers, and mobile equipment is provided in the same form as coverage for buildings and personal property, including stock.

In addition, four time element options are available in the base form, and a separate crime coverage part provides a broad range of options that incorporate features of highly competitive commercial crime programs.

Brokers and carriers are literally “on the same page” as they work through the declarations to determine what limits are needed for each coverage.

In this way, the AgOP allows insurers to control their exposure. Most importantly:

- Carriers can determine individual sublimits for additional, extended, supplemental, and crime coverages simply by entering them in the declarations.
- Carriers can choose between blanket and scheduled coverage, or combine the two by granting blanket coverage with exceptions for certain scheduled locations, structures, equipment, stock, or other personal property.

With this finely honed, filed product, an insurer can tap into the growing market of vertically integrated agriculture operations involved in cultivating and processing food, fiber, lumber, and related products.



AAIS Farm Programs

Farmowners

While agriculture is increasingly dominated by large commercial operations, the majority of farms are still family owned. AAIS provides a Farmowners Program with components designed to cover both property and liability.

Farm Umbrella

The AAIS Farm Umbrella Program complements the Farmowners Program by providing both a farm personal and a farm commercial umbrella form to coincide with the underlying farm liability coverage.

Farm Monolines

AAIS has monoline programs for farm property, liability and inland marine that provide the components insurers need to write farm accounts that don't need or qualify for a farmowners package policy.

Product Implementation and Maintenance Tools on *AAISdirect*

Along with core program components, AAIS insurance line programs come with Internet access to additional resources and services to help your company implement and maintain them efficiently:

- Side-by-side coverage comparisons, educational materials, and advisory information such as sample declarations and disclosure notices;
- The AAIS *Compliance Guide*, with state rate and form filing requirements and other compliance information;
- Data sets for easy downloading of rating information into company systems; and
- Automated rating worksheets for the nonfiled classes of inland marine.

Consulting Services

- **Actuarial**
Extensive data, statistical tools, and staff expertise to help companies enter new markets and implement more precise pricing.
- **Company Filings**
Expertise in identifying compliance issues, drafting filing memos and supporting documents, and responding to objections.
- **Custom Programs**
Product development expertise in modifying forms and rules to achieve your product and market objectives.

Statistical Services

- **Compliance Reporting**
Statistical plans designed to make reporting valuable, efficient, and economical.
- **Data Resource Center**
Extensive risk-related data gathered from insurers and non-insurance sources available to be utilized by participating insurers.
- **Data Reports**
Statistical and actuarial reports to help companies formulate marketing, underwriting, and pricing strategies.



aaisonline.com

**American Association
of Insurance Services**

1745 S. Naperville Road
Wheaton, IL 60189-5898
phone 630-681-8347 | 800-564-AAIS
fax 630-681-8356



For more information, contact . . .

**Rick Maka, Director of Marketing and
Strategic Alliances at rickm@AAISonline.com
or 800-564-AAIS, ext. 222**