



United States Department of Agriculture
Risk Management Agency

February 2013

2013 COMMODITY INSURANCE FACT SHEET

Cultivated Clams (Pilot)

Florida, South Carolina

Crop Insured

All of your clams in the county, where a premium rate is provided by actuarial documents, are insurable if:

- The clams meet all the requirements for insurability and for which prices are provided in the actuarial materials;
- They are grown by a person, who in at least three of the five previous crop years: (1) grew clams for commercial sale; and (2) exercised decision-making authority over all operational aspects of the farm;
- They are in a growing location acceptable to us and for which you provided GPS coordinates with your clam inventory value report in accordance with the special provisions;
- They are grown in a county for which a premium rate is provided in the actuarial documents; and
- You use a practice that fixes the insurable clams to the land within the growing location.

- 2) On December 1 for new applications, when the application and the inventory value report are submitted by October 30;
- 3) On the 31st day following the date of submission for new applications, when the application and the inventory value report are submitted between November 1 and 30;
- 4) On December 1 for policies continued from the prior year if the inventory value report is submitted by October 30; and
- 5) On the 31st day after the date of submission of the inventory value report for policies continued from the prior year when the inventory value report is submitted between November 1 and 30.

Note: No application or inventory value reports, except revisions, will be accepted after November 30.

Insurance ends at the earlier of:

- 1) The date of final adjustment of a loss when the total indemnities due equal the amount of insurance; or
- 2) November 30.

Counties Available

Florida: Brevard, Dixie, Indian River, Levy

South Carolina: Beaufort, Charleston

Insurance ends immediately on any clams removed from the unit.

Causes of Loss

Decrease in salinity ¹	Ice floe
Disease	Oxygen depletion ²
Freeze	Storm surge ³
Hurricane	Tidal wave

If you acquire a financial interest in any insurable clams after coverage begins, but after December 1 of the crop year, and an inspection determines that the clams are acceptable, insurance will be considered to have attached to these clams 30 days after a revised inventory report is accepted by the company indicating the stage value of the clams.

¹That is associated with a local weather event and verified by National Oceanic and Atmospheric Administration (NOAA) or United States Geologic Survey (USGS). ²Due to vegetation, microbial activity, harmful algae bloom, or high water temperature unless otherwise limited by the Special Provisions—see your insurance agent. ³Associated with a weather event verified by NOAA or USGS.

Reporting Requirements

Acreage Report— In lieu of an acreage report, you must timely provide an inventory value report to your insurance agent by the sales closing date (see Insurance Period: Coverage begins).

Notice of Loss—Talk to your insurance agent for detailed requirements.

Insurance Period

For insurable clams, coverage begins the later of:

- 1) The date on which the pre-acceptance inspection determines your inventory is insurable;

Definitions

Amount of insurance - For each basic unit, your inventory value multiplied by the coverage level percentage you elect, and multiplied by your share. Your accumulated paid indemnities during the crop year for each basic or optional unit may not exceed your amount of insurance.

Basic Unit Value Before Loss - The stage value of all undamaged insurable clams, in the basic unit immediately prior to the occurrence of any loss as determined by our appraisal. This allows the amount of insurance under the policy to be prorated among the individual units based on the actual value of the clams in the unit at the time of loss. It is also the basis for determining whether or not an indemnity is due. This value is used to ensure that you have not under-reported your clam inventory value.

Inventory value report - Your report that declares the stage values of insurable clams.

Stage Value - The dollar value of the inventory of all insurable clams at each stage based on the survival factors and the prices shown in the actuarial documents for such stages, in each unit on your inventory value report, including any revision that increases the value of your insurable inventory.

Important Dates

Sales Closing.....	November 30
Acreage Reporting.....	November 30
Premium Billing.....	August 15
Cancellation/Termination.....	November 30

Coverage Levels and Premium Subsidies

Coverage level options range from 50 to 75 percent of the inventory value. For example, a clam inventory value of \$100,000 would result in an insurable inventory amount of \$75,000 at the 75 percent level. Crop insurance premiums are subsidized as shown in the following table. Your share of the premium is 100 percent minus the subsidy amount. For example, if you select the 65-percent coverage level, your premium share would be 41 percent of the base premium.

Item	Percent					
	50	55	60	65	70	75
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic risk protection (CAT) coverage is fixed at 50 percent of your inventory value and 55 percent of the price election. CAT

is 100 percent subsidized with no premium cost to you. There is, however, an administrative fee of \$300 per crop per county, regardless of the acreage.

Loss Example

Assume clams with 75-percent coverage level, 100-percent share, and \$100,000 inventory value. Due to insurable cause of loss, the unit value is \$40,000.

\$100,000	Clam inventory value
<u>x .75</u>	Coverage level
\$ 75,000	Insurable inventory
\$100,000	Unit value before loss
<u>- 40,000</u>	Unit value after loss
\$ 60,000	Value of loss
<u>- 25,000</u>	Deductible = 1 minus the percent of coverage level multiplied by the clam inventory value [(1 - .75) x \$100,000 = \$25,000]
\$35,000	Indemnity payment

Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all USDA Service Centers and on the RMA web site: <http://www3.rma.usda.gov/tools/agents/>

Regional Contact

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