

# Valdosta Regional Office - Valdosta, Georgia

Revised July 2014

# Cultivated Clams Pilot

## Florida, South Carolina

### Crop Insured

All of your clams in the county are insurable if:

- The actuarial documents provide premium rates;
- The clams meet all the requirements for insurability;
- They are grown by a person, who in at least 3 of the 5 previous crop years, grew clams for commercial sale and exercised decision-making authority over all operational aspects of the farm;
- They are in a growing location acceptable to the company and for which you provided GPS coordinates with your clam inventory value report in according to the Special Provisions;
- You use a practice that fixes the insurable clams to the land within the growing location; and
- You have a share in the crop.

### Counties Available

**Florida** - Brevard, Dixie, Indian River, and Levy counties.  
**South Carolina** - Beaufort and Charleston counties.

### Causes of Loss

You are protected against the following:

- Decrease in salinity associated with a local weather event and verified by National Oceanic and Atmospheric Administration (NOAA) or United States Geologic Survey (USGS);
- Disease;
- Freeze;
- Hurricane;
- Ice floe;
- Oxygen depletion due to vegetation, microbial activity, harmful algae bloom, or high water temperature unless otherwise limited by the Special Provisions;
- Storm surge associated with a weather event verified by NOAA or USGS; or
- Tidal wave.

### Insurance Period

Insurance coverage begins the later of one of the following:

- The date on which the pre-acceptance inspection

determines your inventory is insurable;

- On December 1 for new applications, if the application and the inventory value report are submitted by October 30;
- 31 days following the submission date for new applications, if the application and the inventory value report are submitted between November 1 and 30;
- On December 1 for carryover policies, if the inventory value report is submitted by October 30; and
- 31 days after the inventory value report's submission date for carryover policies, if the inventory value report is submitted between November 1 and 30.

No application or inventory value reports, except revisions, are accepted after November 30.

Insurance ends with the earliest of one of the following:

- The date of final loss adjustment when the total indemnities due equal the insurance amount;
- November 30; or
- Immediately on any clams removed from the unit.

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

### Important Dates

Sales Closing/Cancellation .....	November 30, 2014
Acreage Reporting .....	November 30, 2014
Premium Billing .....	August 15, 2015
Termination .....	November 30, 2015

### Reporting Requirements

**Inventory Value Report** - You must timely provide an inventory value report to your insurance agent by the sales closing date.

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

## 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 insurance amount.

**Basic Unit Value Before Loss** - The stage value of all undamaged insurable clams, in the basic unit immediately before the occurrence of any loss as determined by our appraisal. This allows the insurance amount 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.

## 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					
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 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
x <u>0.75</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 - 0.75) 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 website at: [www3.rma.usda.gov/apps/agents/](http://www3.rma.usda.gov/apps/agents/).

## Contact Us

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