



United States Department of Agriculture  
Risk Management Agency

October 2008

## 2009 COMMODITY INSURANCE FACT SHEET

# Clams

## Pilot Program: Massachusetts

### Crop Insured

Insurance may be provided for all of your clams in the county that are at least 10 mm in size and that meet all other requirements for insurability.

**Note:** As a requirement for insurance for the 2008 and succeeding crop years, Global Positioning System (GPS) coordinates are required to identify all growing locations insured by leases, parcels, permits, or license numbered growing sites. GPS coordinates are also required to identify the areas subleased to other individuals or entities.

### Counties Available

Clams are insurable in Barnstable, Bristol, Dukes, Nantucket, and Plymouth counties..

### Causes of Loss

A recognized marine authority must document the cause of loss and a copy of the documentation included with the claim before a loss payment can be made.

Insurance is provided for mortality of clams caused only by the following causes of loss:

- Decrease of salinity
- Disease
- Freeze
- Hurricane
- Ice floe
- Oxygen depletion
- Storm surge
- Tidal wave

### Insurance Period

Coverage begins December 1<sup>st</sup> when application/inventory value report are submitted by October 30<sup>th</sup>, or the 31<sup>st</sup> day if the application/inventory value

report are submitted between November 1<sup>st</sup> and 30<sup>th</sup>, and ends at the earlier of: (1) the date of final adjustment of a loss when total indemnity equals the amount of insurance, or (2) November 30, 2009.

Insurance coverage **ends** on any clams that remain on the lease as of the fourth anniversary of their seeding date in Massachusetts.

### Important Dates

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Sales Closing ..... November 30, 2008  
Inventory Reporting Date ..... November 30, 2008

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### Definitions

**Amount of Insurance**— Your dollar amount of coverage determined by multiplying the number of all insurable clams seeded in each basic unit **X** the survival factor (60 percent) **X** the price **X** the price factor **X** the coverage level percentage you elect **X** your share.

**Inventory Value Report**—A report submitted no later than November 30 by the insured declaring the dollar value of insurable clams.

**Stage 2 Clams**— Clams that are at least 10 mm in size seeded after July 15 of the most recent past crop year, at a maximum density of 90 clams per square foot.

**Stage 3 Clams**— Clams that are at least 10 mm in size seeded before July 16 of the most recent past crop year, at a maximum density of 90 clams per square foot.

**Crop Year**—The 12-month period beginning December 1 and extending through November 30 of the next calendar year, designated by the calendar year in which insurance ends.

**Disease**—Any pathogen or group of pathogens, parasitic infestation or plague verified by an aquaculture pathologist and shown to be a primary cause of the death of the insured clams.

**Freeze**—The formation of ice in the cells of the animal caused by low air temperature.

**Ice Floe**—Floating ice formed in sheets on the sea surface.

**Noncontiguous**—Separately-named, high-density aquaculture lease sites or shellfish sites are considered non-contiguous, unless limited by the special provisions. Individual land parcels within such sites are not considered noncontiguous.

**Separately named high-density aquaculture lease site**—The submerged subdivided land under a body of water suitable for the cultivation of clams and identified and named separately by the Division of Marine Resources or similar regulatory agency.

### Duties in the Event of Damage or Loss

(1) Notify your agent within 72 hours of your initial discovery of damage; and (2) obtain written permission prior to changing or discontinuing normal practices with respect to care and maintenance of clams.

### Prices

	Established Price per Clam	CAT Price per Clam
Massachusetts	\$0.18	\$9.90

**Price Factor: Stage 2 Clams—.50**  
**Stage 3 Clams—1.00**

### Coverage Levels and Premium Subsidies

Coverage levels range from 50 to 75 percent of your clam inventory value. Crop insurance premiums are subsidized as shown in the following table. For example, if you selected the 75-percent coverage level, your premium share would be 45 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 (CAT) coverage is fixed at 50 percent of your average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you except for an administrative fee of \$300, regardless of the acreage.

### Insurance Units

In addition to optional units based on non-contiguous lease sites optional units will also be available based on stage 2 or 3 clams as identified in the special provisions. Clams seeded during the year of insurance will be classified as stage 2 and are considered part of the appropriate optional unit.

Liability of the stage 2 optional unit may be adjusted upward at loss time to reflect additional seeding as long as the total liability of the insurance contract does not exceed the total reported liability of the insurance contract. Otherwise, a timely revised inventory report must have been submitted.

### Loss Example

This example assumes a clam inventory value of \$100,000 at the 75-percent coverage level, insurable inventory = \$75,000.

\$100,000	Field market value before loss
<u>x \$50,000</u>	Field market value after loss
\$50,000	Value of loss
<u>- \$25,000</u>	Deductible*
<b>\$25,000</b>	<b>Indemnity payment</b> (before premium)

\*(1 - .75 coverage level X \$100,000 clam inventory value)

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