



United States Department of Agriculture
Risk Management Agency

October 2012

2013 COMMODITY INSURANCE FACT SHEET

Clams

Massachusetts

Crop Insured

All clams are insurable in a county if:

- A premium rate is provided by the actuarial document;
- Clams are at least 10 mm in size; and
- The clams meet all other requirements for insurability.

Note: As a requirement for insurance, 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 must be 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 1st when the application and inventory value report are submitted by October 30th. If the application and inventory value report are submitted between November 1st and November 30th coverage begins the 31st day after the date you sign and submit the required paperwork. Coverage ends the earlier of:

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

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

Important Dates

Sales Closing.....	November 30
Inventory Report	November 30

Definitions

Insurance Amount: Your dollar coverage amount. Your coverage is determined by multiplying the number of all insurable clams seeded in each basic unit by:

- The survival factor (60 percent);
- The price;
- The price factor;
- The coverage level percentage you choose; and
- Your share.

Inventory Value Report: A report you submit no later than November 30 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 ocean surface.

Non-contiguous: Separately named, high-density aquaculture lease sites or shellfish sites are considered non-contiguous, unless limited by the special

This fact sheet gives only a general overview of the crop insurance program and is not a complete policy. For further information and an evaluation of your risk management needs, contact a crop insurance agent.

provisions. Individual land parcels within such sites are not considered non-contiguous.

Price Factor: Percent of the price election based on the clams' growth stage.

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.

Note: The separately-named, high density, aquaculture, lease sites or shellfish sites referred to in the clam crop provisions shall be each separately-named creek on bayside. For seaside, leases that are separated by a minimum of one mile, at their closest point, will be considered separately-named, high-density, aquaculture, lease sites.

Duties in the Event of Damage or Loss

- 1) Notify your agent within 72 hours of your initial discovery of damage; and
- 2) Get written permission before changing or discontinuing normal care and maintenance of clams.

Price Elections

Established Price per Clam	\$0.18
CAT Price per Clam	\$0.099

Price Factor

Stage 2 Clams	0.50
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					
	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 average yield and 55 percent of the price election. The cost for CAT coverage is an administrative fee of \$300.

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 insurance year 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 show additional seeding as long as the total liability of the insurance contract does not exceed the total reported liability of the insurance contract. To insure additional seeding you must submit receipts to your insurance agent within 10 days for the seed you bought. There is a 30 day waiting period for insurance to attach after you insure the additional seeding.

Loss Example

Assume a clam inventory value of \$100,000 at the 75-percent coverage level, with an insurable inventory of \$75,000.

\$100,000	Field market value before loss
- \$50,000	Field market value after loss
\$50,000	Value of loss
- \$25,000	Deductible*
\$25,000	Indemnity Payment
	(before premium)

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

Where to Buy Crop Insurance

All insurance policies are available from private insurance agents. A list of crop insurance agents is available on the RMA web site: <http://www3.rma.usda.gov/tools/agents/>

Regional Contact

USDA/Risk Management Agency

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