

APPLICATION FORM FOR STOCKS OF FISH AND SHELLFISH HELD IN LAND-BASED ENCLOSURES

In order to assess the extent of risk at your farm the insurers need comprehensive details of certain matters. This form is intended to gather this information and it is in your best interest to answer all the questions as fully as you are able. In addition to completing the form, you should also supply the supporting documentation referred to in the guidance notes attached.

Failure to disclose material facts may result in Insurers declining to pay a claim and seeking to avoid your policy. It is, therefore, important that the questions in this form are answered completely and correct. If you are in any doubt as to whether a set of circumstances or a fact is material then you should disclose it.

The Applicant

Name and address of applicant: -----
 Telephone number: -----
 Facsimile number: -----
 E-mail address: -----
 Telephone number(s): -----
 Contact name(s) -----

Name and address of -----
 of any parties whose interest should -----
 be noted in the insurance. -----
 (for example banks and feed companies)

The Locations

Question	Answer
Name of location(s)	
Site co-ordinates of location(s) <i>Please supply map with locations marked and photographs showing installations</i>	
Please provide details of the number of holding units, their dimensions and materials of construction.	
Please provide details of security and anti-predator measures. <i>See Guidance Note 1</i>	
Are members of the general public allowed on site? If so, in what circumstances.	
When was the site first established and how long has it been used to raise the current species and size of stock?	
Please provide details of the source of water to all holding units. <i>See Guidance Note 2</i> <i>Also supply schematic diagram</i>	
What is the minimum volume of water available to the farm (M3/sec) and at what time of year does	

<p>this occur?</p>																
<p>What limits this supply? See Guidance Note 3</p>																
<p>Please provide full details of any potential sources of pollution on the watercourse from which you take water or within a 4km radius of your site. See Guidance Note 4</p>																
<p>Please provide full details of these parameters</p>	<table border="1"> <thead> <tr> <th></th> <th>Minimum</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>Salinity (‰)</td> <td></td> <td></td> </tr> <tr> <td>pH</td> <td></td> <td></td> </tr> <tr> <td>Water Temp. (°C)</td> <td></td> <td></td> </tr> <tr> <td>Dissolved Oxygen concentration (Mg/l)</td> <td></td> <td></td> </tr> </tbody> </table>		Minimum	Maximum	Salinity (‰)			pH			Water Temp. (°C)			Dissolved Oxygen concentration (Mg/l)		
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<p>Is your site exposed to flooding or storm surge? See Guidance Note 5</p>																
<p>Is your site downstream or below any dams or reservoirs? If so, please provide full details and confirm whether there is any formal contract guaranteeing water supply to your site.</p>																
<p>Please provide details of aeration or oxygenation systems available to you. See Guidance Note 6</p>																

The Staff

<p>Please provide names of the site manager for each site to be insured and provide details of their experience both in aquaculture and at this specific site. Please provide CV for each of the managers.</p>	
<p>How many staff are employed at each site?</p>	
<p>Is the site permanently attended? If not, what hours are worked and what are the arrangements for night time and weekend supervision? See Guidance Note 7</p>	
<p>Have you had any dispute or disagreement with any of your current or former employees that might, in your opinion, increase the risk of a malicious act that could affect the stock to be insured?</p>	

The Stock

<p>Which species of fish or invertebrates do you raise? See Guidance Note 8</p>	
<p>State the maximum tonnage that will be held on each site at any one time during the period to be insured.</p>	
<p>During which month(s) are ova and/or juvenile stock introduced? See Guidance Note 9</p>	

Which companies normally supply you with your ova, juveniles or broodstock?	
What health screening and certification do you receive from these suppliers and do you have any form of guarantee or legal redress against them in the event of poor quality stock being delivered?	
Please detail the value for which you would like to insure your stock. <i>See Guidance Note 10. If necessary use a separate sheet of paper or attach a spreadsheet.</i>	
Please briefly explain how the value at risk during the policy period will vary, taking into account anticipated growth, "trade" mortalities and projected harvesting regime. <i>Please provide stock projections as detailed in Guidance Note 11</i>	
Based on the stock projections that you have prepared, what is the highest anticipated value at risk during the proposed policy period. <i>See Guidance Note 12</i>	
What is the maximum anticipated stocking density (Kg/M ³), when will this occur and for how long is it likely to persist?	
How do you record and check stock numbers and weights?	
Which stock control computer programme do you use and how often are fish sampled as a check? <i>Please provide a specimen stock records sheet and computer printout.</i>	

Stock health and husbandry

If you do not use commercially produced pellet feed, please provide details of the feed that you use.	
What is the average anticipated trade mortality percentage from intake to sale?	
What are the usual causes of these mortalities and at what point in the production cycle do they occur?	
Please provide details of routine screening and health sampling that you carry out, both "in house" and by sending samples to third parties.	
What laboratory facilities do you have on site?	
Provide details of independent consultants, veterinary surgeons and fish health laboratories that you use and the frequency of their visits/use.	
Do wild fish live upstream of your site? If so, are any of these migratory species?	
Please provide details of the diseases against which your stock is vaccinated, vaccination method and vaccines used. <i>See Guidance Note 13</i>	
Please list diseases that have been recorded at each site to be insured over the past five years and also detail diseases that you suspect may have been present without formal diagnosis.	
Please provide details of diseases which you know or suspect to have occurred on other aquaculture operations within the last five years within a 25km radius of your site(s).	

<p>What bio-security and husbandry measures do you implement at your site(s) to reduce disease exposure? See Guidance Note 14</p>	
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Engineering aspects

<p>Please provide full details of your alarm system including the way in which the various parameters listed are monitored.</p> <p>If available, please supply a copy of the full alarm specification.</p>	<p>Water level, flow and pump activity.</p> <p>Dissolved Oxygen Concentration.</p> <p>Electricity supply/generator function.</p> <p>Water temperature</p> <p>Any other parameters.</p>
<p>How does the alarm alert you to a problem, particularly outside working hours?</p>	
<p>When was your alarm installed and by whom?</p>	
<p>How often is it tested and serviced and by whom? Is there a maintenance contract with this company?</p>	
<p>How many separate supply pipes/channels are there from the water source to the farm?</p>	
<p>Please describe how the power is supplied to the site(s). If through overhead lines, please describe the approximate length of these lines.</p> <p>If your farm is gravity fed, please answer n/a to this question.</p>	
<p>What standby systems are available in event of pump failure and/or loss of mains electricity supply?</p> <p>If your farm is gravity fed, please answer n/a to this question.</p>	
<p>Are your generators automatically activated by mains power failure or do they have to be started manually?</p> <p>If your farm is gravity fed, please answer n/a to this question.</p>	
<p>How often are your generators tested? Are they run under load during testing and is a test log kept?</p> <p>If your farm is gravity fed, please answer n/a to this question.</p>	
<p>What design features and other measures are utilised to prevent blockage of the water source, inlet screens, pipes and valves?</p>	
<p>How many pumps are utilised, which sections of the farm do they supply and what is their individual capacity?</p>	

<p>If your farm is gravity fed, please answer n/a to this question.</p>	
<p>Do you rely on all these pumps for normal operation? If not, what is the inbuilt overcapacity of the system? If your farm is gravity fed, please answer n/a to this question.</p>	
<p>How long would it take you to replace a pump outside working hours and is your staff able to do this? Do you carry an adequate stock of spares for pumps and other essential machinery? If your farm is gravity fed, please answer n/a to this question.</p>	
<p>Please provide details of further life support systems or strategies that are available to you in an emergency. See Guidance Note 15</p>	

Insurance Details and requirements

Please indicate which of the listed perils you wish to obtain cover against:

Pollution	Yes/No
Malicious acts (including malicious acts of environmental or animal rights groups), theft, predators	Yes/No
Flood, tsunami	Yes/No
Storm damage, subsidence, landslip, structural failure, breakage or blockage of any part of the water supply system	Yes/No
Drought, fire, lightning, explosion, earthquake	Yes/No
Freezing, frost damage	Yes/No
Mechanical or electrical breakdown or accidental damage to machinery and other installations, failure or interruption of the electricity supply, electrocution	Yes/No
Deoxygenation due to vegetation, competing biological activity or high water temperature	Yes/No
Any other change in concentration of the normal chemical constituents of the water, including supersaturation with dissolved gases and change in pH or salinity	Yes/No
Disease	Yes/No

If you wish insurers to provide terms separately for certain perils then please mark the perils concerned and write “quote separately” next to them.

Name your current stock mortality insurers and policy expiry date. Please provide details of coverage.	
Has any insurer declined, cancelled, refused to renew or imposed restrictive terms on any stock mortality insurance you have arranged or applied for? If so, please provide details.	
Please provide full details of all stock mortalities or losses other than normal trade losses during the past five years even if these did not result in an insurance claim. Please use a separate sheet of paper to provide full details if necessary. <i>See Guidance Note 16</i>	
In your opinion, are there any material facts which might render the insurance of your stock a greater or lesser risk than would otherwise be the case? <i>See Guidance Note 16</i>	

DECLARATION (to be signed by the applicant)

Signing this form does not commit the applicant or the Insurers to complete the insurance contract. However, in the event that an insurance contract is completed, this form shall be the basis of the contract.

I declare that, to the best of my knowledge and belief the statements contained in this application form are true to the best of my knowledge and belief. I understand that any false statement or material fact not disclosed may prejudice my right to indemnity under the insurance for which I am now applying.

I further declare that, to the best of my knowledge and belief, my stock are free from physical disability and in sound health and that all equipment, machinery and protective systems necessary for the containment and continuing survival of the stock are also in good condition.

Signed: Date:

Please return this application form to your usual FP Marine Risks broker, or to info@fp-marine.com or fax to +44 (0) 207 397 4921

GUIDANCE NOTES

1. Security measures which should be mentioned include fencing, gates, netting, guard dogs, intruder alarms, CCTV, 24 hour site attendance and any other measures which will reduce the likelihood of loss by predation, theft or malicious intruders.
2. The insurers wish to see how vulnerable the system is to an interruption in part of the water supply. A flow diagram showing any alternative water sources is therefore helpful. The location of water intake, pumps, any water treatment, oxygenation, filtration or other treatment should be shown. If there are entirely separate supply sources (for example main water supply from river and hatchery supplied from spring) then this should be mentioned.
3. At some sites the availability of water may be limited by pump capacity or size of pipeline, in others it may be the volume of water in a river at times of drought or in others it may be licensed extraction volume. Please explain what controls or limits supply to your site(s).
4. Any possible source of pollutant or toxin that could endanger the stock should be mentioned. Such sources should include, but are not limited to, the following things:
 - villages or towns (mention them by name and approximate population), agriculture, aquaculture or forestry operations, abattoirs or food processing facilities, manufacturing installations, sewage works, septic tanks or other water treatment facilities, quarries, mines or other sources of suspended solids, petrochemical plants or holding tanks.
5. If you believe that there is any possibility of your site being exposed to flood or storm surge you should provide details, including the likely frequency and any measures that you have taken to prevent or minimise impact, such as protective structures, raised tanks etc..
6. The purpose of this question is to ascertain the extent to which your system relies on supplementary aeration or Oxygen injection. Please explain whether any such systems are intended for routine use or emergency use only and also provide details of any inbuilt overcapacity that will enable you to continue to operate in the event of water and/or power supply failure.
7. Please explain whether there is a duty rota with some form of “dial-out” alarm to the duty manager and how close the relevant manager(s) live to the site in question.
8. If more than one species is raised, please provide details of the split between the various species.
9. Please provide full details of the stock that you are likely to introduce to the site(s) during the policy year including month, stock number and description (species and size). This information should correspond with the monthly projections of stock numbers and values that you will also be asked to supply.
10. The information that you provide in response to this question is critical as it will determine the premium that you pay and the amount of indemnity that you will receive in the event of a claim. The basis of the policy is indemnity i.e. the insurers wish to place you in the same position that you would have been in had the loss event not happened. They will not pay for consequential loss or loss of profit. The basis of valuation should therefore reflect production cost of stock until such time as it reaches marketable size and after this, the reasonable anticipated market value, less any costs of harvesting, processing and transportation to market (these costs will, obviously, not be incurred if the stock dies on site). The insurers are not obliged to accept your proposed figures if they believe them to be too high and the policy does entitle the insurers to replace fish in the event of a claim (rather than making a financial payment) if this can be achieved at a lower cost than your chosen basis of indemnity. It is therefore in your interest to be as accurate as possible.

How you value your stock for insurance should be adapted to how you keep your records and the sizes at which you carry out stock control checks. This will vary from farm to farm but, in principle, the stock that you are likely to have

on site should be allocated into a number of size bands. These bands can be based on length or weight of stock or stock age (assuming that this can be assessed and proved if a loss happens). The number of bands is not critical but for ease of administration it is best to keep it to less than ten. Having determined the size bands for valuation, you should allocate a value to animals in that size band. This may be an amount per animal or an amount per unit weight or possibly a combination of both. Obviously an amount per unit weight will reflect an increase of value of stock within the band size whereas an amount per animal will mean that the stock value “jumps” as animals move from one size band to the next.

11. In order that Underwriters can assess the peak and projected average exposure to various perils, they need to see what values are likely to be at risk in each month. This also enables them to charge the correct deposit percentage for your own particular risk profile. The best way to provide this information is to prepare a stock projection spreadsheet showing the number and projected weight of each batch of fish and their consequent value for each month of the projected policy period. A specimen is attached to show the sort of information that is required.
12. This projected maximum value will represent the policy sum insured and **should not be understated**. If at the time of loss the insured value of the stock is greater than the sum insured then the claims payment that you receive will be very significantly reduced. In the event that your stocking strategy changes after you have completed this form, you should advise insurers of the new stock plans and revised sum insured. Insurers may then accept a higher sum insured for an additional premium or alternatively your basis of indemnity can be adjusted in order to ensure that the original sum insured will remain adequate.
13. In addition to stating the diseases, please specify the name of the vaccine used, method of administration and time of year at which it is used.
14. Your answer to this question should include physical measures to keep out visitors and wild animals, disinfection protocols for staff, equipment and stock entering the site and also any water treatment procedures utilised. In addition, please provide full details of husbandry or other practices which you utilise to reduce the probability of introducing pathogens to your site(s) or reducing their impact. This is your opportunity to explain to insurers how you control the disease risk at your site and will impact on the premium that they will wish to charge for this. If you need to provide additional information on a separate sheet of paper then you should do so.
15. If you are able to use emergency Oxygenation or aeration, alternative water supply, water re-use or any other short-term measures to keep fish alive in event of a problem, you should provide full details here. If you have a large header tank or similar, please explain how long fish could be kept alive in the event of power failure or a pollution incident upstream, for example.
16. The questions relating to stock mortality and material facts are critical to the insurance contract. If insurers discover that any information has been omitted or misrepresented they will be entitled to void the contract. Please therefore disclose any losses or facts even if these may seem to be of little relevance to you. Such disclosure may not affect the terms available if disclosed but can invalidate the policy if subsequently discovered in the routine course of events or after a loss has happened.

THESE NOTES ARE PURELY INTENDED TO ASSIST IN COMPLETION OF THE PROPOSAL FORM. IF YOU ARE IN ANY DOUBT ABOUT HOW ANY QUESTIONS SHOULD BE ANSWERED YOU SHOULD CONSULT FP MARINE RISKS.