



Aquaculture



Coverage

Commercial aquaculture is a more recent development than other classes of agricultural business. New techniques and materials have enabled this sector to expand throughout the world from open sea and inland lakes to land-based sites far from rivers. The production is highly exposed and the experience with aquaculture insurance has been mixed.

PartnerRe reinsures all types of aquacultural species and the necessary equipment. We have accumulated considerable experience in:

- Offshore fish production
- Onshore fresh and salt water fish production

Cover can be for all risks or named perils according to the situation and the requirements of the insured company. Catastrophic cover should be designed to protect the business from common or unusual exposure. Attritional losses related to frequent risks should be eliminated by sizable deductibles. Deductibles vary with the risk-bearing capacity of the insured.

Covered risks normally include:

- Storm, tidal wave, etc.
- Diseases (normally for fish production only)
- Water pollution or variation in its normal constitution
- Algae bloom
- Flood or damage due to excess rain
- Predation
- Theft
- Collision
- Other natural risks

Furthermore, loss mitigation creates a financial burden that arises from the costs incurred in prevention. Increased costs for the handling of salvage, or the transporting of species in cases of emergency, may also arise and can be covered under separate conditions.

Sum Insured

Valuation of aquacultural risks is difficult as there are numerous methodologies in use.



The sum insured can be calculated based on the following methodologies:

- Accumulated costs of production per insured individual, based on accounting documentation
- Agreed costs per animal or per kilogram
- Growth valuation formulas
- Updated revenue of fixed value per individual

Protecting the Investment

Successful aquacultural insurance requires very specific knowledge and experience. PartnerRe has the expertise to assist in the following tasks:

- Determination of rating methodologies according to the insured interest
- Establishment of underwriting procedures, including conditions of insurance and GPS based risk monitoring
- Before accepting risk Partnerre requires information on the following:
 - . Location details (water quality, meteorological conditions, tides, currents, water temperature, associated risks due to population, etc.)
 - . Production infrastructure and risk prevention measures (alarms, signs, predation and robbery prevention and defenses, prophylaxis, etc.)
 - . Loss history
 - . Review and adaptation of local aquacultural services (such as veterinarians, water analysis, etc.) for insurance purposes
 - . Improvement of risks through consistent recommendations, which emerge from reviews of areas such as disease prevention, site infrastructural, maritime currents and meteorological conditions. These measures not only increase the availability of insurance, but also its cost and the sustainability of the entire operation
 - . Loss assessment procedures
 - . Salvage procedures and organization of loss adjuster