

*Natural Products Marketing (BC) Act*  
*Mandatory Notifiable Avian Influenza Insurance Review*

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*Mandatory Insurance Steering Committee*  
*Terms of Reference*  
*February 2016*



# Natural Products Marketing Act

## Mandatory Insurance Review

### Steering Committee

#### Terms of Reference

January 27, 2016

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#### *Purpose:*

- Establish Term of Reference for the Mandatory Insurance Steering Committee (MISC).

#### *Background*

- The joint government/industry recovery strategy for the 2014/15 Highly Pathogenic Avian Influenza (HPAI) outbreak identified the need to effectively manage the economic costs associated with AI discoveries for both industry and government as a desired outcome.
- Imbedded in the recovery strategy were:
  - The shift of responsibility for financial support from government to industry.
  - The need for government support advance the poultry risk mitigation strategy and insurance file.
- The Province of British Columbia passed legislative amendments to the *NPMA* in May 2015 to enable boards and commission to “require persons engaged in the production of a natural product to maintain insurance, as specified by the marketing board or commission, against losses resulting from
  - (i) the interruption or termination of production, for any reason, or
  - (ii) a notifiable or reportable disease within the meaning of the *Animal Health Act*’
- In October 2015, BC FIRB and the Ministry of Agriculture met with the board and commission chairs to remind them of the changes made to the *NPMA* and the apparent lack of progress on evaluating the use of the new powers to require producers to maintain insurance against losses resulting from Notifiable Avian Influenza (NAI).
- By November 2015 all poultry boards and commission had reviewed a work plan to undertake the requisite due diligence to enable each board and commission to make an informed decision on whether or not to implement the requirement for registered producers to maintain insurance against losses resulting from NAI.
- The boards and commission are expected by BC FIRB to lead the due diligence assessment in accordance with SAFETI principles.

#### *Roles and Responsibilities*

##### *Boards and Commission*

- Lead the review of mandatory NAI insurance (Mandatory Insurance Review) in accordance with SAFETI principles and in accordance with directions provided in correspondence from BC FIRB.
- Establish a MISC and appoint boards and commission representatives.
- Independently review the information and assessments generated by the Work Plan.
- Independently make decisions on whether or not to use the authorities under the *NPMA* to proceed with mandatory disease insurance.

- Identify
  - The cost of activities associated with the Mandatory Insurance Review and assessment work plan, i.e. project management that will be covered by the boards and commission; and
  - The cost of the activities that are expected to be covered under the BC Poultry Association's (BCPA) agreement with Agriculture and Agri-Food Canada's Agriculture Risk Initiative (ARI).
- Provide the BCPA with monthly progress and financial reports in accordance with the ARI agreement.
  - Financial reports to include boards and commission (members and staff) time and expenses relating to the Mandatory Insurance Review.

### BC Poultry Association

As the legal entity entering into the Contribution Agreement with Agriculture and Agri-Food Canada (AAFC) for ARI funding to support portions of the Work Plan, working with the boards and commission to facilitate the use of ARI funding to support the implementation of the Work Plan.

- Appoint a BCPA representative to the MISC.
- Execute of the ARI project and achievement of the proposed outcomes and objectives.
- Delegate or assign responsibility for delivery of specific activities related to the mandatory insurance review and assessment to the MISC.
- Maintain financial records and accounts of the project and providing regular reporting to AAFC.
  - Enter into service agreements and/or contracts to provide the services related to the key work plan activities recommended by the MISC.
  - Maintain financial records of industry cash and in-kind contributions to the project.
- Ensure that regular progress and final reports are submitted to AAFC.
- Ensure that BCPA member associations are kept apprised of progress on the work plan and respond to information posted by the boards and commission for public comment regarding the various facets of the mandatory insurance review.

### Mandatory Insurance Steering Committee

#### Chair

- The boards and commission will select a chair of the MISC from their appointed representatives.

#### Duties

The MISC shall

- Provide management oversight of the work plan and the key activities.
- Identify any potential risks to achieving the desired outcomes and developing strategies to manage/mitigate risks identified.
- Provide direction and advice to the Project Manager on all aspects of the work plan, in particular:
  - Finalizing terms of reference and terms and conditions for agreements and contracts for services to be acquired to complete the key activities.

- Provide recommendations to the BCPA regarding
  - Amendments to the ARI agreement that may be required to ensure achievement of the desired outcomes.
  - Any budget realignment to ensure achievement of the desired outcomes.
- Review all progress and financial reports to be submitted to AAFC and provide direction and advice as necessary.
- Develop recommendations regarding mandatory insurance for consideration and decision by the poultry boards and commission.

Members of the MISC are responsible for ensuring their respective organizations receive regular updates on the work plan and to report back any issues or concerns that need to be addressed.

### Time Commitment

- The MISC will meet or conference on a monthly basis to monitor progress and provide direction.

### Project Manager

#### Duties

- Responsible for managing the day to day activities of the work plan, including:
  - Work on behalf of the MISC to identify and recommend service providers to complete the project activities.
    - Identify and bring to the attention of the MISC opportunities, risks and constraints related to the key activities, including strategies to address and implications of not addressing.
  - Secure the direction or approval of the MISC to engage recommended service providers.
  - Ensure service providers undertake and complete the activities in a timely manner and on-budget.
  - Ensure reporting on activities is consistent with the reporting requirements contained in the ARI agreement.
  - Prepare progress reports for the MISC.
  - Recommend changes to the allocation of funds between activities if necessary to ensure achievement of desired outcomes.
  - Develop and implement the work plan engagement strategy approved by the MISC.
  - Undertake review and analysis as prescribed in the work plan as directed by the MISC.
  - Prepare necessary reports on the review and analysis prescribed in the work plan as directed by the MISC.

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