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**DELIVERED BY E-MAIL**

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Dear Colleagues:

**MANDATORY AVIAN INFLUENZA INSURANCE REVIEW – ASSESSMENT  
COMPLETION SCHEDULE AND UPDATES**

Recently the BC Farm Industry Review Board (BCFIRB) received an updated Mandatory Notifiable Avian Influenza Insurance Review Work Plan. The original work plan was dated January 27, 2016 and the updated work plan September 7, 2016. The updated work plan was provided to BCFIRB staff by the Chair of the Mandatory Insurance Review Committee (MIRC), Mr. Greg Gauthier.

BCFIRB understands that the MIRC was established in January 2016 and consists of the four poultry boards and the BC Poultry Association (BCPA). The work plan sets out the process, criteria and timeline that the MIRC will follow to assess whether mandatory avian influenza insurance is sound marketing policy and meets legislative requirements, and, if so, how it would be implemented.

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Farm Industry Review Board**

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### Summary of BCFIRB Expectations

Further to previously communicated BCFIRB expectations regarding any potential proposals for mandatory insurance in March and May 2015 letters, and again on March 15 2016, all boards and commissions must ensure any exercise of authority to make insurance mandatory under the *Natural Products Marketing (BC) Act* is done in accordance with the following:

- Use of an appropriate SAFETI process to determine what, if any, insurance may be required to help ensure orderly marketing;
- Ensure that the resulting decision(s) reflects legal and sound marketing policy considerations
- Decisions and rationale are made publicly available in a timely manner.

BCFIRB has also previously indicated it will require:

- That outstanding sound marketing policy questions be addressed - including full assessment of existing prevention, enforcement and compensation tools for maintaining orderly marketing such as licence conditions, administrative penalties, licence suspension/cancellation and contingency funds;
- A rationale for any preference given to a particular insurance provider;
- An analysis of the potential impact on a board's capacity to deal with other events or issues that may require use of contingency funds; and
- An assessment of the potential financial and competitive impact on BC producers in light of increasing costs, pricing and other pressures.

BCFIRB's August 14, 2014 Order remains in effect until such time as BCFIRB issues further direction following review of any future proposal and rationale by the poultry boards pursuant to the new statutory framework.

### Updated MIRC Work Plan – Timeline and Updates

The original September 2016 deadline set out in the January work plan for completion of the assessment on mandatory insurance was not met. The updated work plan indicates completion is now expected in early 2017. Should the poultry boards determine that mandatory insurance is sound marketing policy and in accordance with legislative requirements, BCFIRB will then need to review a joint poultry board submission and carry out a due diligence review, per BCFIRB expectations previously communicated.

The updated work plan explains that the MIRC assessment timeline moved to early 2017 due to delays with the Canadian Food Inspection Agency's (CFIA) review and finalization of its compensation formula under the federal *Health of Animals Act*. I appreciate that the financial response and impact

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assessment on infected premises following an avian influenza outbreak cannot be accurately established until such time that the CFIA confirms its formula for compensation. Based on the work plan, this information is necessary to complete “Phase 1 – Why a Financial Response is Required”. Once that information is in place, the MIRC can move forward with the remaining Phases (Scope of Financial Response; Do the Conditions of Insurance Exist; Do Viable Insurance Delivery Mechanisms Exist; and, Mandatory Insurance Delivery Mechanism), which include stakeholder consultation.

BCFIRB acknowledges that CFIA schedules and activities are outside of poultry board control. BCFIRB recognizes that in January 2016, MIRC expected the CFIA compensation formula would be available within the original schedule and that the MIRC considers the formula an integral part of ensuring complete information for decision making.

Given the unexpected delays and the importance of reaching some form of conclusion on mandatory avian influenza insurance in light of managing risk appropriately, I am requesting that the MIRC keep BCFIRB staff updated on a regular basis going forward. This will assist BCFIRB with timely decision making should the poultry boards decide to make a submission to BCFIRB in relation to mandatory avian influenza insurance.

As in many other past communications, BCFIRB continues to acknowledge insurance as an important risk management tool for producers and recognizes insurance can be part of sound marketing policy. Poultry sector efforts to address potential gaps in insurance coverage are a good example of proactive stakeholder action for the benefit of BC agriculture. BCFIRB fully supports the poultry boards and the MIRC initiative in addressing this important matter.

If you have any questions or wish to discuss further, you can reach me at 250-387-3915 or [Kirsten.Pedersen@gov.bc.ca](mailto:Kirsten.Pedersen@gov.bc.ca).

Yours truly,



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BC Farm Industry Review Board

Copy: James Mack, Assistant Deputy Minister, Ministry of Agriculture  
BCFIRB web site