

MINUTES: Mandatory Insurance Review Committee – June 13, 2016 – 10:00 a.m.
BC Broiler Hatching Eggs board room

PRESENT:

BCCMB: Ray Nickel

BCEMB: Katie Lowe

BCTMB: Michel Benoit

BCBHEC: Allan Cross & Stephanie Nelson

BCPA: -

Absent: Garnet Etsell, Vic Redekop, Ravi Bathe, Aryn Alibhai, Bill Vanderspek and
Christine Rickson

Guest(s): Harvey Sasaki

1. Confirmation of Agenda

The agenda was approved as circulated with one correction, Item 4 (b) (i) BCPA meeting June 21 not June 20.

2. Previous Minutes

The minutes of March 17, 2017 were approved.

3. Status of Review

H. Sasaki provided an update of the review.

a) FIRB update:

- H. Sasaki updated BC FIRB staff on both Phase 1 &2 report and the shared website.
- Verbally approved the website and are considering the Phase 1&2 report

b) Shared website:

- Easily and quickly built
- All 4 commodities are linked to the website.
- No comments received at this time.
- Harvey thanked Stephanie for the contact with Jared.

c) Revised draft Phase 3&4 report:

i. Risk Transfer Assessment

- Harvey has received a draft from Guy Carpenter.
- The final report is to be completed next week and provide some of the basis for defining insurance coverage and/or reinsuring the Infected Premise C&D cost recovery fund.

ii. Actuarial Assessment

- Work has been initiated with JS Cheng and Partners with preliminary results generated.
 - o Expected annual loss range from \$107,000 to \$182,000.

- Suggest for reinsurance purposes of \$100,000 or \$250,000 in retained loss.
- Suggest a \$1 million initial capital fund.
- Members indicated that they did not think that the infected premise C&D SOP was required for premises not infected but included in a HPAI stamp out.
- JSCP requires a decision on the per bird C&D costs for each sector in order to draft the report.

Decision:

- The value used should be updated to reflect the 2014 costs, however taking into consideration the circumstances leading to the \$4.80 per bird cost for the layer IP and the range of costs for breeders.
- Harvey to provide the following rates to JSCP:
 - Broilers - \$1 per bird
 - All others \$2.50 per bird

Follow-up Action:

- Harvey to confirm CFIA policy with respect to C&D of premises ordered destroyed in a HPAI stamp out, particularly if testing confirms no AI presence.
- Need to put in place SOPs for infected premise C&D for each sector.
- Consider issuing an RFP to have in place contractors to undertake the C&D at a pre-established price based on the SOP with mechanisms to increase/decrease the cost based on the actual SOP for the infected premise.
 - May need to pay potential contractors to develop their RFP.
- Need to consider staffing requirements to administer and oversee the IP C&D cost recovery fund.

iii. Phase 3 & 4 Report Status

- With the information from the Risk Transfer and Actuarial assessments, Harvey will be able to complete the Phase 3 & 4 reports by the end of July.

iv. Draft Decision Note

- The Committee needs to consider if they can recommend to the 4 feather boards mandatory insurance.
- Katie suggested the need to de-emphasize “mandatory insurance” and consider calling it “Infected Premises C&D Cost Recovery Fund” which is really what the funds will be used for.
- BC Chicken may not at the same place as the other commodity boards on mandatory insurance.

Follow-up Action:

- Harvey to revise the Decision Note and circulate to members.

4. Next Steps

- a) Posting documents
 - Draft amended decision note to be presented to each of the 4 boards for review prior to the end of June.
 - Upon confirmation that all four boards have agreed to the decision wording, boards to notify stakeholders of pending decision and request feedback.
 - Draft decision to be posted over the summer with feedback to the individual boards to include in decision making process.
 - All boards to make their decision by the end of September.
- b) Presentation/meeting with Associations
 - BCPA – June 21, 2017 A. Cross and H. Sasaki to attend to present the revised draft decision note.
 - o Associations will be asked to consider making formal resolutions recommending their respective board approval of the establishment of the shared Infected Premises C&D Cost Recovery Fund.
- c) Presentation to Boards in support of decisions/direction
 - Include individual board timelines with note to ensure stakeholders are aware of when decision is scheduled.

5. Next Meeting

The next meeting will be will be at the call of the Chair, sometime in September after A. Cross and H. Sasaki have done some pre-planning.

Motion to adjourn 11:27 AM.