

BC Poultry Infected Premises Cleaning and Disinfection Cost Recovery Fund – Implementation Process

July 14, 2018

Issue

- Identify the process for proceeding with implementation of the BC Poultry Infected Premises Cleaning and Disinfection Cost Recovery Fund (the “Fund”).

Background

- The Mandatory Notifiable Avian Influenza Insurance Review (the “Review”) concluded that the boards and commission did not need to pursue enabling authorities under the *Natural Products Marketing Act* to require registered producers to maintain disease insurance.
- The Review also determined that a gap existed in the boards and commission’s ability to return the regulated poultry industry to a system of orderly marketing in a timely manner following a Notifiable Avian Influenza (NAI) discovery was compromised by the lack of a formal response mechanism for the extraordinary costs of cleaning and disinfection (C&D) of infected premises (IP).
- Delays by the IP owner in initiating and completing C&D restrict the ability of poultry producers within 1 to 10 km of the IP from restocking their farms and resuming production.
- The Review proposed the establishment of the Fund to address the gap. The Review suggested that the parameters of the Fund fall within the existing powers of the boards, however, the August 14, 2014 BC FIRB Supervisory Review Order, requires the boards and commission to request prior-supervisory approval to proceed with regulatory solution to the gap.

Discussion

- BC Egg is expecting CEIRA to extend SE coverage to include NAI this fall and may not require the use of the collective Fund.
- The remaining poultry boards and commission considered the findings of the Review and will need to consider the following:
 - Establish a collective Fund with each party contributing up to \$250,000 each as an interim measure for 2018/19 to address the gap in coverage for the extraordinary costs of IP C&D.
 - Explore working with the Canadian Egg Industry Reciprocal Alliance (CEIRA) to cover extreme loss situations such as the 2004 HPNAI outbreak that cost the industry \$3 million in exchange for an annual premium.
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 - Establish a Fund Management Committee that includes representation from the BC Poultry Association.
 - Seek BC FIRB prior-supervisory approval for the establishment of the Fund, if required and the ability to insure the Fund to provide excess loss coverage.
- Draft documents have been prepared by the Mandatory Insurance Review Committee for boards and commission consideration and decision.
- The Mandatory Insurance Review Committee has completed its work and will be dissolved.

Next Steps

- Finalize
 - Interim Fund Management Agreement
 - Joint Prior-Supervisory Approval Submission
- Seek
 - CEIRA engagement
- Timing
 - Submit the joint prior-approval request to BC FIRB by September 2018.
 - The intent is to have the Fund operational by October 2018 in time for the 2018/19 flu season and a form of excess loss insurance in place.