

# AI Insurance Review

## Fund Management Committee Decisions Note

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December 3, 2018

### *Issue:*

To approve an amendment to the September 5 work plan and costs of activities to enable the evaluation of placing the BC infected premise cleaning and disinfecting coverage with the Canadian Egg Industry Reciprocal Alliance (CEIRA).

### *Background*

- The boards and commission agreed to the Work Plan and Budget to completed the activities to explore the cost of securing excess loss coverage of the IP C&D through CEIRA.
- At the November 19, 2018 FMC meeting it was agreed that based on the information provided by CEIRAs consultants that no further work to explore the option was necessary.
- The September Work Plan and Budget included the following activities and estimated costs:
  - Expected loss assessment                      \$2,500
  - Financial forecast                                 \$3,000
  - Policy wording review                         \$5,000
  - Project Management                             \$5,000
    - Travel     \$1,500
  - **Total**     **\$17,000**
- At the November 19, 2018 meeting it was also agreed that the following activities were required in order to establish an Infected Premise Cleaning and Disinfecting Policy and a disease response fund:
  - Follow-up with CEIRA to terminate the process.
  - Follow-up with the BC Egg Board to request a mitigation plan for addressing the producers who do not have insurance to cover the extraordinary costs of IP C&D.
  - Revise the draft Fund Management Agreement
  - Revise the draft Joint Submission
  - Prepare an updated MOU that includes IP C&D as well as biosecurity.

### *Discussion*

- Agri-Saki Consulting Inc. is responsible for the Project Management activity and has reported that the cost of the activity will exceeds the \$6,500 budget estimate by \$3,180 after the November invoice.
- Interaction with CEIRAs consultants on the expected loss assessment and the resulting change in FMC directions regarding the funding has been the primary cause of the increased time required by Agri-Saki Consulting Inc.
- Agri-Saki Consulting estimates that work to complete the Joint Submission to the stage of transmittal to BC FIRB and agreements will take up to 30 hours or \$4,500 assuming that stakeholder consultations/engagement do not require direct involvement/participation by Agri-Saki Consulting Inc.
- The FMC decision to not proceed with CEIRA has resulted in two of the activities becoming redundant and the budget of \$8,000 could be reallocated to cover the increased Project Management costs.

## *Recommendations*

Based on the \$17,000, total budget for the original Work Plan not being exceeded, the FMC approve the amended Work Plan and budget allocation as follows:

- Redirect the budget allocated to the Financial Forecast (\$3,000) and Policy Wording Review (\$5,000) activities to the Project Management activity to enable the completion of works in order for the boards and commission to file a Joint Submission with BC FIRB to address the extraordinary costs of IP C&D.