

## INFORMATION NOTE

**DATE:** December 9, 2021

**CLIFF#:** 626744

**PREPARED FOR:** Joint Committee on Disaster Response and Climate Resilience

**ISSUE:** Insurance Availability and Implications

### BACKGROUND:

- Overland flood (OLF) insurance for residential property is a relatively new product and not automatically included as part of residential home insurance policies. The availability of flood insurance differs by insurer and location.
- According to the Insurance Bureau of Canada (IBC), while 95 percent of British Columbian homeowners are eligible for OLF insurance, it is not available in areas that have significant risks of floods and has often not been promoted to homeowners by insurance brokers.
- The precise areas where OLF insurance is not available is unclear, but it was likely either unavailable or not made available, in the areas most impacted by flooding.
- The communities of Merritt, Princeton and Sumas Prairie fall into this higher risk category.
- In instances where insurance was not considered available, Disaster Financial Assistance (DFA) may be provided. DFA is available to qualifying homeowners, residential tenants, small business owners, farm owners and charitable organizations.
- DFA covers 80% of eligible damage over \$1,000 to a maximum of \$300,000.

### DISCUSSION:

s.12; s.13; s.16

### NEXT STEPS:

s.12; s.13; s.16

s.12; s.13; s.16

## NOVEMBER 2021 FLOOD EVENT: BROKER AND ADJUSTER PARTNER Q&A

### GENERAL INQUIRY

**Q: How long will it take to have an adjuster call?**

**A:** All calls will be made within 48 hours of receipt of the loss.

**Q: What should be done in the meantime regarding evacuation costs?**

**A:** All insureds should save their receipts.

**Q: Who will assign the adjuster?**

**A:** Mutual Fire will assign all adjusters. Adjusters will be asked to confirm their recommendations with us first, and then present to the insured once we approve. Reports will continue to be sent to our office only and not be copied to producers.

They will not confirm settlement with a producer or agent before getting our agreement to do so. Instead, our examiners will keep producers informed as the claim progresses.

**Q: How does an insured obtain a letter from MFI for Disaster Recovery Assistance?**

**A:** If required, Mutual Fire will issue the off-coverage letter which will include the details needed to meet the requirements of the Disaster Recovery Program. Please email the request into our general email: [claimsreporting@mutualfirebc.com](mailto:claimsreporting@mutualfirebc.com).

**Q: How are we making payments to insureds?**

**A:** We will send an e-Transfer to insureds so that they may receive the funds asap. If they cannot accept e-Transfer, we can do a wire transfer if a void cheque or a pre-authorized payment is provided.

**Q: How does the insured receive an e-Transfer?**

**A:** We need a valid email address of the insured.  
After confirming coverage, we will process the e-Transfer to send funds. The insured will receive an e-Transfer email. Once the message is opened, it will provide a prompt to log in to online banking profile and accept the transfer. A password is needed to accept the funds, which will be provided by us either over the phone or in a separate email message.

**Q: How do they receive a wire transfer?**

**A:** They must provide us with a void cheque or pre-authorization payment form from their bank. After confirming coverage, we will process the wire transfer which will deposit funds directly into their bank account.

**Q: How will they know their claim number?**

**A:** They will receive an email with claim information and our contact information.

**Q: Can we have your phone number?**

**A:** Our toll-free number is 866.417.2272. Any of our examiners will be able to assist Monday to Friday, 8:30 to 4:30 Pacific Time

For all after-hours emergency claims, please call our emergency claims line at:

- Prairies and Ontario: 877.896.0113
- British Columbia: 855.535.0554

**Q: Can the insured begin cleanup?**

**A:** Yes, but please document all damaged items by photos before beginning. List and save any related disposal receipts. Please do not enter the home unless it is safe to do so, and local authorities have given the approval.

**Q: Is there anything the insured can do?**

A: We suggest compiling a list of the property affected by the loss. This will help streamline the claims process as we move forward. Provide us with as much documentation and proof of ownership as possible. Proof of purchase can include original purchase receipts, invoices, bills, appraisals, warranty and manual information, and photographs. We realize that certain items will be harder to substantiate than other items, and we will take that into consideration.

**Q: Are there any special limits the insured should be aware of?**

A: Yes, certain items have special limits such as jewellery, bicycles, business property, money, to name a few examples. As well, the policy requires to move any property to prevent it from further loss, if they have the ability to do so safely. Please ensure any valuables or any other property removed is secured to prevent a loss.

**Q: What if the insured receives Disaster Relief Funds?**

A: If there is insurance on the item under their MFI policy, and they receive funds for that item, we will deduct the funds received when we are making payment to the insured.  
If there is no insurance coverage for the item under their MFI insurance policy, they should seek funds from the available government and community programs.

**Q: Should the insured mitigate their loss?**

A: Yes. Under the policy, Insureds have an obligation to mitigate their loss for all property, whether it be personal contents or livestock. We realize how monumental this may be, and only ask that they try their best. Their health and safety are of the utmost importance, and we do want them to follow the orders of civil authority.

## POLICY RESPONSE

### EMERGENCY EVACUATION COVERAGE:

**Q: Does the insured have coverage for evacuation?**

A: Evacuation costs are included within an MFI home insurance policy where the declaration page shows coverage for Limited Water Protect or Enhanced Water Protect, or Coverage S & SBU. The coverage is to help with costs over and above what the insured would normally spend because of the evacuation for themselves and their family normally living in the home.

Typical costs are accommodation expenses, cost of restaurant meals while staying at a hotel, clothing, and additional fuel expenses.

We are receiving mass evacuation claims, and we are paying these funds out by e-transfer.

We do ask insureds to save their receipts.

**Q: How does the wording read?**

A: If you are evacuated from *your dwelling* by an order of evacuation by a *civil authority* as a direct result of a sudden and accidental emergency, we will pay the necessary and reasonable increase in living expense incurred by you:

- i. for a period of up to 21 (twenty-one) cumulative days from and including the date of the order of evacuation, for up to \$3,000 (three-thousand dollars);
- and, if the order of evacuation is extended beyond the 21 (twenty-one) cumulative days already provided;
- ii. we will pay the necessary and reasonable increase in living expense incurred by you for an additional period not exceeding 14 (fourteen) cumulative days for an additional amount of up to \$2,000 (two-thousand dollars), but only up to a maximum of \$5,000 (five-thousand dollars) in total and 35 (thirty-five) days cumulatively in total.

**Q: Will the insured lose their claims free discount?**

**A:** If costs are related to Mass Evacuation only:

- No deductible will be applied and there will be no loss of claims free discount
- If there are Mass Evacuation costs and other loss of property, such as a food freezer loss, policy deductible will apply.

## FLOOD COVERAGE

### *Home Insurance*

**Q:** Do all home insurance policyholders have coverage?

**A:** No. For residential claims, we have had numerous submissions for Limited Water (sewer back-up) and Enhanced Water (overland water and flood) where the insureds need to know if coverage under their policy is triggered. Examiners are reviewing each policy and calling insureds directly.

For dwellings, either Limited WaterPROTECT or Enhanced WaterPROTECT would be on the policy for coverage to apply.

- Limited WaterPROTECT is the basic sewer back-up coverage. It can bring in overland water coverage if the water enters the dwelling SOLELY through an interior drain.
- Enhanced WaterPROTECT is sewer back-up coverage that also includes flood coverage and overland water coverage.

There are residential claims that have no coverage and are being denied. While it is always unfortunate, we are hopeful the insureds can turn to the government for assistance during this time. These are hard conversations to have with our insureds. We are calling to advise each of you, as the insureds broker, to ensure that you are aware.

### *Farm Insurance*

**Q:** Do all farm insurance policyholders have coverage?

**A:** Not necessarily. For farm claims, we have had numerous submissions for Limited Water (sewer back-up) and Enhanced Water (overland water and flood) where the insureds need to know if coverage under their policy is triggered. Examiners are reviewing each policy and calling insureds directly.

**Q:** Is Livestock covered for the perils of flood and drowning?

**A:** Yes. If death or destruction of insured farm livestock occurs because of drowning or flood water, coverage is available.

**Q:** Is Livestock covered if they do not die directly from the perils of flood and drowning?

**A:** Yes, as the proximate cause is flood.  
For example, poultry does not drown but die from lack of food and attendance, cows do not drown, they are rescued, but die shortly thereafter from pneumonia.

**Q:** Will business interruption (BI) forms be triggered?

**A:** Yes, if death or destruction of Livestock occurs, the BI forms are triggered. BI forms come in various form types, including ALS, Earnings, and Profits forms. The coverage found in BI forms are "follow" forms, meaning an insured peril to insured property must occur to trigger coverage under the BI form.

**Q:** Will Business Interruption forms be triggered if the livestock does not die?

**A:** Yes, if there is loss related to the flood. In this example, it may be cows drying up (not getting milked/or grain)

**Q:** Will MFI use forensic accountants on some losses?

**A:** Yes, we will use on larger losses where we see fit.

**Q: Is there coverage for Mobile Farm Machinery?**

**A:** Yes, we are reading in flood coverage.

**Q: Is there coverage for farm buildings, farm contents, farm tools, farm produce, or feed?**

**A:** No. Our product does not provide flood coverage for such property. This includes equipment attached to and forming part of the farm building.

**Q: Is there coverage under the Farm Enhancements?**

**A:** Yes, as per the individual wordings that form the Farm Enhancements. As an example, we include a limited amount of coverage for mobile farm machinery.

**Q: Is Extra Expense triggered?**

**A:** Yes. Extra expenses incurred in order to continue farming operations may be covered.

**Q: Is there coverage for Milk Spoilation?**

**A:** No, as covered perils do not include flood. Exclusion for loss of income and loss of use. It is our understanding that the milk board is covering any milk that is not delivered.

**Q: Does Mass Evacuation Claims under Civil Authority for Livestock trigger BI?**

**A:** No, our livestock form does not cover mass evacuation of livestock caused by flood. We exclude this, and therefore BI form would not be triggered.

**Q: Are there examples you can share of what else is not covered?**

**A:**

Loss of Use:	Loss of the livestock
Loss from delay:	Delay in process, but a benefit will still be realized. Example, poultry is ready to be shipped to the next stage barn, but cannot be done as the receiver cannot take birds for another week.
Loss of income:	Indicates we only pay for the birds and not lost future profit
Loss of market:	Loss of a contract

#### *Commercial Insurance*

**Q: Do all commercial policyholders have coverage?**

**A:** Not necessarily. Some commercial forms will include coverage, and some will not. Examiners are reviewing each policy and calling insureds directly.

We are utilizing BC Emergency site for a reference to see where the farm is located and if it is specifically in the impacted flood areas. Where able, we are making site visits.

**Q: Will business interruption (BI) forms be triggered?**

**A:** Yes, if flood is an insured peril and the flood causes damage to insured property, the BI forms are triggered, and coverage will respond. BI forms include ALS, Earnings, and Profits forms

**Q: Will MFI use forensic accountants on some losses?**

**A:** Yes, we will use on larger losses.

**Q: If I have more questions, who should I call?**

**A:** Pamala Louttit, VP Claims and our Claims Team is available to answer any questions.

**From:** Staff Calendar & Events

**To:** Stan Vander Waal; Rhonda Driediger; Ray VanMarrewyk; Sarah Sache; Duncan Barnett; Lynda Atkinson; Wayne DeJong; niklaus forstbauer; Ed Hadland; Peter Levelton; Troy Osborne; Rudi Meier; Anju Gill; association@bcbhec.com; Kevin Boon <kevin@cattlemen.bc.ca>; Elaine Stovin <elaine@cattlemen.bc.ca>; Beth Cavers; BC Chicken Growers' Association; Mike Wallis - Cranberries; Jeremy Dunn; Mark Siemens; Glen Lucas; Kristyn Brody BCGPA <kristyn@bcgrain.com>; BC Grain Producers Assoc.; Tyrion Miskell; Linda Delli Santi; President Heather Higo; Hedy Dyck; XT:MarketingBoard, BCPork AFF:IN; Leisa Yee; Christine Koch; Lisa Craig; association@bcturkey.com; Kate Durisek; Eva-Lena Lang <ed@organicbc.org>; Mike Wallis; Brent Harris; Kelly Coughlin; coordinator@peaceforageseed.ca; Lisa Craig; Coreen Rodger Berrisford; Steward, Lonny AFF:EX; Jamie Bohach <jamie\_bohach@cooperators.ca>; Reg Ens - WALI; Cassy James; Amy Dhanjal; Mike Pincombe; Benjamin Eastman; len@katosnursery.com; Steve H Johnston; s.22 ; BCGA - Tyrion Miskell; Miguel Fontalvo; s.22 Jonson, Byron AFF:EX; Pigg, Timothy AFF:EX

**Subject:** FW: BCAC Board & Members - Insurance Information Session For Industry

**Start:** December 1, 2021 1:00:00 PM

**End:** December 1, 2021 2:00:00 PM

**Location:** Zoom: s.15

**Attachments:** image001.png

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Good morning.

REMINDER – Today at 1:00pm we're hosting an insurance information session – we would love to see good representation from industry.

Warm regards,

-----Original Appointment-----

From: Staff Calendar & Events <admin@bcac.ca>

Sent: November 29, 2021 11:22 AM

To: Staff Calendar & Events; Stan Vander Waal; Rhonda Driediger; Ray VanMarrewyk; Sarah Sache; Duncan Barnett; Lynda Atkinson; Wayne DeJong; niklaus forstbauer; Ed Hadland; Peter Levelton; Troy Osborne; Rudi Meier; Anju Gill; association@bcbhec.com; Kevin Boon <kevin@cattlemen.bc.ca>; Elaine Stovin <elaine@cattlemen.bc.ca>; Beth Cavers; BC Chicken Growers' Association; Mike Wallis - Cranberries; Jeremy Dunn; Mark Siemens; Glen Lucas; Kristyn Brody BCGPA <kristyn@bcgrain.com>; BC Grain Producers Assoc.; Tyrion Miskell; Linda Delli Santi; President Heather Higo; Hedy Dyck; Christine Koch; Leisa Yee; Christine Koch; Lisa Craig; association@bcturkey.com; Kate Durisek; Eva-Lena Lang <ed@organicbc.org>; Mike Wallis; Brent Harris; Kelly Coughlin; coordinator@peaceforageseed.ca; Lisa Craig; Coreen Rodger Berrisford; Steward, Lonny AFF:EX <Lonny.Steward@gov.bc.ca>; Jamie Bohach <jamie\_bohach@cooperators.ca>; Reg Ens - WALI; Cassy James; Amy Dhanjal  
Cc: Mike Pincombe; Benjamin Eastman; len@katosnursery.com; Steve H Johnston; s.22 BCGA - Tyrion Miskell; Miguel Fontalvo;

s.22 Jonson, Byron AFF:EX; Pigg, Timothy AFF:EX

Subject: BCAC Board & Members - Insurance Information Session For Industry

When: December 1, 2021 1:00 PM-2:00 PM (UTC-08:00) Pacific Time (US & Canada).

Where: Zoom: s.15

WHAT: BCAC is hosting an "Insurance Information Session for Industry" specifically for member association staff and their boards to learn more about what is happening on the insurance supplier side of things during this time.

WHEN: Wednesday, December 1st at 1:00pm (PST)

WHERE: Zoom:s.15

s.15

WHY: Following up from an info session on AgriRecovery, it was mentioned something similar for insurance and the DFA would also be useful.

ACTION: If you have specific questions...Please email communications@bcac.ca <mailto:communications@bcac.ca> with your questions related to insurance that you hope can be addressed on the call – deadline to submit questions is EOD tomorrow (Tuesday).

Please note: Insurance claims are completed on case-by-case basis. Please keep your questions broad in nature. Thank you.

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Dear BCAC Board and Members:

As some of you may be aware, BCAC is a member of the Cooperators. We reached out to them to see if they had members of their team that would be willing to meet with industry and talk “insurance”. They were more than happy to participate and do their best to try to answer what questions we have. The following Cooperator’s staff will be speaking and available for questions on the call.

\* Steve Johnston, AVP National Product Portfolio Special Lines – Farm

\* Mike Pincombe, National Portfolio Specialist

\* Ben Eastman, Senior Consultant – Farm

All the individuals above are specialists who support various aspects of insurance - so they would be able to speak about the product itself, claims process, and pretty much anything else in terms of farm insurance.

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**ZOOM INFO:**

BC Agriculture Council is inviting you to a scheduled Zoom meeting.

Topic: Insurance Information Session for Industry

Time: Dec 1, 2021 01:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

s.15

Meeting ID:s.15

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