

Ministry of Finance
BRIEFING DOCUMENT

To: Honourable Selina Robinson
Minister of Finance

Date Requested: Dec 24, 2021
Date Required: Jan 7, 2022

Initiated by: Liquor Distribution Branch

Date Prepared: Dec 15, 2021

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Cliff #: 276952

TITLE: Overview of BC Indigenous Cannabis Product program (BCICP)

PURPOSE: FOR INFORMATION

DATE PREPARED: Dec 15, 2021

TITLE: Overview of BC Indigenous Cannabis Product program (BCICP)

ISSUE: BC Liquor Distribution Branch (LDB) to launch a marketing program for BC Indigenous-sourced cannabis products in January 2022.

BACKGROUND:

- In June 2019, the Province approved the Indigenous Cannabis Strategy (Strategy), which included an action item directing the LDB to provide featured retail shelf space for legal, Indigenous-sourced cannabis products.
- The original implementation date for this action item, as stated in the Strategy, was September 2019. However, due to s.16, work on the program was delayed.
- In September 2020, the Province announced the LDB would launch an Indigenous shelf space program in 2021. The program has since been renamed to the BC Indigenous Cannabis Product (BCICP) program.
- On November 17, 2021, the Province entered a state of emergency due to severe flooding and LDB resources were again required to focus on supply chain management. As a result, the launch of BCICP was slightly delayed.
- An initial, soft launch is now scheduled for January 18, 2022 and will provide participating Indigenous producers an opportunity to determine market demand for their product. Formal program launch is targeted for s.17

DISCUSSION:

- The objective of the program is to support Indigenous cannabis producers' participation in the non-medical cannabis market by highlighting their products to both retail and wholesale customers.
- BCICP eligibility criteria and processes have been developed by the Cannabis Secretariat (Secretariat) in collaboration with the First Nation Leadership Council Working Group (FNLC WG).
- The program will be available to federally licensed cannabis producers that have at least 51 per cent Indigenous ownership and are located in B.C.
- Eligible producers will be required to register with the LDB and sign an attestation that they meet program requirements to participate.
- The FNLC WG, LDB and Secretariat have agreed that a temporary logo, created by LDB and approved by the FNLC (attached as Appendix A), will be used until an official program logo is available in spring/summer 2022.
 - Work on the official logo was put on hold pending FNLC's approval of the eligibility criteria in October 2021.
 - The temporary logo will be available for licensed public and private cannabis retail stores to market products until an official program logo is available.

- LDB Cannabis Wholesale will also use the BCICP logo on the wholesale website for wholesale customers to identify Indigenous cannabis product.
- BC Cannabis Stores will also be utilizing the temporary logo in marketing displays to showcase Indigenous cannabis products available through BCICP. There is no obligation for private retailers to purchase products featured in the program or to create their own Indigenous marketing displays.
- The LDB will administer program implementation in the short-term, until an alternate administrative body has been established in collaboration with the LDB, Secretariat and FNLC.
- Initial participation is expected to be low due to the limited number of Indigenous cannabis producers at this time; the Secretariat estimates that approximately 5-10 companies may apply in the first year.
- BCICP will be reviewed approximately two years after implementation to ensure the program objective is being met and to adjust criteria as needed.
- The review will be conducted in consultation with the Secretariat, Indigenous groups such as the FNLC WG and participating Indigenous cannabis producers.

NEXT STEPS:

- The LDB is currently finalizing BCICP's website, marketing materials and stakeholder communications for the initial soft launch date of January 18, 2022.
- Stakeholder communications announcing BCICP and providing details will be distributed the week prior to the initial launch date, including:
 - Emails from the LDB to Indigenous cannabis producers, via Health Canada.
 - Emails from the LDB to licensed retailers, Indigenous organizations and industry associations.
 - A news release distributed by GCPE-PSSG on (date TBD).
- The LDB expects to issue an announcement regarding the formal launch and logo in s.17 .

Appendix A
Temporary BC Indigenous Cannabis Product Program Logo





BRIEFING NOTE

CLIFF #: 626563

Prepared for: **Hon. Mike Farnworth**, Minister of Public Safety and Solicitor General and minister responsible for ICBC **for INFORMATION**

Subject: **Broker Remuneration**

Issue: ICBC is providing brokers with a Basic ^{s.17} fee remuneration increase effective January 1, 2022.

Background:

- In the 2015 remuneration letter to brokers, ICBC made a commitment to seek annual incremental adjustments to basic fees, while balancing the need to keep insurance rates as low as possible for customers.
- ICBC remunerates brokers for selling and servicing insurance products based on a remuneration structure set by ICBC after consultation with brokers, which is driven by the principle of fair remuneration.
- At a high level, broker remuneration is based on a combination of completed transactions:
 - Basic fees are paid as fixed dollar amount.
 - ^{s.17}
- Between 2015 and 2021, total broker remuneration increased, on average, by 8% annually.
- In 2021, a number of changes were made to broker remuneration to enable a successful and smooth transition to Enhanced Care coverage:
 - An 8% increase to Basic fees paid to brokers for completing listed transaction types.
 - ^{s.17}
- Since the introduction of Enhanced Care in May 2021, broker commissions have gone down roughly 30% due to the lower cost of insurance policies.

Discussion:

- ICBC is moving forward on approval from its steering committee to increase Basic broker fees by 1.5%, effective January 1, 2022. This is intended to reflect an incremental inflationary increase, based on the Consumer Price Index (CPI) between January 2020 and September 2021, which was slightly higher than the 1.5%.
- The increase represents a 0.3% overall increase (\$1.376M) in total remuneration for brokers.
- The increased fees will apply to new, renewal and change transactions, regardless if the transaction was completed in-person, over the phone or, in the future, online.

ICBC BRIEFING NOTE

- s.17
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- Broker principals and owners will be advised of the increases in ICBC's annual remuneration letter, which must be issued before December 31, 2021.
- If Treasury Board has made a decision on an Appointed Agent increase, it will not be included in the remuneration letter and will be communicated separately to Appointed Agents.

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