

LIVESTOCK OWNERS COMPENSATION BOARD

ACTIVITY PLAN

APRIL 1, 2014 - MARCH 31, 2017




Newfoundland
Labrador

Table of Contents

Chairperson’s Message	1
Overview.....	2
Mandate	3
Core Values and Guiding Principles.....	4
Primary Clients	4
Lines of Business	5
Vision	5
Mission	6
Objective.....	7
Appendix A: Legislated Mandate	8
Appendix B: Strategic Directions	15



Chairperson's Message

Honourable Derrick Dalley
Minister of Natural Resources
Forestry and Agrifoods Agency
Natural Resources Building
P.O. Box 8700
St. John's, NL
A1B 4J6

Dear Minister:

I am pleased to submit a Performance-Based Activity Plan for the Newfoundland and Labrador Livestock Owners Compensation Board, as a category 3 public body under the *Transparency and Accountability Act*. This Plan covers the period from April 1, 2014 to March 31, 2017.

The Newfoundland and Labrador Livestock Owners Compensation Board recognizes the vision and mission of the Forestry and Agrifoods Agency and is committed to its supporting role by administering a livestock insurance program to support livestock producers of the province.

The Newfoundland and Labrador Livestock Owners Compensation Board has reviewed the strategic direction of the Provincial Government in the area of forestry, agriculture and agrifoods, as communicated by the Minister of Natural Resources. As such, this plan has been prepared in support of a direction toward enhanced utilization, sustainability and public awareness of the forestry, agriculture and agrifoods sectors.

My signature below is on behalf of the Newfoundland and Labrador Livestock Owners Compensation Board and is indicative of the Board's accountability for the preparation of this plan and the achievement of the objective contained in this plan.

Respectfully submitted,

A handwritten signature in blue ink that reads "C. MacDonald".

Cynthia MacDonald, P. Ag.
Chairperson

Overview

Section 3(2) of the *Livestock Insurance Act*, R.S.N. 1990, c.L-23 provides for the membership of the Newfoundland and Labrador Livestock Owners Compensation Board. The membership of the Board shall consist of not less than 3 and not more than 5 members to be appointed by the Lieutenant-Governor in Council to hold office at his/her pleasure.

The Board presently consists of the following members:

Cynthia MacDonald - Chairperson, Director of Agriculture Business Development Division, Forestry and Agrifoods Agency, Department of Natural Resources

Gerald Wicks – Provincial Representative, Agriculture Development Officer, Forestry and Agrifoods Agency, Department of Natural Resources

Dr. Peggy Dixon - Federal Representative, Agriculture and Agri-Food Canada

Junior Eveleigh - Producer Representative

Elaine Wells - Producer Representative

The Newfoundland and Labrador Livestock Owners Compensation Board operates under the umbrella of the Forestry and Agrifoods Agency with headquarters in Corner Brook. The Board operates on an annual budget of approximately \$6,500.00. The province covers the administration costs of the program and the producers pay 100 percent of the premiums. These premiums are deposited into a fund from which indemnities are paid. The annual financial statements are audited by the Office of the Auditor General of Newfoundland and Labrador.

The Program Coordinator, who administers the livestock insurance program, is an employee of the Forestry and Agrifoods Agency. Agriculture Development Officers across the province, also employed by the Forestry and Agrifoods Agency, provide inspection services when necessary. These Agriculture Development Officers verify livestock tag numbers on applications that have been submitted by producers. The Agriculture Development Officers are also responsible for verifying any claims for livestock loss, and livestock tag number of the lost animal.

In 2013-14 there were 17 producers enrolled in the livestock insurance program administered by the Board. Through this program, \$2,415.00 was paid out by the Board for livestock losses. Also, indemnity payments of \$5,475.00 from the 2012-13 production year were approved and paid in fiscal year 2013-14 as there was no board quorum in place to decide claims during the 2012-13 year. Indemnity payments were above the ten year average due to a high number of losses from wild dogs and coyotes.

Mandate

The mandate of the Livestock Owners Compensation Board is to establish and carry out a Livestock Insurance Program under the direction, supervision and control of the Minister. The Board shall:

- administer plans of livestock insurance established under the Livestock Insurance Act or the regulations,
- fix by order and publish in the Gazette a final date in each year for the receipt of applications for insurance under a plan,
- conduct surveys and research programs relating to insurance and obtain statistics for the purposes of the Board,
- evaluate and determine livestock losses and pay claims under a plan,
- enter into agreements with or retain persons for the soliciting and receiving of applications for instance, the collecting of premiums and the adjusting of claims under plans for and on behalf of the Board, and the doing of other things on its behalf that the Board considers necessary,
- reinsure with another insurer the risk or a portion of it under a contract,
- require an applicant for livestock insurance or an insured person to provide the information, statements and reports that the Board may require,
- exercise the powers and perform the duties that are conferred or imposed upon it under the Livestock Insurance Act or another Act,
- perform the other functions and discharge the other duties that are assigned to it by the Lieutenant-Governor in Council and,
- make the orders and directions that are necessary to enforce the observance of the Livestock Insurance Act, the regulations or a plan.

Refer to Appendix A for the Board's full mandate.

Core Values and Guiding Principles

The Livestock Owners Compensation Board performs its duties within the core values and guiding principles established by the Forestry and Agrifoods Agency:

Integrity - Each individual will be honest, dependable, fair, credible and trustworthy. They will openly acknowledge mistakes, seek to correct them and learn from them.

Respect and Professionalism - Each individual will apply legislation and policies equitably and will serve the Department's client groups to the fullest extent possible in a timely manner.

Collaboration - Each individual will seek the opinions and ideas of others in the application of legislation and policies.

Innovation - Each individual will demonstrate initiative and flexibility in responding to challenges and change.

Safety – Each employee views the personal safety of themselves and co-workers on the highest regard and will promote workplace safety at all times.

Productive – Each employee will maximize their productivity and efficiency in carrying out their duties.

Continuous Improvement - Each employee will develop their strengths, improve their knowledge, increase their potential and achieve personal growth through continuous education.

Timely – Each employee will conduct their duties in a timely manner and meet all established deadlines.

Primary Clients

The primary clients of the Newfoundland and Labrador Livestock Owners Compensation Board are producers/owners of sheep, beef, dairy, and/or goats in Newfoundland and Labrador.

Lines of Business

The Livestock Owners Compensation Board provides compensation to owners of sheep, goats and cattle in the unfortunate event that their animals suffer injury or death by roaming dogs or other predators such as coyotes, lynx and bears. All types of predator attacks are compensated for provided that the carcass of the injured or dead animal and corresponding ear tag are available for inspection. These program requirements are necessary to reduce the moral hazard that may affect indemnity claims.

Applications for Livestock Insurance are mailed to the producers at the end of each fiscal year, for the upcoming fiscal year. Livestock owners must file identifying tag numbers with the Board at that time along with the premiums payable to the Livestock Owners Compensation Board. The producers forward the completed application to the Agriculture Development Officers who verify the livestock tag numbers. Any claims for livestock loss are reported to the Agriculture Development Officers who are responsible for verifying the claim and the tag number of the insured livestock and taking pictures where possible.

The majority of livestock insured under the program are sheep due mainly to their vulnerability to attack on private and community pastures by roaming dogs and other predators such as coyotes, lynx and bears. A small number of goats and cattle have been insured under the program. The relatively small number of cattle insured is due to their larger physical size compared to most predators.

The premium rates are announced by the Minister of Natural Resources prior to the beginning of the new fiscal year. Producers pay one hundred per cent of the livestock insurance premium and the Department of Natural Resources is responsible for the costs to administer the Livestock Insurance Program.

Vision

Through the Livestock Insurance Program, the Livestock Owners Compensation Board protects investments in livestock. By easing the financial burden caused by livestock loss, the Livestock Insurance Program helps ensure resources are available for future generations and helps ensure prospects for future development. This contributes to the vision of the Department of Natural Resources, stated as follows:

“The vision of the Department of Natural Resources is a province that realizes the full benefit from the sustainable development of its natural resources.”

Mission

Planning guidelines associated with the *Transparency and Accountability Act* encourage all public bodies to consider the development of mission statements. The guidelines provide the flexibility, however, for small public bodies like the Livestock Owners Compensation Board to determine for themselves whether the development of a mission statement will add value to planning efforts. A mission statement, if developed, should represent the priority focus area of a public body and should be accompanied by measures and indicators that will help evaluate success at the end of the planning period.

During the development of its 2014-17 Activity Plan, the Livestock Owners Compensation Board determined that its mandate, as stated above, accurately represents its priority focus and, therefore, a mission statement would be unduly repetitive. As a result, the Board opted to forgo the development of its own mission statement and, instead, to illustrate its role in supporting the mission of the Forestry and Agrifoods Agency, part of the Department of Natural Resources.

The Forestry and Agrifoods Agency's mission statement is as follows:

“By March 31, 2017, the Forestry and Agrifoods Agency will have supported programs and services to strengthen and sustain forestry, agriculture and agrifoods industry development in an innovative and economically beneficial manner.”

The Livestock Owners Compensation Board contributes to agricultural and agrifoods resource development and sustainability by administering the Livestock Insurance program, thereby helping protect producers from financial losses. In this manner it provides general support to the Forestry and Agrifoods Agency's mission. The Livestock Owners Compensation Board determined that it has no material impact on achievement of specific measures and indicators associated with the mission and, as such, no specific mission-related results have been targeted in this plan.

To view the complete mission of the Forestry and Agrifoods Agency, refer to its 2014-17 Strategic Plan which can be found on the Department of Natural Resources' website at www.gov.nl.ca/nr.

Objective

This section of the plan outlines the key priority of the Livestock Owners Compensation Board for the period April 1, 2014 to March 31, 2017. The objective and associated indicators identified for the priority, or “issue”, area apply to each year covered by the plan and will be reported on in relevant annual reports.

Issue 1: Management and Administration of the Livestock Insurance Program

The primary issue of the Livestock Owners Compensation Board is to deliver the livestock insurance plan to the livestock producers of Newfoundland and Labrador who choose to participate and to monitor the sustainability of the insurance fund which accumulates premiums and pays indemnities. The Board is committed to supporting the sustainability of the industry. Providing insurance against predator attacks aids producers in their ability to withstand such losses as well providing stability to enable increased production. In doing so, the Board contributes to the strategic direction of the Provincial Government toward enhanced utilization, sustainability and public awareness of the forestry, agriculture and agrifoods sectors

Objective: The Livestock Owners Compensation Board will have continued to offer an insurance plan to producers under the Act and performed ongoing monitoring and assessment of the insurance fund.

Measure: Offered insurance plan and monitored fund

Indicators:

- Registered all applications
- Issued contracts
- Inspected all tagged livestock
- Inspected all livestock claims
- Reviewed all claims
- Communicated decisions to applicants and paid indemnities, where applicable
- Monitored insurance fund for sustainability, recommended changes as necessary, and implemented approved changes

Appendix A: Legislated Mandate

Source: *Livestock Insurance Act*

Board

3. (1) The Livestock Owners Compensation Board is continued.

(2) The membership of the board shall consist of not fewer than 3 and not more than 5 members to be appointed by the Lieutenant-Governor in Council to hold office during pleasure.

(3) The board shall be under the control of and be responsible to the minister in carrying out the powers, functions and duties conferred by this Act or the regulations.

(4) The board is, for the purposes of this Act and the regulations, an agent of the Crown and may exercise its powers under this Act and the regulations only as an agent of the Crown.

Chairperson and vice-chairperson

4. (1) The Lieutenant-Governor in Council may designate 1 of the members of the board to be chairperson and another to be vice-chairperson of the board.

(2) A majority of the members of the board shall constitute a quorum.

(3) Where, at a meeting of the board, there is an equality of votes inclusive of his or her own vote, the member of the board presiding at the meeting has a 2nd or casting vote.

(4) Where a vacancy occurs in the membership of the board because of the death, resignation or illness of a member, the Lieutenant-Governor in Council may appoint a person to replace the member.

Remuneration of members

5. A member of the board, who is not an officer of a department under the control of a minister of the Crown, may be paid the salary or other remuneration and expenses that the Lieutenant-Governor in Council may determine.

Chairperson to be chief executive officer

6. (1) The chairperson shall be the chief executive officer of the board, shall be charged with the general direction, supervision and control of the business of the board and shall have other powers that may be conferred on him or her by the regulations.

(2) During the incapacity or absence of the chairperson or a vacancy in the office of chairperson, the vice-chairperson, or 1 of the other members of the board designated by the Lieutenant-Governor in Council, has and may exercise the powers of the chairperson and shall discharge his or her duties.

(3) The exercise of the powers of the board shall not be impaired because of a vacancy in its membership.

(4) All acts done by the board shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment or qualification of a person purporting to be a member of the board, be as valid as if that defect had not existed.

Seal

7. (1) The board shall have an official seal which shall be judicially recognized.

(2) Where the official seal of the board is used, it shall be authenticated by the signature of the chief executive officer of the board.

Appointment of staff

8. Subject to the approval of the Lieutenant-Governor in Council, the minister may appoint, in the manner authorized by law, those inspectors, officers and other employees that may be considered necessary for the board, and may pay those persons the remuneration and expenses that the Lieutenant-Governor in Council may determine.

Powers and duties

9. (1) The board shall

- (a) administer a plan;
- (b) undertake studies and research programs relating to livestock insurance;
- (c) evaluate and determine livestock losses and pay claims under a plan;
- (d) require an applicant for or a holder of livestock insurance under a plan to provide the information, statements and reports that the board may require;
- (e) make those orders that are necessary to enforce the observance and carrying out of this Act or the regulations or a plan; and
- (f) exercise and discharge the other powers, functions and duties that the minister assigns to it.

(2) An order of the board made under subsection (1) may be made with retroactive effect.

Rep. by 1996 cR-10.1 s44

10. [Rep. by 1996 cR-10.1 s44]

Appeal board

11. (1) The minister may appoint an appeal board consisting of 3 persons, one of whom shall be designated as chairperson.

(2) At least one of the persons appointed under subsection (1) shall be a person who is or who has been engaged in the production of livestock.

(3) Persons appointed under subsection (1) shall hold office at the pleasure of the minister.

(4) Each member of the appeal board has, in relation to the hearing and determination of a matter, all the powers that are or may be conferred upon a commissioner under the *Public Inquiries Act*.

(5) Subject to the approval of the minister, the members of the appeal board shall make rules of procedure to govern hearings of the appeal board.

Appeals

11.1 (1) An owner of livestock who is registered under a plan, may file an appeal in respect of an action, finding, order or decision of the board, its officers or agents, within 14 days of the disputed action, finding, order or decision.

(2) An appeal is filed under subsection (1) by serving the chairperson of the appeal board and the chairperson of the board with a statement setting out the grounds for the appeal in writing.

(3) The chairperson of the board shall respond to an appeal filed under subsection (1) by serving a written response on the chairperson of the appeal board and on the appellant within 7 days of receiving the appeal.

(4) A decision of a majority of the members of the appeal board is final and binding.

Voluntary arbitration

11.2 (1) An owner of livestock who files an appeal under section 11 and the chairperson of the board may agree to resolve the dispute by voluntary arbitration on those terms as are agreed by the parties.

(2) Where an agreement under subsection (1) provides that no appeal from the arbitration may be made to the appeal board, that provision is valid and the decision of the arbitration is final and binding.

Payment of money

12. All money required by this Act to be paid in respect of registration fees under plans shall be paid to the board.

Fund continued

13. (1) The Livestock Owners Compensation Fund is continued and shall be under the control of the board on behalf of the Crown.

(2) The Minister of Finance, with the approval of the Lieutenant-Governor in Council and on the written request of the minister, may advance to the board for use as working capital those sums that may be stated in the requisition, but the total advances made in each financial year under this subsection shall not exceed \$50,000.

(3) The Minister of Finance, on the written request of the minister, shall pay from the Consolidated Revenue Fund, with money appropriated for the purpose, to the board in each year an amount equal to the amount determined to be the cost to the board of administering this Act and the regulations during that year and for the purpose of the determination, the board shall not later than December 31 in a financial year, prepare, adopt and submit to the minister a budget containing estimates of all sums required by it during the next financial year for the administration.

(4) The board shall credit to the fund

(a) all money advanced or paid under subsections (2) and (3);

(b) the total of all registration fees; and

(c) all other amounts received by the board.

(5) The board shall deposit and keep all amounts credited to the fund in a Canadian chartered bank.

Minute books and accounts

14. The board shall keep regular minutes of all meetings of the board and shall ensure that complete books of financial and other accounts and records are established and maintained.

Administration of fund

15. (1) The board shall administer the fund and pay from it all amounts required to be paid under this Act and the regulations.

(2) Notwithstanding another Act, the money in the fund does not form part of the Consolidated Revenue Fund, and the fund is not a division or part of the Consolidated Revenue Fund, but the money in it is the property of the Crown.

(3) The board may, and shall if so directed by the minister, pay to the Minister of Finance for investment on behalf of the board any money in the fund not immediately required for expenditure, and the Minister of Finance may invest the money or part of it by any or all of the methods by which the Consolidated Revenue Fund may be invested.

(4) Money paid to the Minister of Finance for investment under subsection (3) shall form a trust or special fund and any interest and earnings shall be credited to the account of the board, and the earnings, or a part of them, shall be paid over to the board by the Minister of Finance on the request of the board.

(5) The minister may authorize the Minister of Finance to realize sums invested under subsection (4) and sums so realized shall be paid to the board for the purposes of the administration of this Act and the regulations.

Financial year

16. (1) The financial year of the board shall correspond to the financial year of the province.

(2) The board shall, not later than September 30 in each year, prepare and submit to the minister a financial statement setting out the assets and liabilities of the board and the receipts and expenditures of the board for the previous financial year, together with a report concerning the work of the board during the previous financial year, and the statement and report shall be laid before the Legislature within 15 days after they are submitted to the minister if the Legislature is then sitting, and, if not, then within 15 days after the beginning of the next session.

(3) The financial statement referred to in subsection (2) shall be signed by the chairperson and 1 other member of the board and certified by the auditor general and shall have attached to it a report which the auditor general may have made to the board.

(4) The auditor general shall audit the accounts of the board and has authority to call for and shall be supplied by the board with all books and vouchers which he or she considers necessary for this audit.

(5) The Lieutenant-Governor in Council may, at the times and as often as he or she considers necessary, require the board to provide him or her those reports or information respecting the business and operations of the board, that the Lieutenant-Governor may direct.

Payments from fund

17. (1) Where it is shown to the satisfaction of the minister that livestock

- (a) have been killed or injured by dogs or predators; or
- (b) have died from an injury inflicted by dogs or predators within 7 days from the date on which the injury was inflicted,

the board may, where the owner of the livestock is registered under a plan, on application of the owner compensate the owner from the fund.

(2) The board shall not pay compensation from the fund, unless the owner of the livestock is registered under a plan and unless

- (a) the owner has notified the board or a representative of the board in person, by telephone, facsimile, telegram or by letter of the killing or injuring, within 48 hours of the discovery;
- (b) the owner has filed with the board an affidavit showing
 - (i) the name, address and insurance contract number of the person making the claim,
 - (ii) the number, age and sex of livestock killed or injured by 1 or more dogs or predators in respect of which compensation is claimed,

- (iii) the date of the killing or injuring of the livestock, if known or, where the date is not known, the date of the discovery of the killing or injuring,
 - (iv) the breed of the livestock and whether it is grade or registered, and
 - (v) the name, if known, of the owner of the dog or predator involved in causing the damage; and
- (c) the board has received an affidavit in verification of the matters stated in the owner's affidavit made by a Provincial Court judge, justice of the peace, notary public, commissioner for oaths or an official of the department, and the affidavit required under this paragraph may be made according to the best of the information and belief of the deponent.

(3) In calculating the period of 48 hours referred to in paragraph (2)(a), Sundays and holidays shall not be counted.

(4) Notwithstanding anything to the contrary in this Act, the board shall not pay out of the fund in respect of a claim more than a sum to be determined in accordance with the amounts prescribed under section 20.

Payment of government debts

18. Where the board is required to pay money out of the fund to a claimant who is indebted to the Crown or to a department of government or to a board or other body which is an agent of the Crown, the board shall, notwithstanding anything to the contrary in this Act, retain from that money and forward to the Minister of Finance for credit to the Consolidated Revenue Fund an amount equal to the indebtedness of the claimant.

Subrogation of board

19. (1) Where compensation is paid under section 17, the board is subrogated to all rights of recovery of persons receiving the compensation against the owner of a dog which caused the loss in respect of which the compensation was paid and the board may bring an action in the name of the board to enforce those rights against the owner of that dog in respect of the compensation so paid.

(2) All money recovered by the board under subsection (1) shall be paid into the fund.

Amount of compensation to be prescribed

20. The minister shall, not later than March 31 in each year, prescribe the amount in respect of each class of livestock that may be paid out of the fund for losses caused by dogs or predators during the period from April 1 to March 31 following.

Non-application of Acts

21. Without prejudice to the rights, privileges, benefits or exemptions which may be vested by law in the board because of its being an agent of the Crown, nothing contained in

- (a) the *Insurance Adjusters Act*;
- (b) the *Insurance Companies Act*; and
- (c) the *Insurance Contracts Act*,

shall apply to the board or a matter or thing done under this Act or the regulations.

Appendix B: Strategic Directions

Strategic directions are the articulation of desired physical, social or economic outcomes and normally require action by more than one government entity. These directions are generally communicated by government through platform documents, Throne and Budget Speeches, policy documents and other communiqués. The *Transparency and Accountability Act* requires departments and public bodies to take into account these strategic directions in the preparation of their performance-based plans. This action will facilitate the integration of planning practices across government and will ensure that all entities are moving forward on key commitments.

The Livestock Owners Compensation Board needs to consider Strategic Directions as communicated to the Forestry and Agrifoods Agency by the Minister of Natural Resources. For the 2014-17 planning period, these directions are outlined in the table below.

Title	Natural Resource Development (Forestry, Agriculture and Agrifoods)
Outcome Statement	Enhanced utilization, sustainability and public awareness of the forestry, agriculture and agrifoods sectors.
Focus Areas	Industry Development Research and development Awareness and Education Resource Sustainability

The priority and initiatives outlined in the Board’s 2014-17 Activity Plan are supportive of these Strategic Directions. The table below clearly identifies which of strategic direction focus areas are addressed in the activity plan and which ones do not apply to the Board.

Strategic Direction Component (Focus Area)	This direction is ...	
	addressed in the entity’s Activity Plan	not applicable
Industry Development		X
Research and Development		X
Awareness and Education		X
Resource Sustainability	X	