

## **Bluetongue Insurance for Sheep Frequently Asked Questions About Bluetongue Insurance**

### **Q1. What is Bluetongue Insurance for Sheep?**

Bluetongue Insurance Policy for Sheep is a commercial insurance program endorsed by the Canadian Sheep Federation and financially assisted by Agriculture and Agri-Food Canada. It is designed to provide Canadian sheep producers with affordable coverage for mortality, business interruption and consequential losses due to Bluetongue.

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### **Q2. Why should I buy insurance for Bluetongue?**

Bluetongue is a midge-borne, viral disease that can kill sheep. In Europe over 1.5 million sheep have been lost to Bluetongue disease since 1998. An outbreak of Bluetongue in Wyoming claimed over 300 sheep.

Insurance for Bluetongue will provide Canadian sheep farmers with peace of mind by protecting their income and assets in the event of an outbreak of Bluetongue disease.

Bluetongue Insurance does not replace government assistance programs or compensation provided under the federal *Health of Animals Act (1990 c.21)*. It does provide coverage for losses not normally covered through government programs.

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### **Q3. Why do we not vaccinate as they do in other countries?**

There are 25 known serotypes of Bluetongue virus world wide. A serotype is a subdivision of virus strains. Five serotypes occur in the United States. Following planned regulatory changes, all serotypes, except the five which are indigenous to North America, will remain reportable to the Canadian Food Inspection Agency (CFIA) under the federal Health of Animals Act (1990 c.21). Today, there is no approved vaccine for Bluetongue in Canada. An effective vaccination program would require vaccinating animals against all expected serotypes and any new or emerging strains of the disease. This is not possible or practical at this time.

The new Bluetongue Insurance Policy for Sheep has been designed in such a way that producers who have coverage, and have been diagnosed with any of the 25 serotypes of Bluetongue, will receive compensation above and beyond CFIA compensation.

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### **Q4. Who can apply?**

Any sheep farmer in Canada can apply for coverage.

**Q5. Is Bluetongue Insurance mandatory for sheep farmers?**

No, the program is strictly voluntary.

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**Q6. What is the term of Bluetongue Insurance?**

Bluetongue Insurance provides coverage annually. Coverage must be renewed each year.

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**Q7. When is Bluetongue Insurance available?**

Bluetongue Insurance is available now. Applications for Bluetongue Insurance coverage will be accepted until June 30, each year.

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**Q8. What losses will this insurance cover?**

Bluetongue Insurance will cover producers for: mortality; consequential loss (drugs and treatment materials; veterinary fees; diagnostic fees; humane euthanasia) and; business interruption (loss of productive capability, additional feeding and management costs).

As all serotypes of Bluetongue remain on the Canadian Food Inspection Agency's (CFIA) reportable disease list, the new policy has been designed in such a way that producers who have coverage, and have been diagnosed with *any* of the 25 serotypes of Bluetongue, will receive compensation above and beyond CFIA compensation.

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**Q9. Will the policy cover the market value of sheep? What happens if the market value changes?**

The value of the animal is predetermined and is defined in the policy. This value will be reviewed annually to ensure it keeps pace with the market value. If the market value of the animal changes during the life of the policy, the change in market value will have no impact on the settlement price in the event of a loss.

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**Q10. Are there policy conditions?**

There are a number of conditions that must be met to be eligible for insurance coverage under Bluetongue Insurance Policy for Sheep:

- All sheep on the farm must be insured
- Sheep must be healthy at time coverage begins
- The *Health of Animals Act (1990, c.21)* applies
- Sheep must be owned by the insured
- Coverage ceases once ownership is transferred
- Animals must remain within Canada
- The insured must maintain reasonable care of the animals
- The insured must agree to notify the insurer of any possible claim immediately
- Proof of loss must be filed within 60 days.

**Q11. Are any other diseases covered?**

Not at this time. As the livestock insurance program develops, insurance coverage for other diseases may be offered.

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**Q12. Can I buy additional or supplementary insurance?**

Not at this time. As the livestock insurance program develops, additional or supplementary insurance coverage may be offered.

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**Q13. How much will Bluetongue Insurance cost?**

Premiums for Bluetongue Insurance vary by province reflecting differences in risk. Depending on your province of residence coverage will 0.55 -1.78% of the sum insured.

Coverage levels, by province are outlined below:

**2009 BT Insurance Premiums – By Province of Residence**

<b>Province</b>	<b>Premium Levels</b>
British Columbia	1.78%
Alberta	0.75%
Saskatchewan	0.74%
Manitoba	0.73%
Ontario	0.88%
Quebec	0.96%
New Brunswick	0.85%
Nova Scotia	0.65%
Prince Edward Island	0.63%
Newfoundland/Labrador	0.55%

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**Q14. Will a claim result in higher premiums next year?**

At the end of each year, the insurer will review the claims against what was anticipated when calculating the original rates. If the experience of the country and provinces was in line with expectations then there is unlikely to be any change in rates. Therefore if you as an individual make a claim it will not necessarily result in higher premiums.

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**Q15. How was the new insurance program designed?**

Bluetongue Insurance for Sheep was endorsed by the Canadian Sheep Federation working with the **BMS Group**, the project consultant. Founded in 1980, **BMS** services clients from locations in London, Bermuda and North America, focusing on Reinsurance, Program and Specialist Insurance broking. In 2006 the Group's turnover was £55.0 million. For more information please visit [www.bmsgroup.com](http://www.bmsgroup.com).

**Q16. How is this new insurance program being delivered?**

This is a commercial insurance program. Bluetongue Insurance is provided by the **Echelon General Insurance Company** in conjunction with their retail broker **The Precept Group Inc.** and supported by **Sylvite Financial Services Inc.** **The Precept Group Inc.:** Insurance and Risk Management was formed in 1998 with the merger of three well established insurance brokerage firms, with roots going back to 1912. **Sylvite Financial Services Inc.** is a division of the Sylvite Group of Companies, one of Canada's largest diversified agricultural services companies. Initially formed to meet the insurance needs of the farmer, Sylvite Financial Services Inc. has evolved into an innovative and dynamic financial services firm with deep roots in the Agricultural markets.

Reinsurance will be provided by **Endurance Reinsurance of America** (Endurance Re, a Delaware domestic insurer and reinsurer with policyholders surplus of \$592,863,197 as of December 31, 2007. Endurance Re is a subsidiary of Endurance Specialty Holdings Ltd., a Bermuda based specialty provider of insurance and reinsurance on a global basis, with over 700 employees. Endurance Specialty Holdings Ltd. is publicly traded on the NYSE (ticker symbol: ENH) with \$7 billion in assets and over \$2 billion in shareholders' equity.

The diagram in Appendix A is designed to give you a picture of the insurance relationships which support the Bluetongue Insurance Policy for Sheep.

**Q17. How can I get a copy of sample policy wording and an application form for 2009?**

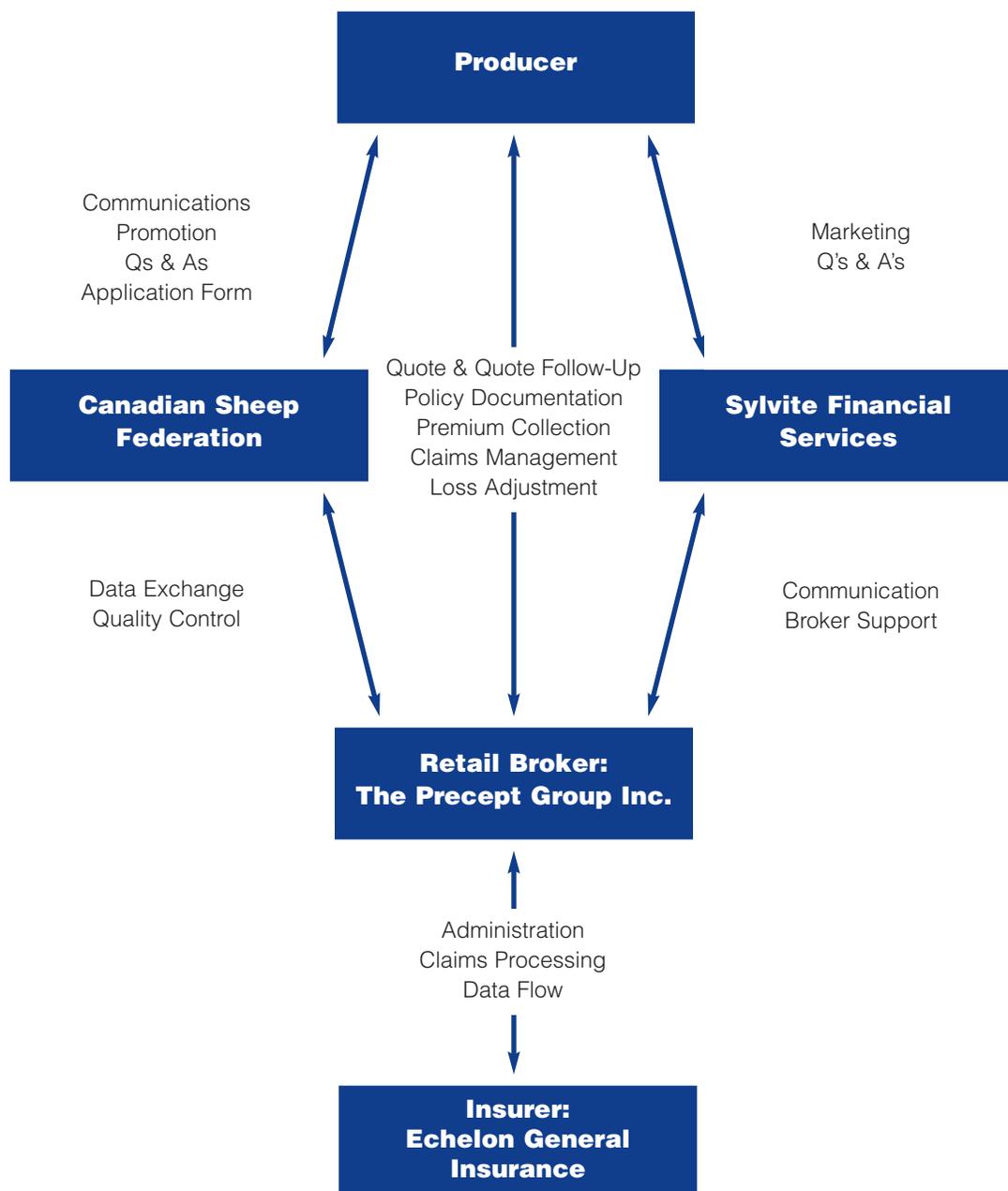
You can get a copy of the sample policy wording and application form for 2009 by writing, faxing or calling:

**Canadian Sheep Federation**  
130 Malcolm Road  
Guelph, ON  
N1K 1B1  
Phone: 519.824.6018  
Fax: 866.909.5360

You can also download the application form and sample policy wording on-line at: [www.cansheep.ca](http://www.cansheep.ca)

## Appendix A Bluetongue Insurance for Sheep How it Works

This illustrates the insurance relationships which support the Bluetongue Insurance Policy for Sheep.





## **Bluetongue Insurance for Sheep Frequently Asked Questions**

### **About the Application & Claims Process**

#### **Application Process**

Bluetongue Insurance Policy for Sheep is available now by contacting the Canadian Sheep Federation.

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You can obtain an application form, sample policy wordings and key features of the insurance package by writing, faxing or calling your request to:

#### **Canadian Sheep Federation**

130 Malcolm Road  
Guelph, ON  
N1K 1B1  
Phone: 519.824.6018  
Fax: 866.909.5360

or by downloading the form from the CSF website at [www.cansheep.ca](http://www.cansheep.ca)

The application form will provide you with further instructions on how to submit your application. One copy of the application will be retained by the Canadian Sheep Federation.

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You must apply for Bluetongue Insurance before June 30, each year. Applications will not be considered after this date.

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Bluetongue Insurance is provided by the Echelon General Insurance Company in conjunction with their partners Sylvite Financial Services Inc. and administrative broker The Precept Group Inc. Sylvite Financial Services Inc. is a division of the Sylvite Group of Companies, one of Canada's largest diversified agricultural services companies. Initially formed to meet the insurance needs of the farmer, Sylvite Financial Services Inc. has evolved into an innovative and dynamic financial services firm with deep roots in the agricultural markets. The Precept Group Inc.: Insurance and Risk Management was formed in 1998 with the merger of three well established insurance brokerage firms, with roots going back to 1912.

**Q1. When is Bluetongue Insurance available?**

**Q2. How do I apply?**

**Q3. What is the cut-off date for application?**

**Q4. Who is the Insurance Broker for this program?**

**Q5. What is the role of the Retail Insurance Broker?**

Generally, the Retail Broker is responsible for managing the day to day relations with the customer including: product marketing and sales, managing the application process, collecting and maintaining data necessary to run the program, answering customer inquiries, receiving and forwarding claims to the program administrator.

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**Q6. Is there a number that I can call to speak to an insurance expert about my needs?**

Yes. You may call **1-866-820-4236** to speak to an insurance agent about Bluetongue Insurance for Sheep.

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**Q7. When do I apply for next year?**

A notice of Bluetongue Insurance availability will be provided on the CSF website and through our monthly Producer Newsletter *"From the Flock"*.

**Claims Process**

If you suspect that your sheep may have contracted Bluetongue disease, call your veterinarian. Only a veterinarian can confirm the presence of Bluetongue and the specific serotype of the disease.

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**Q8. How will I know when to report a claim?**

Once you have called your veterinarian, and Bluetongue disease is confirmed, then you may make a claim for your losses. Specific compensation under the Bluetongue insurance program will depend on the serotype of the disease, the losses that you have sustained and whether or not it is a reportable disease under the federal *Health of Animals Act (1990, c.21)*.

It is important that you notify the retail broker immediately if you suspect that you have a claim. Proof of loss to support a claim must be filed within sixty (60) days.

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**Q9. What is the process for reporting a claim?**

The process for reporting and making a claim is outlined in Appendix B.

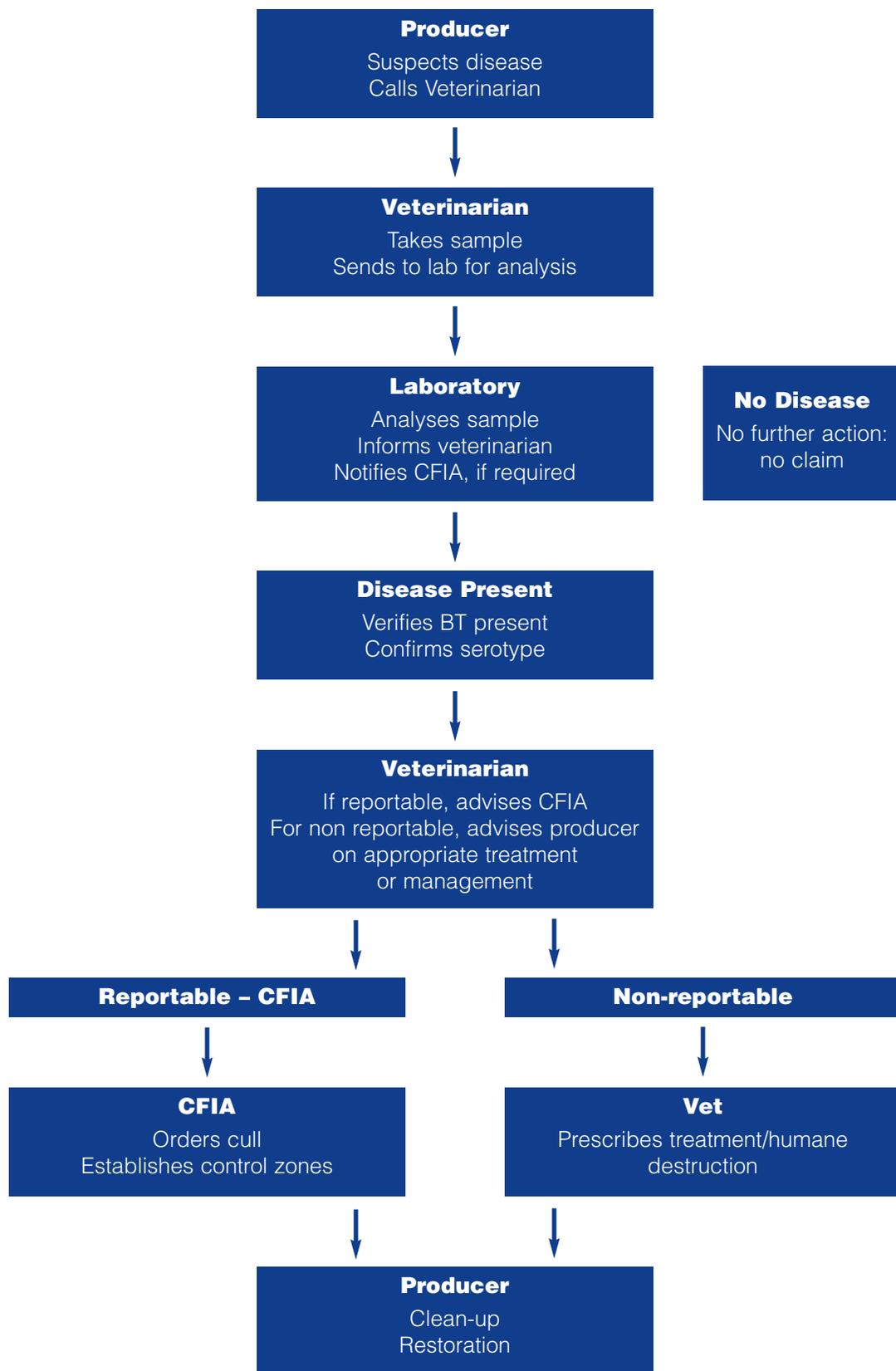
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**Q10. What happens if my claim is refused?**

Resolution and appeal of disputes are the responsibility of the retail broker. If your claim is refused you may appeal the decision in writing to the Retail Broker, Precept Group Inc.

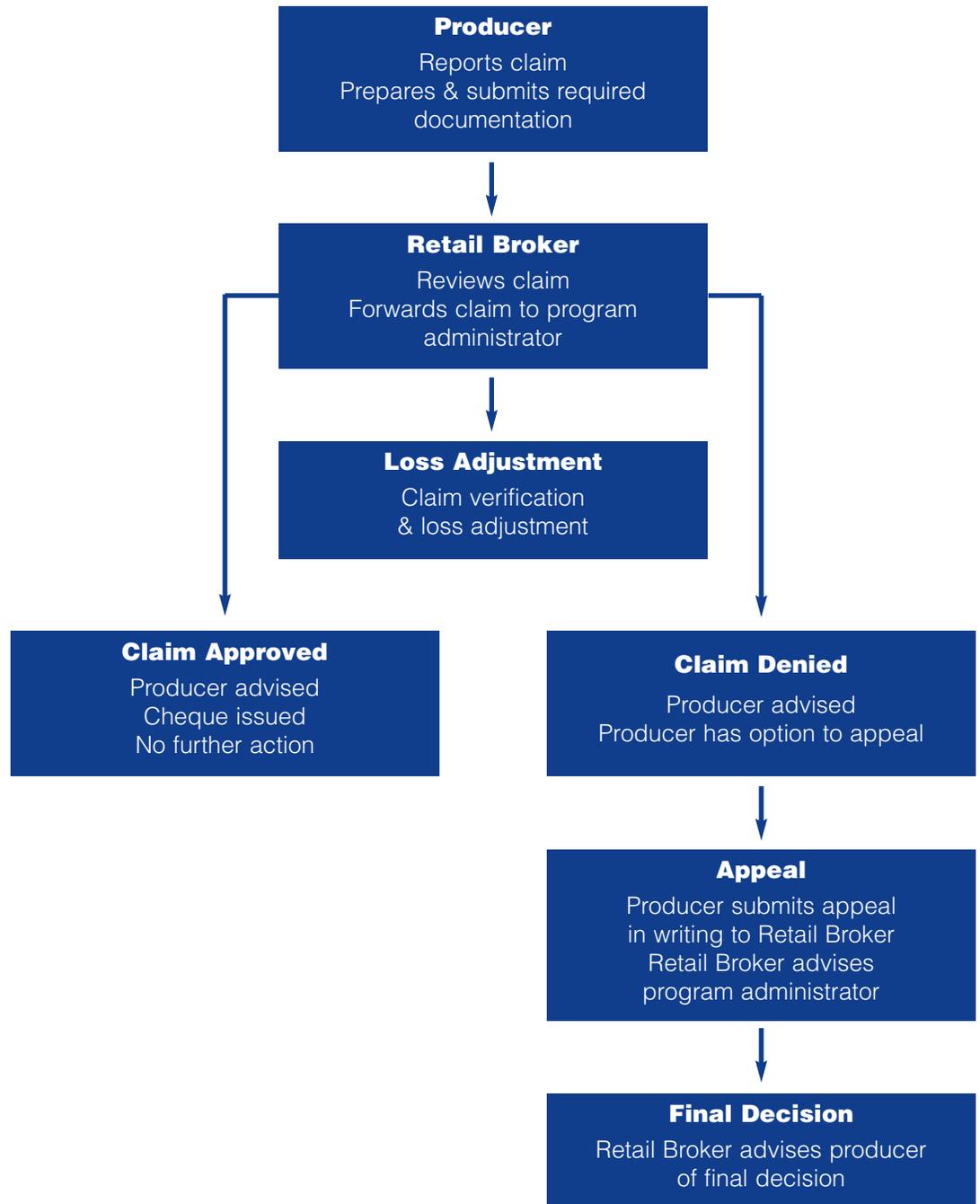
## Appendix B Bluetongue Insurance for Sheep Claims Process

This appendix describes the process of a claim with the Bluetongue Insurance Policy for Sheep.



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## **Bluetongue Insurance for Sheep Frequently Asked Questions About Bluetongue Disease**

### **Q1. What is Bluetongue Disease?**

Bluetongue disease is caused by the Bluetongue virus. It is a disease that is transmitted from animal to animal by an insect – the *Culicoides* midge. The virus attacks the lining of blood vessels in the tissues and organs of affected animals. The disease is most severe in sheep and in some species of deer. It is often milder in cattle, goats, buffalo and antelope.

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### **Q2. Are there different strains of the virus?**

There are 25 serotypes of Bluetongue virus world wide. A serotype is a subdivision of virus strains. Five serotypes occur in the United States. Following planned regulatory changes, all serotypes, except the five which are indigenous to North America, will remain reportable to the Canadian Food Inspection Agency (CFIA) under the federal *Health of Animals Act (1990 c.21)*.

In Canada, the Bluetongue virus has been reported in cattle, in the Okanagan Valley in British Columbia. New exotic strains of the virus have been recently encountered in Northern Europe. These strains have resulted, in some cases, in severe clinical disease in cattle. New strains have also been shown to be transmitted from mother to offspring.

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### **Q3. What are the symptoms of Bluetongue Disease?**

Symptoms may vary in severity but include high fevers in excess of 40°C (104° F), salivation, swelling of the face, ears and body. Erosion of the lining of the tongue and oral cavity and occasionally cyanosis of the tongue give the disease its name.

Sheep can also present with lameness due to inflammation of the hooves, diarrhea and pneumonia. Abortion and deformity of the fetus have also been reported. Fatality rates can run from 20% to 50% depending on the natural immunity of the flock and the predominant strain of the disease. For those animals that survive, recovery can be very slow.

**Always call your Veterinarian if you suspect any disease may be affecting your sheep. Only a trained professional can diagnose and confirm the presence of Bluetongue disease.**

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### **Q4. How do sheep get infected?**

Sheep can contract Bluetongue disease when exposed to the Bluetongue virus carried by *Culicoides* midges – an insect vector. The midges pick up the virus by feeding on infected carrier animals such as cattle and deer. The virus is then transmitted to sheep during the midge's next blood meal.

While there are hundreds of species of *Culicoides* midges, only one is considered capable of transmitting the Bluetongue virus (*C. sonorensis*). In Canada, its range is limited to Southern Canada, along the United States border.

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**Q5. How can I protect my sheep against this disease?**

This is a viral disease transmitted through insects; so, it is difficult to prevent the disease entirely through improved biosecurity measures. It is thought that carrier animals may keep Bluetongue disease present from year to year and serve as a source of the virus to the local midge population. As the midge can be windborne for many kilometres, the disease can jump to a new area quite suddenly. Identification and removal of infected animals and protection of livestock from midge feeding form the basis for a disease control program. Some simple husbandry changes and practical midge control measures may help break the livestock infection cycle.

Housing livestock during times of maximum midge activity (from dusk to dawn) may lead to significantly reduced biting rates. Similarly, protecting livestock shelters with fine mesh netting or coarser material impregnated with insecticide will reduce contact with the midges.

The *Culicoides* midges that carry the virus usually breed on animal dung and moist soils, either bare or covered in short grass. Identifying breeding grounds and breaking the breeding cycle will significantly reduce the local midge population. Turning off taps, mending leaks and filling in or draining damp areas will also help dry up breeding sites. Dung heaps and straw bedding should be removed at least weekly to break the midge breeding cycle.

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**Q6. Is Bluetongue disease transmissible to humans?**

There are no reports of human transmission.

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**Q7. Have there been any cases of Bluetongue reported in Canada?**

Bluetongue has been reported in cattle, in the Okanagan Valley, British Columbia. Bluetongue has been observed in Australia, the USA, Africa, the Middle East, Asia and Northern Europe. Its occurrence is seasonal in the affected Mediterranean countries, subsiding when temperatures drop and hard frosts kill the adult midge vectors. Bluetongue has been spreading northward since October 1998, perhaps as a result of global warming which may promote viral survival and vector longevity during milder winters.

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**Q8. What is the treatment for Bluetongue disease?**

There is no efficient treatment. Prevention is effected via quarantine, inoculation with live modified virus vaccine (available in the United States and restricted to some states only) and control of the midge vector.

Source: [http://en.wikipedia.org/wiki/Bluetongue\\_disease](http://en.wikipedia.org/wiki/Bluetongue_disease); with input by Dr. Paula Menzies, University of Guelph and Penny Greenwood, Canadian Food Inspection Agency;

## Q1. What is Private Sector Risk Management Partnerships?

## Bluetongue Insurance for Sheep Frequently Asked Questions Private Sector Risk Management Partnerships (PSRMP)

Private Sector Risk Management Partnerships (PSRMP) is a federal initiative that offers financial and technical assistance to producer organizations for new agricultural risk management projects.

- PSRMP looks for projects that deal with predictable risks which may represent a significant threat to an individual farm operation but generally only a minor risk to the sector or its market. These projects focus on risks that are not currently covered by government programs or the private sector.
- Canadian national, regional or provincial producer organizations representing member-producers who are directly involved in the production of agricultural products are eligible for assistance.

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### For more information:

#### Agriculture and Agri-Food Canada

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*Agriculture and Agri-food Canada is pleased to participate in the production of this program, and is committed to working with our industry partners to increase public awareness of the importance of the agri-food industry to Canada.*

**Growing Forward**, a federal-provincial-territorial initiative.

**Cultivons l'avenir**, une initiative fédérale-provinciale-territoriale.

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