



**B.C.'s Modernized Emergency
Management Legislation:
Re-Imagining Financial Assistance
After Emergencies**



Ministry of Emergency Management and Climate Readiness

Executive Summary

Modernized Legislation

The Province intends to introduce a modernized emergency management statute during the fall 2023 legislative session. The new statute seeks to align British Columbia's approach to emergency management with the U.N. Sendai Framework on Disaster Risk Reduction and reflects several key policy shifts. These include an acknowledgment of the linkage between climate change and increasing emergencies, all four phases of emergency management, and recognition of the inherent rights of Indigenous Peoples. More background on the modernization project and details on the policies included in this proposed legislation can be found in the following technical paper: [B.C.'s Modernized Emergency Management Legislation: A New Framework for Disaster Risk Reduction, Response, and Recovery](#).

Financial Assistance

Under the current Emergency Program Act, regulations set out a framework for providing financial assistance (commonly referred to as "disaster financial assistance" or "DFA") to restore uninsurable

losses that are essential to homes, livelihoods, or communities. The program is not designed to cover all losses; rather, it supports the reestablishment of basic essentials.

Financial assistance is not available for all emergencies or disasters. For DFA to apply, the government must declare an event as being "eligible" before applications for financial assistance can be made. Damages submitted must qualify according to the regulation.

Reimagining Financial Assistance

With the introduction of the new statute, new regulations are needed to align with the modern principles and approach to emergency management. The Ministry of Emergency Management and Climate Readiness will be developing a suite of regulations to align with the modernized statute, including a regulation to replace the existing regulation for financial assistance.

The increased frequency and severity of climate-related events over the last several years has led to a steady rise in applications for financial assistance and has increased the complexity of those applications. As a result of these trends, and the age of the regulation, the regulatory framework is in need of a full re-examination to ensure it meets the needs of British Columbians. Reimagining how the government provides financial assistance aligns with the fourth priority of the United Nations Sendai Framework for Disaster Risk Reduction, which speaks to building back better in recovery, rehabilitation, and reconstruction.

This paper outlines a set of principles relevant to the development of a modernized financial assistance program. Each principle is important, but the principle of financial viability is a key consideration: at its core, the financial assistance program is funded by the Province and its design must balance the needs of people affected by emergencies and disasters with the full spectrum of other needs faced by British Columbians.

A Phased Approach

The Government of Canada is leading initiatives that may influence the new regulation, including updates to the federal Disaster Financial Assistance Arrangements program, which reimburses provinces and territories for a portion of recovery costs. Funding for that work begins in 2023/24. The Province plans to align the new provincial regulation with the updated federal program to ensure program alignment and maximize cost sharing opportunities. In addition, the federal government committed \$31.7 million over three years in Budget 2023 to creating a low-cost flood insurance program, aimed at protecting households at high risk of flooding and without access to adequate insurance. This is expected to have impacts on the need for financial assistance for flood events.

The Ministry of Emergency Management and Climate Readiness is taking a phased approach to the new regulations for financial assistance and anticipates Phase 1 will be completed in 2024. To align with federal initiatives and to provide time for in-depth analysis

of complex issues, some aspects of the regulatory updates are expected to be completed in Phase 2, targeting 2025.

Policy Areas for Consideration

This paper identifies six broad areas of opportunity for reform and includes related key questions. The Ministry of Emergency Management and Climate Readiness welcomes responses to any or all of these questions, as well as general comments on any topic related to regulations for financial assistance.

Topic 1: Clarifying Event Eligibility

The current regulation does not include criteria for determining how or when to declare an event eligible for financial assistance. Instead, event eligibility has historically been determined through [Policy 5.09 \(DFA Application\)](#). Factors considered currently include the type of disaster, whether there are eligible losses, the scope of impact, and the extent of damage. Regulations for event eligibility criteria could increase consistency and transparency in how events are declared eligible for financial assistance.

Topic 2: Considering the Availability of Insurance

The current regulation is based on the principle that insurance should be purchased whenever it is “reasonably and readily available.” In cases where the Ministry of Emergency Management

and Climate Readiness determines that insurance was reasonably and readily available, the regulation can prevent financial assistance from being paid. However, the insurance landscape is changing at a time when the need for insurance is high. Modernizing the regulations for financial assistance will require an examination of what “reasonably and readily available” means in relation to current levels of risk.

Topic 3: Modernizing Program Coverage

The current regulation limits who is eligible for financial assistance, what costs the Province can reimburse, and how much funding can be provided. By updating the terms, definitions, and funding formulas that determine program coverage, the new regulation can improve the Province’s ability to support British Columbians as they recover from emergencies.

Topic 4: Meeting the Needs of Indigenous Applicants

Co-development of the modernized statute with First Nations means that the legislation will speak to concepts such as cultural safety and Indigenous knowledge. The modernized regulations for financial assistance will also be co-developed. This includes examining concepts of unique importance to Indigenous applicants, such as how the regulation should support First Nations communities on

reserve lands or treaty lands, along with Indigenous Peoples living elsewhere in B.C. The provincial government provides financial assistance to First Nations Peoples and communities on reserve lands through a bilateral service agreement with Indigenous Services Canada.

Topic 5: Building Forward for Resilience

The current regulation includes recovery funding requirements that limit actions to reduce future disaster risk. For example, funding homes and infrastructure to be rebuilt to pre-disaster standards can be an obstacle to building back in a way that reduces vulnerability to future hazard risk. As the modernized regulation is being designed, consideration will be given to financial assistance that enables changes to design, materials, or other things that may reduce the likelihood of future losses.

Topic 6: Maximizing Alignment and Flexibility

Terms of the current regulation limit access to multiple sources of funding for recovery, which is challenging for public sector applicants trying to maximize financial assistance opportunities. Work is currently underway within the Ministry of Emergency Management and Climate Readiness to overcome these challenges, and a new regulation will build on this work. In modernizing the regulation, consideration will be given to ways to reflect the roles played by different assistance programs and to ensure public sector applicants can access a wider range of recovery funding sources.



Additional Areas for Regulatory Reform

While these six broad policy areas represent the planned focus of regulatory policy development, other policy areas may be explored based on input provided in response to this discussion paper.

See [Appendix 1](#) for a summary of all key questions, and [Appendix 2](#) for a summary of the relevant regulation-making authorities that will be provided by the modernized statute.

Feedback

You can provide feedback in the following ways:

- By email to modernizeEM@gov.bc.ca. Submissions will be accepted until December 31, 2023.
- Watch our website for up-to-date information on supports, upcoming engagement and co-development activities: www.gov.bc.ca/EmergencyManagementAct. You can subscribe to the page to receive updates.

The new regulations will improve and strengthen the Province's post-emergency financial assistance system. With your help, we will create safer, more resilient communities for all British Columbians.

Contents

Executive Summary	2
<i>Modernized Legislation</i>	2
<i>Financial Assistance</i>	2
<i>Reimagining Financial Assistance</i>	2
<i>A Phased Approach</i>	3
<i>Policy Areas for Consideration</i>	3
<i>Feedback</i>	5
Introduction	7
<i>What are Regulations?</i>	7
<i>Regulation Content</i>	8
<i>How the Current Program Works</i>	8
<i>Private Sector Applicants</i>	9
<i>Public Sector Applicants</i>	9
<i>Recent Changes to the Regulation</i>	9
Principles for a Modernized Regulation	10
Financial Assistance – Identified Policy Areas	12
<i>Clarifying Event Eligibility</i>	12
<i>Considering the Role of Insurance</i>	13
<i>Insurance: Private Sector Applicants</i>	13
<i>Insurance: Public Sector Applicants</i>	14
<i>Modernizing Program Coverage</i>	15
<i>Applicant Eligibility</i>	15

<i>Eligible Expenses</i>	16
<i>Rethinking the Private Sector Funding Formula</i>	16
<i>Terms and Definitions</i>	17
<i>Meeting Indigenous Applicant Needs</i>	17
<i>Eligible Costs</i>	18
<i>Assessment and Evaluation Processes</i>	18
<i>Improving Alignment with Indigenous Services Canada Processes</i>	18
<i>Building Forward for Resilience</i>	19
<i>Private Sector</i>	20
<i>Public Sector</i>	20
<i>Maximizing Alignment and Flexibility</i>	21
<i>Increasing Recoverable Costs</i>	22
Conclusion	23
Next Steps	23
Appendix 1: Summary of Discussion Questions	23
Appendix 2: Relevant Regulations Authorized by the Modernized Statute.....	25



Introduction

Thank you for your interest in the future of B.C.'s regulations for financial assistance. Feedback provided in response to this discussion paper will play a significant role in developing regulations for financial assistance.

Information on *why* the government is modernizing its emergency management statute and regulations, including these regulations for financial assistance, can be found in the Executive Summary, above, and on our [website](#).

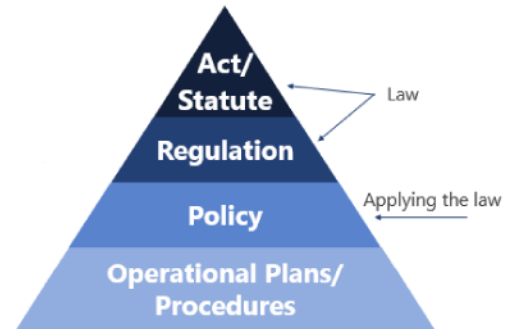
Timelines for completion of key related federal initiatives such as developing a flood insurance program and changes to the Disaster Financial Assistance Program are expected to be extended through 2024. Given the critical need to align with these initiatives, the Ministry of Emergency Management and Climate Readiness is taking a two-phase approach to developing the new regulation, with completion of Phase 1 targeting 2024 and Phase 2 targeting 2025. Background on this approach can be found in the [Executive Summary](#), above.

The Ministry of Emergency Management and Climate Readiness will also be co-developing the regulations with First Nations in alignment with the Province's obligation to ensure that the laws of B.C. are consistent with the United Nations Declaration on the

Rights of Indigenous Peoples. For background on why B.C.'s modernized emergency management legislation is being co-developed, see the [Declaration on the Rights of Indigenous Peoples Act](#) and the [Interim Approach to Implement the Requirements of Section 3 of the Declaration on the Rights of Indigenous Peoples Act](#).

What are Regulations?

The statute, also referred to as an Act, sets the overall framework for emergency management in B.C. It establishes the key requirements, powers, and responsibilities of regulated entities.



Regulations provide finer details on areas identified in the statute. For example, the emergency management statute will authorize the government to declare that an event is eligible for financial assistance, and the regulations can specify certain details, such as

criteria that need to be met for this kind of declaration to be made. The process for amending regulations to reflect learnings or needs from future events is also more streamlined than the process for amending the statute.

The statute will identify what may be outlined or required in regulation. In other words, it will provide authority for regulations. However, while certain topics will be authorized to be addressed in regulations, the existence of this authorization does not necessarily mean that regulations will be made for those topics. Some matters may be better addressed through policy. Policy, along with operational plans and procedures, can provide guidance to ensure the legislation functions as intended.

This engagement process will help determine which details should be considered for inclusion in regulation rather than in policy, plans, or procedures.

Regulation Content

The current regulation includes nearly the entire legislative framework for the payment of financial assistance. It authorizes the government to declare events as eligible for financial assistance and includes provisions to establish the eligibility of people, businesses, and communities, to set out application and adjudication procedures, to determine the types of losses that are eligible for coverage under the program, to determine the amounts payable, and to provide for the recovery of overpayments. The full text of the current regulation can be viewed on the [BCLaws website](#).

Some aspects of the current regulation have been brought into the new statute. These include provisions that authorize the government to declare events as eligible for financial assistance, to set out application and adjudication procedures, and to provide for the recovery of overpayments; however, all of these either require or contemplate the making of regulations to ensure these provisions function as intended.

The core parameters for the financial assistance program will be contained within the modernized regulation. For a summary of the types of regulations the new statute will authorize for this program, see [Appendix 2](#).

How the Current Program Works

The current program is intended to provide financial assistance for sudden, unexpected, and uninsurable losses caused by an eligible emergency event. Under the current regulation, the Lieutenant Governor in Council or the Minister of Emergency Management and Climate Readiness can authorize an event as eligible for financial assistance. In determining whether an event is eligible, several factors are considered, including the type of disaster, whether there are eligible and uninsurable losses, the scope and scale of the impacts, the extent of damage, and the number of people and businesses affected.

Once an event is declared eligible, applicants may apply as individuals, local governments, First Nations, small businesses, farm operations, or charitable organizations. For losses to be eligible,

they must be uninsurable,¹ which means that insurance was not “reasonably and readily available.”

Not all uninsurable losses are eligible for coverage under the program. The current regulation includes lists of eligible expenses. Examples of eligible expenses include building repairs or restoration, replacement of essential personal items, equipment, or inventory, and site clean-up and debris removal. The regulation also includes lists of ineligible expenses. Examples of ineligible expenses include costs related to seasonal or recreational structures, eroded or damaged land, landscaping, loss of operational income, and outbuildings and their contents. A complete list of eligible and ineligible expenses can be found in [schedules 1-5 of the current regulation](#).

Private Sector Applicants

Once an event is declared eligible, private sector applicants – including individuals, small businesses, farm operations and charitable/volunteer organizations – can apply for financial assistance to repair or restore eligible property and structural damage based on the program’s definitions of eligible costs. Currently, financial assistance is provided for each eligible claim at 80 per cent of the estimated total damage greater than \$1,000, to a maximum of \$400,000.

¹ The current regulation provides an exception for local governments that have self-insured.

Public Sector Applicants

Once an event is declared eligible, First Nations and local government bodies can apply for financial assistance to restore damaged infrastructure. The regulation includes a cost-share calculator to determine the percentage that the Province will contribute to recovery projects based on the population of a community. Municipalities and regional districts contribute between 5 and 10 per cent of the total project cost, depending on the size of the local population and the dollar value of the accepted claim, and the Province contributes 90 to 95 per cent. For local government bodies other than municipalities and regional districts, the local government body contributes \$1,000 plus 5 per cent of the balance of the accepted claim.

Recent Changes to the Regulation

In 2021, a severe atmospheric river event caused devastating landslides and flooding resulting in wide-ranging catastrophic impacts on infrastructure and transportation systems, local governments and communities, farming and agriculture, small business owners, individuals, and families. The ministry received an unprecedented number of applications for financial assistance. In response, in 2022, the Province made several changes to the regulation to better support applicants.

To assist local governments, the provincial cost-share portion for public infrastructure was increased from 80 per cent to between 90 and 95 per cent, depending on the population of the community. In addition, a portion of estimated project costs is now available up-front to help communities quickly start the most important public sector recovery projects.

For the private sector, financial assistance eligibility was expanded to a wider range of small business owners, including landlords. Under the previous rules, small business income had to be the owner's major source of income, meaning at least 50 per cent of their income. Under the new rules, an owner now must have at least \$10,000 in annual revenue from their small business. To further expand eligibility, the maximum annual income threshold for all small businesses was raised from \$1 million to \$2 million.

To address a gap in the regulation, corporate-owned primary residences are now included as an eligible expense. Previously, an applicant's primary residence was determined by homeowner grant eligibility. A change was made to allow people to apply for financial assistance if they have a defined connection to the corporation and use the home as a primary residence, which is not uncommon in the farming sector.

To reflect increased costs for households, small businesses, and other private-sector claimants, the maximum amount of private-sector financial assistance was raised from \$300,000 to \$400,000.

Discussion Question: How do you think financial assistance should support British Columbians?









Principles for a Modernized Regulation

The future of emergency management in B.C. aims to address frequent climate-driven events, including extreme heat, floods, landslides, fires, drought, and other risks such as those associated with earthquakes, tsunamis, and pandemics.

Moving to a statutory framework that recognizes all four phases of emergency management (mitigation, preparation, response and recovery) also means a focus on the lasting impact of events on people and communities.

The mission of the Ministry of Emergency Management and Climate Readiness is to lead provincial emergency and disaster risk management, build and foster collaborative relationships and partnerships, advance meaningful and lasting reconciliation with Indigenous Peoples, and support all British Columbians to reduce climate and disaster risk. Establishing principles is foundational to the drafting of a new regulation for financial assistance.

The following principles are proposed:

Principle	Meaning	Legend
<i>Incentivizing Preparedness</i>	Individuals and communities are encouraged to mitigate risk and reduce vulnerability before a disaster occurs.	
<i>Reducing Future Risk</i>	Recovery increases future risk-resiliency after an emergency. Financial assistance should support applicants' long-term recovery goals while emphasizing the reduction of future risk.	
<i>Flexibility</i>	Streamlined application and assessment processes should support the full range of recovery options, diversity of applicants, and increase access to additional funding sources.	
<i>Cultural Safety</i>	The diverse cultural identities of all individuals, including Indigenous Peoples, are respected, valued, and protected, and power imbalances, biases, racism, and discrimination are considered to help achieve better outcomes.	
<i>Equity</i>	Equity factors, including income and affordability, are considered in the provision of assistance to ensure assistance is fair and appropriate, and supports B.C.'s diverse population.	
<i>Transparency</i>	Decisions and processes should be clear, supportive, and easy to navigate and understand.	
<i>Fairness and Consistency</i>	Applications receive fair and consistent assessments and applicants are confident that the same standards are applied in decision-making.	
<i>Financial Viability</i>	Measures are financially responsible, defensible, and aligned with provincial risk reduction and resiliency goals.	

Discussion Questions:

In addition to the principles outlined to the left, what are two values that are important to you and your community regarding financial assistance?

Out of these principles, what three principles are most important to you and/or your community, and why?

Financial Assistance – Identified Policy Areas

The Ministry of Emergency Management and Climate Readiness has identified policy areas to help guide the development of the new regulation. Areas outlined below were identified through pre-engagement and through analysis of program data, research related to wise practices, and approaches used in other jurisdictions. New areas for analysis may emerge through input received in response to this discussion paper.

Clarifying Event Eligibility

Principles Alignment



Under the current regulation, the Lieutenant Governor in Council or the Minister of Emergency Management and Climate Readiness are authorized to declare that an event is eligible for financial

assistance. In making a declaration, factors such as the type of disaster, whether there are eligible losses, the scope of the impact, and the extent of damage are considered; however, these factors are outlined in policy, rather than in the regulation.

The current regulation enables the Province to authorize financial assistance in the event of a “disaster.” A “disaster” is defined in the current Emergency Program Act as a “calamity that (a) is caused by accident, fire, explosion, technical failure or by the forces of nature, and (b) has resulted in serious harm to the health, safety or welfare of people, or in widespread damage to property.”

This definition provides some guidance for declaring eligible events but is not clear about the extent or severity of damage necessary for eligibility. The current approach is to authorize financial assistance when a disaster has caused widespread damage.

The modernized statute will require regulations to outline criteria that must be met for an event to be declared eligible for financial assistance. Establishing a set of clear criteria for use in determining emergency events eligible for financial assistance could simplify the declaration process and ensure that British Columbians understand when events will be declared eligible and why some events might not be eligible for financial assistance.

Discussion Question: What are the most important factors in determining whether an event should be eligible for financial assistance? How should the size of the event impact eligibility considerations?

Considering the Role of Insurance

Principles Alignment



The current regulation is based on the expectation that individuals have an obligation to mitigate their own financial risk through purchasing insurance. This acknowledges that we all have a role to play in protecting ourselves against emergency-related losses. From a technical standpoint, the current regulation defines “eligible costs” for private sector applicants as not including costs or expenses that can be recovered through legal action or for which insurance was “reasonably and readily available.” In practice this means that financial assistance is not available for any damage or loss for which insurance was available, whether or not it was purchased.

A comparable definition of “eligible costs,” with an exception for self-insurance, applies to public sector applicants.

There is an opportunity in the new regulation to consider the relative affordability and accessibility of insurance. This must be done with careful consideration of potential consequences such as an increase in the decision to not purchase insurance and the impact on the insurance market.

Insurance: Private Sector Applicants

An area for regulatory development involves examining what it means for insurance to be both available and affordable. The changing nature of climate-related weather events is impacting the types of insurance British Columbians need. Private sector insurance may not be available to all British Columbians if they live in high-risk areas, such as areas prone to flooding, even if it is provided by major insurers in other parts of the province.

This has revealed gaps in insurance availability for events such as floods that have caused widespread damage to homes, farmlands, and infrastructure, and increased demands on the government’s financial assistance program. Additionally, insurance is not available for all types of hazard events, leaving certain damages uncovered by private sector insurance.

The affordability of insurance varies from person to person based on socio-economic status and many other factors. There is an opportunity to consider private sector insurance affordability and the role it plays in B.C.’s financial assistance regulation, with consideration for marginalized, vulnerable, and diverse populations.

Insurance is not typically available for purchase on reserve lands, which creates a gap in insurance protection for First Nations Peoples and communities. There is an opportunity to reconsider the role of insurance for individual First Nations applicants on reserve lands.

Insurance: Public Sector Applicants

The final report from the expert advisory panel on the federal Disaster Financial Assistance Arrangements program, [Building Forward Together: Toward a more resilient Canada](#), identified limitations with that program including that not enough is done to incentivize risk reduction or build long-term resilience to disasters. For example, the report found that many local governments allow developments in high-risk areas and choose not to purchase insurance for public infrastructure.

As the *de facto* “funder of last resort,” the federal government pays, on average, 82 per cent of eligible disaster costs across the country through its Disaster Financial Assistance Arrangements program. The Disaster Financial Assistance Arrangements report recommends encouraging preparation and mitigation through changes to the federal program, such as by integrating risk data into the program and enforcing restrictions on how funds are used to prevent assets from being rebuilt in high-risk areas. If implemented, these changes would impact local governments in B.C.

Discussion Questions

How should insurance and government financial assistance work together to support recovery?

What barriers have you experienced in accessing and obtaining insurance? How could these barriers potentially be addressed in the new regulation?

How would the availability of financial assistance impact your/your community's decision to purchase insurance?



Modernizing Program Coverage

Principles Alignment



Modernizing the regulations for financial assistance presents an opportunity to ensure financial assistance is provided for what matters most. This could include ensuring rules for applicants, eligible expenses, and funding formulas are inclusive of diverse groups of people and communities.

Applicant Eligibility

Within the two broad categories of public and private sector, there are five main applicant streams for financial assistance under the current regulation: individuals, small businesses, farm operations, charitable/volunteer organizations, and local government bodies. The current regulation defines each applicant group, and applicants are required to meet these definitions to be determined eligible for assistance.

Some changes were recently made to expand eligibility for applicant groups. These changes are described in the [Recent Changes to the Regulation](#) section, above.

There are opportunities to reconsider the eligibility requirements for applicants in the new regulation to ensure that those intended to qualify for financial assistance do qualify. For example, under the current regulation, a small business must earn between \$10,000 and \$2 million annually. In designing the modernized regulation, the appropriateness of these thresholds should be considered.

The current regulation does not include applicant eligibility criteria specific to First Nations Peoples or communities. Changes to applicant eligibility criteria can ensure that the regulation reflects everyone in B.C.

Discussion Question: What gaps in program eligibility or coverage are you aware of? How could these be addressed in a new regulation?

Eligible Expenses

The current regulation includes eligible expenses for each applicant group in lists called “schedules.” Each schedule sets out types of costs that are eligible for each applicant group. Schedules also set out costs that are not eligible, such as those for which insurance was “reasonably and readily available.” The schedules are intended to include items that are essential to the well-being of an individual or to the viability of a small business, farm operation, charitable/volunteer organization, or local government.

What is considered “essential” is different for individuals, groups, or organizations, and may be different from what it was when the current regulation was drafted in the 1990s. In modernizing the regulation, consideration will be given to the concept of essential items, including with a view to the needs of those most vulnerable to the impacts of emergencies, such as the elderly, those with mobility needs, and those with limited resources.

Discussion Question: What expenses should be considered eligible for financial assistance?

Discussion Question: What aspects of British Columbians’ current living realities are most important when considering what a financial assistance regulation should cover? Are there specific living, ownership, and community relationships that should be considered?

Rethinking the Private Sector Funding Formula

The current private sector funding formula covers 80 per cent of eligible expenses, minus a \$1,000 deductible. Assistance is capped at a maximum of \$400,000; however, this cap is not frequently reached because the program is designed to support the reestablishment of basic essentials, as opposed to covering all losses.

This formula may create barriers for lower-income people and renters, who typically have smaller claims. Although claims from low-income people or renters may be smaller, losses may represent a substantial portion of their assets compared to higher-income people or homeowners. Currently, if damage or loss is less than \$1,000, expenses are not eligible for financial assistance. This can leave those with very few resources without financial support following a disaster.

The current regulation funds financial assistance for the lowest cost option to repair or replace damaged items. For structures, the amount funded is based on the lesser of: (a) the cost to repair the structure to its pre-disaster condition, (b) the cost to rebuild the structure, (c) the cost to replace the structure, and (d) the assessed value of the structure (as assessed annually by BC Assessment). In cases where the assessed value is lower than the cost to repair, rebuild, or replace a structure, people with fewer resources may be disproportionately impacted.

There is an opportunity in the new regulation to review the process and formula for how financial assistance amounts are determined.

Discussion Question: How could the private sector funding formula best support applicants with limited financial resources?

Terms and Definitions

Creating a new financial assistance regulation provides an opportunity to modernize terms and definitions to be more inclusive and better reflect the diversity of British Columbia's population.

We have heard that some definitions create barriers for applicants to meet eligibility criteria. The definition of "*principal residence*" is key in determining eligibility and eligible expenses. Currently, this is largely based on eligibility for the annual homeowner grant. For individuals whose eligibility cannot be assessed using the rules with linkages to the homeowner grant, a principal residence is the residence that is occupied by the individual as their home, in which the majority of their personal effects are located, and where they reside or intend to reside for at least half of each year. This definition is not always easily applied to some living arrangements and can be particularly challenging for individuals without stable living arrangements.

There are many terms in the current regulation that may be challenging to interpret. For example, the terms "eligible personal

effects," "eligible business materials," "eligible farm materials," and "eligible charitable or volunteer materials" all introduce significant subjectivity and require program administrators to determine whether something is necessary or essential. All terms and definitions will be reviewed as part of modernizing the regulation.

Meeting Indigenous Applicant Needs

Principles Alignment



Currently, the way in which Indigenous applicants can access financial assistance is determined according to where they are located. First Nations Peoples and communities on reserve lands can access financial assistance through an agreement between Canada and the Province. This agreement is being renegotiated as a multilateral agreement with First Nations partners. Indigenous applicants located off reserve lands access financial assistance through individual, small business, farm operation, and charitable/volunteer organization application streams.

Modernizing the regulations for financial assistance will involve consideration of how the regulations can better support Indigenous applicants, including First Nations Peoples living on-reserve, First Nations communities, and First Nations, Métis, and Inuit Peoples

living elsewhere in B.C. We have heard from First Nations Peoples living on-reserve that insurance is not always accessible and differences in home ownership do not align with the regulation. Co-development of the modernized statute with First Nations Peoples means that the legislation will speak to concepts such as cultural safety and objects and sites of heritage value. The modernized regulations for financial assistance will also be co-developed, and there are concepts of unique importance to Indigenous applicants that will need to be examined. Given the existing and future agreements concerning the provision of financial assistance on reserve lands, B.C. will engage the Government of Canada during the co-development of modernized financial assistance regulations.

Eligible Costs

Under the current regulation, losses are not eligible if structural or property damage was pre-existing. Due to the lasting impacts of colonialism, and the impacts of intersectional disadvantage, Indigenous Peoples are more likely than other British Columbians to live in housing with pre-existing damage. This makes the assessment of claims under the current regulation challenging.

Similarly, the lists of [eligible personal expenses](#) (for individuals) and [eligible local government body expenses](#) (for communities) may exclude items of cultural importance to Indigenous Peoples.

There are opportunities to increase the equity of financial assistance by considering the distinct needs of Indigenous applicants through an intersectional lens that acknowledges the history of colonialism.

Discussion Question: How could financial assistance eligibility be improved for First Nations, Métis, and Inuit applicants?

Assessment and Evaluation Processes

We have heard from Indigenous Peoples that current assessment and evaluation processes do not support cultural safety. We have also heard that long adjudication timelines can worsen the harm resulting from emergency events. The new regulation presents an opportunity to build in culturally safe processes.

Discussion Question: How could financial assistance processes better promote Indigenous cultural safety?

Improving Alignment with Indigenous Services Canada Processes

First Nations communities have reported that financial assistance processes are complicated and delay access to financial assistance. Under the bilateral agreement between Canada and British Columbia, the Province administers financial assistance on-reserve.

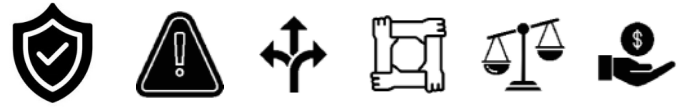
In this process, First Nations communities with disaster losses on reserve lands are required to apply for assistance from the Province prior to seeking funding from Indigenous Services Canada. If financial assistance under the provincial program is not approved, or if expenses exceed the \$400,000 limit to private sector assistance under B.C.'s program, then First Nations can apply to receive recovery funding directly from Indigenous Services Canada. This can result in applicants navigating multiple administrative processes to access financial assistance. This process is time consuming for applicants to navigate, and at times can result in the spread or worsening of damage. Given these challenges, some First Nations have chosen to work directly with Indigenous Services Canada. There is an opportunity to develop solutions to simplify the framework and application process for financial assistance.

Discussion Question: What are the most important considerations to ensure First Nations Peoples and communities are better supported by B.C.'s financial assistance program?



Building Forward for Resilience

Principles Alignment



The current regulation is not designed to support or incentivize mitigation measures or efforts to build back better. Mitigation reduces the impacts of future hazard events and measures may include upgrading flood prone facilities with new flood-proofing measures, rebuilding or renovating community infrastructure and homes to increase resilience by relocating important electrical works to higher floors, replacing damaged materials with more resilient options, and more.

Mitigation measures are strongly supported by evidence suggesting that they can increase community safety, reduce risk, and lessen the impact of future emergencies. Mitigation is the central component of successful disaster risk management, and it is important that the new regulation helps incentivize and encourage it. A key area for exploration within this regulation is to identify how financial assistance can not only help support the needs of British Columbians in the short term after a disaster, but also how it can be leveraged to increase long-term resilience.

Managed retreat measures involve shifting people and property away from high-risk areas. In the context of financial assistance, managed retreat strategies could involve helping people relocate from known hazard areas. This process involves significant consultation and collaboration to ensure communities are supportive of changing development patterns in a way that removes people, properties, and infrastructure from the highest risk areas. The concept of managed retreat is eligible under the federal Disaster Financial Assistance Arrangements program, but the Province is not able to access funding for these types of projects due to the terms of B.C.'s current regulation.

Managed retreat is an important tool in a toolbox of disaster risk management approaches that look at ways to avoid risk, retreat from risk, accommodate risk, and protect from risk. Currently, the accommodate and protect approaches taken in B.C. to "rebuild" after disasters, with funding from insurance or government financial assistance, are limited. There is an opportunity in the new regulation to build in recovery approaches that support avoiding and retreating from hazard risks.

Private Sector

The current private sector funding formula covers 80 per cent of eligible expenses, minus a \$1,000 deductible. Assistance is capped at a maximum of \$400,000 and is aimed at returning property to its pre-disaster condition. In the modernized regulation, financial assistance could be used to help people and businesses build for future resilience, while also meeting their post-emergency needs.

Encouraging British Columbians to build for resilience in the private sector can be explored as an important part of reducing hazard risk.

After financial assistance has been paid twice in relation to a structure owned by a private sector applicant, the current regulation prevents assistance from being paid for additional losses unless the minister determines that, after the second occasion, all corrective or preventative actions reasonably possible to avoid recurrence of the damage or destruction were taken. This kind of rule could be maintained in the modernized regulation, or B.C. could explore other options to encourage applicants to take necessary actions to prevent future damage and build back with a view to resilience. For example, Alberta's Disaster Recovery Program will pay financial assistance only once per homeowner property address, with that limit being applied to the property address only (and not following the applicant if they move).

Discussion Question: How could building for resilience in recovery be incentivized in the new financial assistance framework?

Currently, financial assistance for the public sector is designed to restore the function of public infrastructure, rather than replace capital assets with protective, mitigative, or innovative public infrastructure with the aim of reducing vulnerability to future emergencies. This can create challenges for communities to make necessary improvements.

The federal Disaster Financial Assistance Arrangements report, [Building Forward Together: Toward a more resilient Canada](#), recommended changes to federal funding to incentivize risk-informed decision-making and to place restrictions on funding for high-risk infrastructure. Mitigation and build-back-better initiatives can be explored for ways to increase disaster resilience in B.C. and to align with federal funding programs.

Given the rising costs associated with responding to and recovering from emergencies, it is essential to identify long-term, viable solutions that position local governments to rebuild in a way that reduces future risk. There are several provincial initiatives underway that will assist local governments to use risk-informed decision-making. These include [ClimateReadyBC](#), an online portal for climate and disaster risk data, information, and resources; the Disaster and Climate Risk and Resilience Assessment; the BC Flood Strategy and new flood plain mapping with updated information on flood risk; and the [Climate Preparedness and Adaptation Strategy](#) with actions for climate-ready infrastructure and buildings. There is an opportunity in the new regulation to support local governments to use risk-informed decision-making in planning.

Discussion Question: How can financial assistance better support reducing risk, incentivize risk-based decision-making, and increase future resilience?

Maximizing Alignment and Flexibility

Principles Alignment



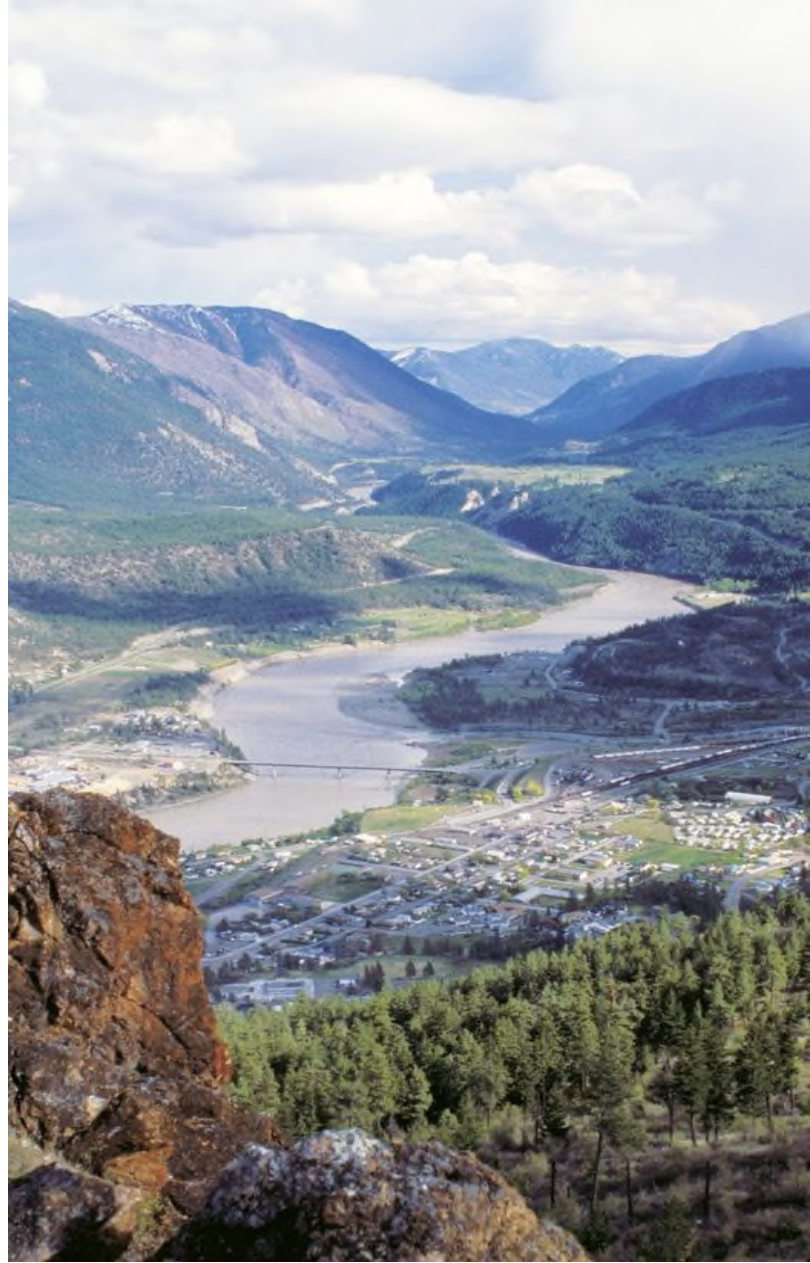
Given the importance of rebuilding after disasters and mitigating risks, financial assistance provided in the province is, at times, not the only source of funding available. However, there are barriers in the current regulatory framework that prevent applicants from accessing multiple financial assistance opportunities. While the Ministry of Emergency Management and Climate Readiness has worked with applicants to overcome this barrier, in reimagining the financial assistance framework there is an opportunity for regulations to facilitate access in a more clear and timely manner. For example, ensuring that public sector applicants can access recovery funding through the Government of Canada's Disaster Mitigation and Adaptation Fund, the Community Emergency Preparedness Fund administered by the Union of BC Municipalities, mitigative funding that the Province could access through the federal Disaster Financial Assistance Arrangements program, and other relevant funding opportunities, in addition to financial assistance under B.C.'s modernized regulation.

Increasing Recoverable Costs

Another aspect of funding flexibility involves aligning the provincial financial assistance framework and the federal Disaster Financial Assistance Arrangements program, which can reimburse provinces and territories for a portion of eligible recovery costs. Currently, there are issues that limit the Province's ability to maximize cost-sharing with the federal Disaster Financial Assistance Arrangements program.

After it provides financial assistance, the Province can submit eligible expenses to the federal Disaster Financial Assistance Arrangements program for reimbursement based on the program's criteria. The program's terms and conditions establish a *per capita* disaster response and recovery cost threshold that must be surpassed for reimbursement under the Disaster Financial Assistance Arrangements program to take place. For B.C., the threshold is currently \$19.4 million, above which costs are shared with the federal government with progressively higher cost sharing for Canada as the event cost grows.

Due to restrictions in the current regulation, there are aspects of the federal Disaster Financial Assistance Arrangements program that B.C.'s existing financial assistance program cannot access. For example, although funding is available to the Province for mitigative enhancements, B.C.'s current regulations for financial assistance present barriers to accessing this funding as they are geared towards restoring property to pre-disaster condition. Improving alignment with the Disaster Financial Assistance Arrangements program creates the opportunity for the provincial government to continue to support community recovery while limiting or even reducing the overall cost of the program to the Province.



Conclusion

Thank you for taking the time to participate in this engagement to help shape the future regulatory approach for B.C.'s financial assistance program.

You can provide feedback by email to modernizeEM@gov.bc.ca. Submissions will be accepted until December 31, 2023.

Watch our website for up-to-date information on supports, upcoming engagement and co-development activities: www.gov.bc.ca/EmergencyManagementAct. You can subscribe to the page to receive updates.

Next Steps

Following the release of this discussion paper, the Ministry of Emergency Management and Climate Readiness will launch public and private sector engagement. We will also continue co-development with First Nations peoples. Under a [phased approach](#), completion of Phase 1 of the regulation is targeting 2024, with Phase 2 targeting 2025.

The new regulation will improve and strengthen the Province's recovery financial assistance system.



Appendix 1: Summary of Discussion Questions

Question #	Question	Page #
1	<i>How do you think financial assistance should support British Columbians?</i>	10
2	<i>In addition to the principles outlined to the left, what are two values that are important to you and your community regarding financial assistance?</i>	11
3	<i>Out of these principles, what three principles are most important to you and/or your community, and why?</i>	11
4	<i>What are the most important factors in determining whether an event should be eligible for financial assistance? How should the size of the event impact eligibility considerations?</i>	12
5	<i>How should insurance and government financial assistance work together to support recovery?</i>	14
6	<i>What barriers have you experienced in accessing and obtaining insurance? How could these barriers potentially be addressed in the new regulation?</i>	14
7	<i>How would the availability of financial assistance impact your / your community's decision to purchase insurance?</i>	14
8	<i>What gaps in program eligibility or coverage are you aware of? How could these be addressed in a new regulation?</i>	15
9	<i>What expenses should be considered eligible for financial assistance?</i>	16
10	<i>How could the private sector funding formula best support applicants with limited financial resources?</i>	16
11	<i>What aspects of British Columbians' current living realities are most important when considering what a financial assistance regulation should cover? Are there specific living, ownership, and community relationships that should be considered?</i>	16
12	<i>How could financial assistance eligibility be improved for First Nations, Métis, and Inuit applicants?</i>	18
13	<i>How could financial assistance processes better promote Indigenous cultural safety?</i>	18
14	<i>What are the most important considerations to ensure First Nations Peoples and communities are better supported by B.C.'s financial assistance program?</i>	19
15	<i>How could building for resilience in recovery be incentivized in the new financial assistance framework?</i>	20
16	<i>How can financial assistance better support reducing risk, incentivize risk-based decision-making, and increase future resilience?</i>	21

Appendix 2: Relevant Regulations Authorized by the Modernized Statute

Reference	Regulations Authorized To
1	Establish criteria and conditions that must be met for an event to be declared eligible for financial assistance
2	Establish a deadline for applying for financial assistance
3	Describe information and records that must be provided with an application for financial assistance
4	Establish core rules for determining whether a person is eligible to receive financial assistance and, if eligible, the amount available, including setting minimum and maximum amounts payable
5	Establishing conditions for receiving financial assistance
6	Establishing exclusions from financial assistance, potentially including (1) a minimum dollar threshold for the payment of financial assistance and (2) describing circumstances associated with the loss that would prevent the payment of financial assistance
7	Establish circumstances in which financial assistance may be refused or reduced
8	Establishing rules concerning valuations and assessments, the collection and use of information
9	Establish rules concerning trained and qualified administrators, including establishing circumstances that affect the government's ability to request a trained and qualified person to evaluate damage, assess loss, and provide advice on eligibility
10	Establish rules concerning payments
11	Establish procedures for reconsidering determinations, and to establish grounds for appeals
12	Describe information and records that must be provided with an appeal
13	Establish rules concerning repayments of financial assistance, including circumstances that would require repayment, the calculation of repayments, and the filing of a certificate with a court to provide for the repayment