

# The Role of the Red Cross in Disaster Recovery

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Recognizing Challenges and Opportunities.

**By Kirsten Brown**

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## EXECUTIVE SUMMARY

### OBJECTIVES

The increasing frequency and severity of modern disasters has highlighted the need for effective emergency management regimes. In Canada, emergency management is framed around four interdependent, risk-based functions: mitigation, preparedness, response and recovery.

Traditionally, practitioners have emphasized the importance of preparedness activities and planning for disaster response. Recent large-scale disasters around the world, however, have led to a shift in emphasis towards prevention and mitigation activities in an effort to reduce the impact of emergencies and disasters. This focus on proactive measures, while necessary, risks overlooking the important work that is necessary to ensure an adequate level of response and recovery. In practice, recovery activities have often taken place in an ad hoc fashion due to the lack of pre-planning for disaster recovery.

Disaster recovery includes a long list of activities aimed at ensuring individuals, families and communities are able to meet their basic needs and return to independence following an event. Current discussions on disaster recovery also incorporate the need for measures that can reduce future risks to a community for a similar event using the need for rebuilding as an opportunity to develop more sustainable communities.

In Canada, a number of systems are involved in disaster recovery. It is generally understood that individuals bear responsibility for their own recovery, often through the purchase of insurance policies. For damage due to hazards that are not insurable, disaster financial assistance may be available through provincial government programs. There are gaps in both systems, however, as some people do not carry insurance, or have insufficient coverage, and government assistance may not be available due to the nature of a particular event. There are also a number of differences in provincial recovery assistance programs, particularly on the specific rates of assistance. A number of non-governmental organizations (NGOs), such as the Canadian Red Cross (CRC), also play a significant role in disaster recovery. The Canadian Red Cross provides assistance for basic needs to those who are most vulnerable and with the least capacity to recover when their needs are not met through insurance or government assistance.

The objective of this report is to review the current state of recovery planning and programs in Western Canada and to consider a potential, formal role for the CRC in disaster recovery planning. The project will also consider the feasibility of securing standardized agreements between the CRC and provincial governments on the role of the CRC in disaster recovery given the differences between provinces in their current recovery assistance regimes. The scope of this report is limited to assistance levels for individuals and families in recouping their material losses and does not extend to loss of employment due to disaster or other areas of recovery research. The report is also limited to long-term recovery and does not consider the role of the CRC in short-term relief (i.e. during the first 72-hours following an event).

## SUMMARY OF METHOD

To examine potential roles for the CRC in disaster recovery planning and programs, an analysis of current recovery programs was undertaken. The analysis consisted of four phases:

1. Defining the goal of disaster recovery in Canada, focusing on the perspective of individuals and families;
2. Identifying the current programs and capacities to meet this goal;
3. Identifying the challenges in current recovery regime programming; and
4. Considering the possibility of a standardized role for the CRC in addressing, at least in part, the identified challenges in disaster recovery planning and programs.

Several research methods were used to conduct the analysis including a literature review, a review of relevant legislation, policies and programs as well as consultations with individuals involved in disaster recovery. The perspectives of individuals in government, the CRC, and the insurance industry were desired to ensure a comprehensive review of recovery regimes. Interviews were conducted with individuals from the CRC, the Insurance Bureau of Canada, BC Provincial Emergency Program, City of Victoria and Manitoba Emergency Measures Organization. Attempts were made to interview individuals with the Alberta Emergency Management Agency and Saskatchewan Emergency Measures Organization but were not successful.

## RESULTS WITH RECOMMENDATIONS

A review of recovery regimes highlights a number of similarities that exist across Western Canada including the reliance on Disaster Financial Assistance (DFA) arrangements, level of financial assistance available and the use of deductibles to encourage personal preparedness activities. The final phase of the analysis also revealed a number of challenges that recovery regimes must overcome including the lack of planning for recovery across all jurisdictions. Individuals and families are also responsible for covering a 20% deductible when receiving government assistance, another gap that can place a significant burden on disaster victims who were in a vulnerable position before the disaster. While the majority of homeowners have insurance policies that will assist them following a disaster, many renters, a percentage of homeowners and the homeless do not carry insurance. This represents a significant population that are also ineligible for DFA after a number of hazardous events and will need to rely on other forms of assistance to aid their recovery.

Another significant challenge identified is those costs over and above assistance provided by an insurance policy or the maximum amount of DFA available. Provincial assistance is limited to \$100,000 in most provinces (\$300,000 in BC), but these rates may not cover the full costs of recovery. Furthermore, most provincial policies will not provide financial assistance greater than the market value of a property. This may cause undue hardship for many individuals, particularly those in rural areas, where the cost of rebuilding exceeds market value.

The final challenge identified is the transition time between the initial disaster response and when individuals and families receive assistance from insurance, government or legal action. In large events, short-term accommodation may not be available regardless of an evacuee's ability to pay, either through insurance or government assistance. Furthermore, homes cannot be rebuilt without the necessary materials and workers, resources that will be in short supply when there is widespread damage.

In light of the identified challenges and variations in recovery regimes, this report concludes that standardizing the role of the CRC in long-term recovery across Canada will prove difficult. The challenges are consistently found in all provinces but to varying degrees. Therefore, the risks to the CRC in agreeing to overcome these challenges, in conjunction with other NGOs and partner agencies, vary from province to province. There are a number of activities that the CRC can consider, however, to better define their role in long-term recovery assistance. The following are recommended to the CRC:

**1. Initiate discussions on the practical definition of recovery, assumptions in recovery regimes and national recovery standards:**

Recovery programs in Canada would benefit from a greater awareness of what it means to recover and to agree on standard outcomes for individuals and families after a large-scale emergency or disaster. This conversation must also seek clarity on where responsibilities can and should lie in ensuring that individuals and families reach their goal of full recovery. The results of these discussions will have an impact on future planning efforts aimed at defining roles and responsibilities.

The CRC is an ideal candidate to initiate discussions on recovery given the organization's experience in national and international disasters, and their focus on humanity as a guiding principle. There are a variety of intergovernmental structures in Canada that the CRC could approach to begin recovery discussions. The Canadian Council of Emergency Management Organizations (CCEMO) and Senior Official Responsible for Emergency Management (SOREM) are two such structures that could provide a pan-Canadian perspective.

**2. Enter into agreements with provinces individually to better define the role of the CRC in long-term recovery:**

Participants in the CRC's 2007 auxiliary project identified agreements with the provinces as being an important means of furthering cooperation between provincial authorities and the CRC. Given the differences in current approaches to recovery planning, it is unlikely that these agreements could be standardized at this time, although desired in the future. The results of recommendation 1 will have an impact on the agreements reached with each province.

Agreements with individual provinces should address standard issues relating to notification, payment of expenses, legal relationship, records management, privacy and confidentiality, amendment of the agreement, termination and dispute resolution as outlined in the CRC's manual on Negotiating a Disaster Management Contract

with a Municipality.<sup>1</sup> In addition, provincial agreements should consider the role of the CRC in integrated needs committees and covering costs associated with DFA deductibles for vulnerable populations. A sample Memorandum of Agreement for long-term recovery, based on the CRC's model agreement, is included in appendix B. Changes to the model agreement have been made to Schedule A.

**3. Where not currently operating, work with provincial authorities to create integrated needs or recovery committees:**

These committees have proven effective in planning for individual and family recovery and addressing gaps in assistance after an event. Currently, both British Columbia and Manitoba have established recovery committees.

**4. Advocate for amendments to current provincial DFA policies:**

Recognizing the gaps in current disaster recovery regimes, the CRC could lobby provincial emergency management organizations to amend DFA policies to better meet the needs of evacuees. Areas for amendment include the presence or amount of deductibles in financial assistance, and increasing the maximum amount of assistance to better reflect the increasing cost of housing in western Canada. Again, the results of recommendation 1, discussions on where responsibilities in disaster recovery lie, will have an impact on the amendments needed to provincial DFA policies.

**5. Conduct research on the feasibility of covering the cost of assistance deductibles for selected populations:**

Assistance deductibles were identified as a gap in current recovery regimes, particularly for vulnerable populations. Dependent on the results of recommendation 4, the CRC could consider agreeing to cover these costs. If DFA deductibles will continue to exist, the CRC could conduct research on:

- a. The amount of assistance provided in each province in previous years for past disasters (i.e. minimum, maximum, average assistance levels as well as trends in DFA spending);
- b. The cost of DFA deductibles for those impacted by previous disasters by province;
- c. The number and amount of insurance claims/payments due to disaster in each province (including trends in insurance claims);
- d. The cost of insurance deductibles for those impacted by previous disasters (i.e. minimum, maximum and average deductibles as well as trends);
- e. The amount of funding the CRC has had available for previous disasters (minimum, maximum, average and any trends in funding); and
- f. The financial and legal risks to the CRC in agreeing to fund deductible costs.

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<sup>1</sup> Canadian Red Cross. (2006). *Negotiating a Disaster Management Contract with a Municipality*, *Canadian Red Cross Manual*. Unpublished Document.

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## INTRODUCTION

A brief glance through a daily newspaper reveals the tremendous impact emergencies and disasters have on affected citizens. Fires, flooding, earthquakes, tsunamis, pandemics as well as numerous other hazards frequently make headline news and recent, large-scale events have drawn attention to the complex nature of disaster recovery. Disasters alter the very fabric of a community as large numbers of citizens migrate to alternate locations, businesses struggle to attract customers and the natural environment takes decades to return to its pre-disaster state. Individuals and families face physical, economic, social and emotional hardships. Local initiatives aimed at assisting individuals, families and communities to recover often require outside assistance from other jurisdictions and voluntary organizations.

In Canada, a number of systems are involved in household and community recovery following a major disaster. It is generally understood that individuals bear responsibility for their own recovery and insurance policies are in place to cover many losses.<sup>2</sup> When a disaster is caused by a hazard for which insurance is not normally obtainable, disaster financial assistance may be available through government programs. There are gaps in both systems, however, as some people do not carry insurance, or have insufficient coverage and government assistance may be available only in certain circumstances.

Each province provides some level of assistance to those impacted by a disaster and there is some consistency on the general exclusions and limits of assistance provided across the country. The similarities in this area are generally due to provinces following the Federal Government's Disaster Financial Assistance Arrangements.<sup>3</sup> Differences in provincial recovery assistance programs exist, however, particularly on the specific rates of assistance and the formality of the program.

A number of non-government organizations (NGOs) also play a role in disaster recovery. In Canada, such organizations include the Salvation Army, St. John Ambulance, Mennonite Disaster Service, Christian Reformed World Relief Committee of Canada, and the Adventist Development & Relief Agency. Perhaps the most well known and active NGO involved in recovery is the Canadian Red Cross (CRC), a voluntary aid society that plays an auxiliary role to government. The Halifax Explosion in December 1917 was the first major disaster in which the CRC provided assistance.<sup>4</sup> The CRC has continued to expand its role in disaster management throughout the 20<sup>th</sup> Century. With regard to disaster recovery, the organization provides assistance for basic needs to those who are most vulnerable and with the least capacity to recover when their needs are not met through insurance or government assistance.

A 2007 report prepared for the Canadian Red Cross on Disaster Recovery Assistance Policy and Procedures presented a number of suggestions for the enhancement of Red Cross recovery

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<sup>2</sup> Zellman, D. (2007). *Canadian Red Cross Disaster Recovery Assistance Policy; Final Report and Recommendations – In Progress*. Unpublished Report. P. 11.

<sup>3</sup> Note 2, p. 5

<sup>4</sup> Canadian Red Cross. (2007). *Interim Report Auxiliary Role Project; Revitalizing the Framework for Cooperation with Public Authorities*. Retrieved from: [http://www.redcross.ca/cmslib/general/atg\\_interim\\_report2007nov.pdf](http://www.redcross.ca/cmslib/general/atg_interim_report2007nov.pdf)

assistance.<sup>5</sup> From this study came a series of recommendations put forward to the Red Cross's National Disaster Management Working Group (NDMWG) including the need to revise standardized recovery assistance guidelines, and defined outcomes, based on analyses of provincial government assistance and insurance coverage.<sup>6</sup>

The objective of this report is to review the current state of recovery planning and programs in Western Canada and to consider a potential, formal role for the CRC in disaster recovery planning. The project will also consider the feasibility of securing standardized agreements between the CRC and provincial governments on the role of the Red Cross in disaster recovery given the differences between provinces in their current recovery assistance regimes. The scope of this report is limited to assistance levels for individuals and families in recouping their material losses and does not extend to loss of employment due to disaster or other areas of recovery research. The report is also limited to long-term recovery and does not consider the role of the CRC in short-term relief (i.e. during the first 72-hours following an event).

An understanding of the current state of recovery planning is necessary before any meaningful gap analysis of the role of the CRC can occur. Therefore, Part I of the report reviews the definition of disaster recovery and its context in the broader field of emergency management. This section also argues for greater attention on recovery regimes as well as the need for consensus on a practical definition of recovery. Part II considers both the historical and current role of the CRC in disaster recovery to better frame an analysis of the organization's future in recovery planning. Part III reviews the various recovery systems in place in Western Canada. This section provides background information on the current state of recovery planning and programs in each of the four western provinces and includes information on the role of insurance in disaster recovery. Finally, Part IV considers the potential role of the CRC in the recovery planning and provides recommendations for future activities and agreements on disaster recovery.

This project is limited to the four western provinces (British Columbia, Alberta, Saskatchewan and Manitoba). Federal recovery programs are discussed in as much as they relate to provincial programs. This limited scope is due to the time and resources available for this project. Similar projects concerning other regions of Canada would be beneficial for the CRC and all entities concerned with recovery planning.

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<sup>5</sup> Note 2.

<sup>6</sup> Shropshire, D., Watson, J., Payant, J., & Slick, J. (n.d.) *Recovery Program Development; Issues and Recommendations*. Unpublished Document.

## THE EVOLVING ROLE OF THE RED CROSS IN DISASTER RECOVERY

In Canada, a large number of NGOs play an integral role in the preparedness for, response to, and recovery from all scales of emergency or disaster, including the CRC. The history of the Red Cross dates back to 1859. It began as a society aimed at providing medical care to armed forces in times of battle. In 1909, the Canadian Parliament passed *The Canadian Red Cross Society Act*, legally establishing the CRC as the corporate body responsible for providing volunteer aid and the “relief societies” in Canada in accordance with the First Geneva Conference on 1863.<sup>7</sup> In 1970, *Letters Patent* were issued to modernize the legal basis of the Society’s governance structure. These two acts govern the CRC, along with guidance from the *Geneva Conventions* and the *Statutes of the International Red Cross and Red Crescent Movement*.

It is important to note the independent nature of the Red Cross and its relationship with governments. In 1921, the International Committee of the Red Cross (ICRC) incorporated independence as one of its Fundamental Principles.<sup>8</sup> The independence of the CRC is articulated in its status as an “auxiliary to government”, defined as:

*"A privileged/unique partnership, entailing mutual responsibilities and benefits, based on international and national laws, in which the national public authorities and the National Society agree on the areas in which the National Society supplements or substitutes public humanitarian services."*<sup>9</sup>

The “auxiliary” of the CRC was intended to define and shape the unique partnership that exists in law between the CRC and public authorities in Canada.<sup>10</sup> However, the concept of an auxiliary role remains poorly understood and in 2007, the CRC embarked on a process to better understand and promote the role of National Societies. A series of consultations were held across Canada with a variety of stakeholders to consider perceptions of existing and possible future roles for the CRC, in what is known as the “Auxiliary Project”.

There is general consensus that disaster management is, and will continue to be, an important role for the CRC.<sup>11</sup> Public sector participants in the consultations recognized the CRC’s organizational capacity that enables the organization to rapidly and effectively assist in disaster response and recovery. The CRC has numerous agreements and Memorandums of Understanding with municipalities and some provinces to provide assistance in emergency preparedness, response and short-term recovery.

Even before disaster strikes, the CRC is involved with other NGOs and government entities in planning for response and recovery. CRC staff use their organizational knowledge gleaned from

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<sup>7</sup> Canadian Red Cross. (2007). *Toward a Renewed Canadian Red Cross: Forging Stronger Partnerships in Support of a Humanitarian Agenda*. Retrieved From:

[http://www.redcross.ca/cmslib/general/atg\\_towards\\_a\\_renewed\\_canadian\\_red\\_cross\\_may72007.pdf](http://www.redcross.ca/cmslib/general/atg_towards_a_renewed_canadian_red_cross_may72007.pdf) (p. 5)

<sup>8</sup> Note 7, p. 10.

<sup>9</sup> Note 7, p.21.

<sup>10</sup> Note 4.

<sup>11</sup> Note 4.

responding to both local and international disasters to contribute to planning initiatives aimed at certain hazards, populations and/or general emergency response and recovery. The CRC also actively recruits and trains volunteers to assist before, during and after a disaster and also provides public education on the importance of personal preparedness.<sup>12</sup>

In terms of short-term recovery, the CRC works with evacuees to locate accommodation, food and clothing for the first 72-hours following an event. Each year, the CRC responds to over 5100 personal disasters, providing direct assistance to 48,000 vulnerable citizens.<sup>13</sup> Since 1996, the Red Cross has raised and distributed over \$100 million within Canada to support disaster recovery efforts.<sup>14</sup>

While the CRC is said to have a role in disaster recovery that compliments government recovery assistance, there are no formal agreements in Western Canada between provincial governments and the CRC on the role that the CRC will play in long-term disaster recovery. Currently, the CRC must initiate contact with governments each time a major event occurs to determine what potential gaps in assistance might arise, and then establish a CRC recovery program. The result is that the response of the CRC in disaster recovery has varied from one event to the next and from province to province.

When such one-time agreements are reached, the CRC *National Disaster Assistance Guidelines* outline the emergency assistance available to individuals and families provided through public donations (appendix A). If the government requests that the CRC administer recovery programs that are paid for by government rather than public donations, then the CRC will use the guidelines approved by the applicable government.<sup>15</sup> In situations where the service required is not within the mandate of the CRC, the CRC may refer clients to other organizations and/or serve as advocates to help ensure that an individual's or family's basic needs are met.<sup>16</sup>

Red Cross assistance is based on providing for immediate, basic needs rather than assisting individuals and families recoup all their material losses. It is also concerned with the vulnerability of the individual or family.<sup>17</sup> It has been suggested that relief organizations must recognize the variations in individual and family needs and circumstances, which may not correspond to standard definitions of necessity.<sup>18</sup> This would require organizations involved in disaster recovery, including the CRC, to agree on an appropriately broad and compassionate definition of necessity.

The task of standardizing relationships between the CRC and provincial governments is recognized as an important objective in fulfilling the organization's mandate.<sup>19</sup> It has been

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<sup>12</sup> Canadian Red Cross. (2006). *What we do during disasters*. Retrieved from: <http://www.redcross.ca/article.asp?id=302&tid=025>

<sup>13</sup> Note 3, p. 30

<sup>14</sup> Note 7, p. 33.

<sup>15</sup> Canadian Red Cross. (2006). *CRC Guide for action*. Internal Document.

<sup>16</sup> Note 15.

<sup>17</sup> Note 15.

<sup>18</sup> Note 2, p. 12.

<sup>19</sup> Canadian Red Cross. (2006). *Negotiating a Disaster Management Contract with a Municipality, Canadian Red Cross Manual*. Internal Document.

suggested that Canada requires a set of national disaster recovery guidelines to govern the provision of recovery assistance to all citizens across the nation with specific reference to consistent standards and protocols for inter-agency coordination, needs and capacity assessment procedures, and assistance delivery methods.<sup>20</sup> Standardizing recovery policies, however, is complicated by the inherent unpredictability of disasters, the varying legal regimes that exist across the country and the varying hazards each province must cope with and the risks they are willing to accept. This translates into different services being required by different provinces, suggesting that there needs to be flexibility in any standardized national agreement or policy.

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<sup>20</sup> Note 2, p. 1.

**DEFINING RECOVERY:**

For the purpose of this paper, a disaster is defined as “a situation caused by the forces of nature, an accident, and an intentional act or otherwise that constitutes a danger to life or property and includes:

- i) A situation necessitating action to arrange for temporary shelter for residents evacuated from their homes, prior to or without the official declaration of an emergency; and
- ii) A situation necessitating the formal declaration of an emergency.”<sup>21</sup>

Before exploring disaster recovery programs in Canada, it is worth reviewing the nature of disaster recovery and the complexities of recovering from a major disaster. The term “recovery” is used in connection with disasters to describe activities aimed at regaining some semblance of normalcy.<sup>22</sup> Where previous definitions have called for a return to a previous state, emergency management practitioners are now promoting recovery as leading to a new state of being.<sup>23</sup> Recent large-scale disasters such as the South-Asia tsunami and Hurricane Katrina reveal that communities are forever changed by a disaster with the event itself framing both its history and future. Furthermore, discussions of disaster recovery increasingly incorporate the need for measures that can reduce future risks to a community from a similar event and using the need for rebuilding as an opportunity to develop more sustainable communities.<sup>24</sup>

Disaster recovery includes a long list of activities such as evacuation and sheltering, search and rescue, damage assessment, debris clearance and disposal, restoration of utilities and communications, temporary housing, demolition and reconstruction. It is important to note, however, that disaster recovery is not a set of orderly actions triggered by an event. There is more to recovery than simply restoring a built environment. The effects of extreme events on systems are complex and long-lasting. There has been a shift in research from conceptualizing recovery as a linear phenomenon to an appreciation of the dynamic, interactive nature of recovery.<sup>25</sup> Increasingly, disaster recovery is understood as a set of loosely related activities that occur before, during and after an emergency.<sup>26</sup>

Disaster recovery can be viewed from several different perspectives, each integrally linked. Individuals and families focus on their own needs and ability to return to a pre-disaster state of being. Businesses fuel the economic recovery of a region and rely on the individual workers and

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<sup>21</sup> Note 19, p. 5.

<sup>22</sup> Petterson, J. (1999) *A Review of the literature and programs on local recovery from disaster*. National Hazards Research and Applications Information Center, Institute of Behavioural Science, University of Colorado (Fairfax, VA), p. 1.

<sup>23</sup> White, B. Plenary Presentation. Emergency Preparedness for Industry and Commerce Council (EPICC) Forum. Delta Vancouver Airport, February 16, 2008.

<sup>24</sup> Note 22, p. 2

<sup>25</sup> Note 22, p. 1

<sup>26</sup> Natural Hazards Research and Applications Information center. (2001) *Holistic disaster recovery; ideas for building local sustainability after a natural disaster*. Retrieved from: <http://www.colorado.edu/hazards/publications/holistic/holistic2001.html>

customers to ensure their recovery. Disaster recovery from a community perspective looks at the overall development of the community and the resumption of social and political activities. Community recovery depends heavily on the resumption of economic activity and the return of tax-payers. Furthermore, communities are simply unable to recover without the necessary infrastructure, such as roads, power and water, in place. The differing perspectives and interdependencies of individuals, government, business and the community can lead to conflicts over priorities and timing.<sup>27</sup>

Community recovery should begin before a disaster occurs, a concept sometimes referred to as PEPPER, or pre-event planning for post-event recovery.<sup>28</sup> Recent events have highlighted the dramatic impact pre-disaster activities can have on a community's ability to respond to, and recover from, a disaster. Emergency events are high stress situations. They require rapid decision making in circumstances where not all of the necessary information is available. Decisions that will have a lasting impact on community welfare have to be made under intense pressure and it will be impossible to take into account the views of all stakeholders while in the midst of an emergency event. Communities must prepare in advance for the difficult decisions that will need to be made during disaster recovery. Furthermore, while numerous charitable organizations will come out to assist following an emergency event, getting needed assistance to individuals and families can be hastened by determining the roles and responsibilities of all partners well in advance of an emergency or disaster.

Defining responsibilities in the area of disaster recovery is a challenge that is often demonstrated in the practical application of policies and programs. Literature and emergency management policies are often predicated on assumptions regarding where responsibilities lie. Generally speaking, planning for disaster recovery and taking steps to minimize the impact of disasters is a low priority for both individuals and governments.<sup>29</sup> While individuals bear primary responsibility for their own preparedness and potential recovery from a disaster, communicating this responsibility is often a challenge for those in the field of emergency management. Furthermore, governments have a responsibility to pursue mitigation policies that could minimize the impacts of an event. This responsibility stems from both legal and fiscal obligations. Fiscal responsibility suggests that governments should pursue pre-disaster mitigation policies, which are almost always less expensive than post-disaster response and recovery, if they are to use scarce tax resources in an efficient manner.<sup>30</sup>

The connection between mitigation and recovery also highlights the tension in the research on a practical understanding of recovery. What does it mean to be recovered? At what point does disaster response turn into recovery? How recovery is defined can have direct implications on how responsibilities are defined, including fiscal responsibilities to finance recovery.

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<sup>27</sup> Note 26, p. 2-5.

<sup>28</sup> Note 26, p. 2-3

<sup>29</sup> Henstra, D. & McBean, G. (2004). *The Role of Government in Services for Natural Disaster Mitigation*. Toronto, Canada: Institute for Catastrophic Loss Reduction., p. 2.

<sup>30</sup> Federal Emergency Management Agency. (1999). *Report on Costs and Benefits of Natural Disaster Mitigation*. Retrieved from: [http://www.fema.gov/pdf/library/haz\\_cost.pdf](http://www.fema.gov/pdf/library/haz_cost.pdf)

Disaster recovery is one of four interdependent, risk-based functions or “pillars” of emergency management, the others being mitigation, preparedness and response.<sup>31</sup> The pillars approach to emergency management stems from an earlier reliance on the perceived phases or stages of a disaster, which became important during the 1960’s in codifying research results.<sup>32</sup> Numerous critiques of disaster “phases” emerged in the decades that followed, suggesting that conceptualising the transition from phase to phase as a linear progression is too simple and potentially misleading:

*“At best, such period divisions are arbitrary, and are only useful in distinguishing the major functional activities of a period. Emergency activities do not cease suddenly, to be replaced by other types of activities. There is a blend of activity, with different groups of people working on different phases of activity at the same time”.*<sup>33</sup>

The linear approach to emergency management was also problematic for suggesting a marked beginning and end in the management of disasters. This prompted a reconceptualization of the phases into a circular form (figure 1). Emergency management continues to grow as a profession, integrating the four phases into all aspects of the work. It is recognized that the four functions may occur sequentially or concurrently but they do not exist independently of one another.<sup>34</sup> The modern use of the term “pillar” in place of “phase” also suggests an understanding of the difficulties inherent in a linear approach to emergency management.

**Figure 1: Pillars of Emergency Management**



Despite the recognition that the pillars of emergency management do not necessarily occur independently, a circular figure is often still used in defining emergency management. Conceptually, such an understanding of the four pillars does not take into account the interconnected nature of the tasks completed by emergency managers. Furthermore, defining the pillars as distinct can lead to priorities being set based on artificial distinctions. Emergency management in Canada has traditionally focused on preparedness and response.<sup>35</sup> In recent years, there has been a shift in emphasis towards prevention and mitigation measures in order to reduce the social and economic costs of disaster events. As McEntire and Marshall suggest, however, focusing on proactive

<sup>31</sup> Ministers Responsible for Emergency Management. (2006). *An Emergency Management Framework for Canada*. Retrieved from: [http://www.publicsafety.gc.ca/prg/em/\\_fl/emfrmwrk-en.pdf](http://www.publicsafety.gc.ca/prg/em/_fl/emfrmwrk-en.pdf)

<sup>32</sup> Neal, D. (1995). *Transition from Response to Recovery: A Look at the Lancaster, Texas Tornado*. Quick Response Report #79, National Hazards Research and Applications Center.

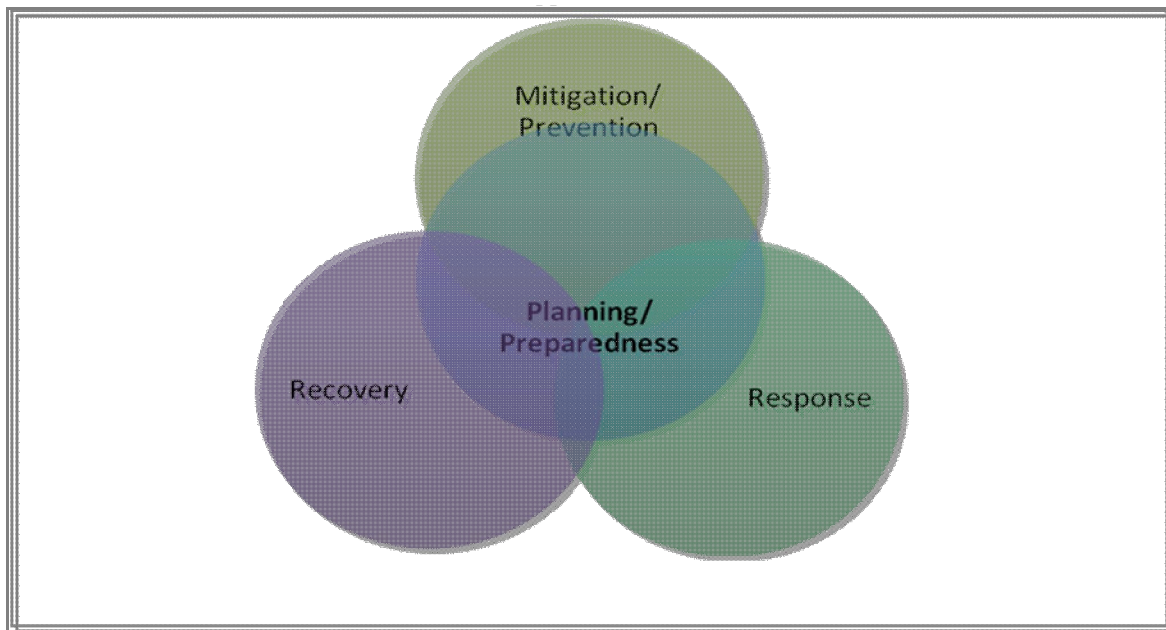
<sup>33</sup> Haas, E., Kates, R., & Bowden, M. (1977). *Reconstruction Following Disaster*. Cambridge Massachusetts: MIT Press.

<sup>34</sup> Note 31.

<sup>35</sup> Note 31.

measures alone implies that disasters can be prevented and risks overlooking the important work that is necessary to ensure an adequate level of response and recovery.<sup>36</sup> In practice, recovery activities have often taken place in an ad hoc fashion because key decisions have not been included in a strategic approach to emergency management.<sup>37</sup> With recovery being viewed as the final task in emergency management, it has traditionally received the least attention despite the fact that it can be both the most lengthy and costly of all the pillars. While disaster recovery has been included in the economic sector through the development of comprehensive business continuity programs, few jurisdictions have adequately planned for the recovery of a community following a major disaster. Only in recent years have organizations involved in disaster recovery come together to better define their roles and responsibilities in recovery efforts.

**Figure 2: The Interconnected Nature of the Pillars of Emergency**



While this paper focuses on the shortcomings in disaster recovery planning and programs in Western Canada, its underlying premise is that disaster recovery planning requires greater attention in the field of emergency management. By shifting our understanding of emergency management from a linear or circular set of pillars or phases to a discipline of highly interconnected activities, researchers and practitioners can better align their tasks within the broader field (Figure 2). Such an approach better articulates the connectivity of each of the pillars.

<sup>36</sup> McEntire, D. & Marshall, M. (2003). *Epistemological Problems in Emergency Management: Theoretical Dilemmas and Implications*. ASPEP Journal, 119-129.

<sup>37</sup> Note 33.

## CONCEPTUAL FRAMEWORK

The Minister's Responsible for Emergency Management provided a Framework for Emergency Management in Canada in 2006 that is built on the principle of shared responsibility.<sup>38</sup> In Canada, all levels of government, partner agencies including NGOs and individuals have a role to play in preparedness, response and recovery. During an emergency, individuals are the first to assume responsibility to take appropriate measures to respond.<sup>39</sup> A local authority is called to respond when the capabilities of the individual are overwhelmed. Provincial or territorial governments can also be called in to provide assistance when further resources are needed to adequately manage the event. Should a province or territory require resources beyond their own, they will request further assistance from the federal government. The Government of Canada only acts when asked to do so or when the situation clearly impacts on an area of its jurisdiction.<sup>40</sup>

With respect to recovery, assistance in Canada is predicated on the appropriate roles of individuals, and the private and public sectors. There is an expectation that individuals will take responsibility for their own recovery. They often do so through their own capacities (such as financial savings, friends and family) and by purchasing private insurance, which provides protection for private property against most risks that could result in a disaster. The public sector is responsible for uninsurable losses such as those resulting from natural flooding. Canada's system of private-public partnerships has been described as creative with respect to insurance.<sup>41</sup> Governments provide limited tax referral to develop insurer earthquake capacity building through premium reserves. In turn, the insurance industry provides insurance and reinsurance to governments for some public property exposed to catastrophic losses.<sup>42</sup>

Local authorities and provincial governments derive their authority and responsibilities via provincial legislation. Federally, the *Emergency Management Act* governs the role of Federal Ministers in emergency management, including the provision of assistance to provincial governments on request. In order to fulfill their responsibilities, government entities often look to NGOs, like the CRC, to address needs and fill service gaps. It is recognized that societal problems cannot be solved by government alone.<sup>43</sup> By entering into an agreement with a NGO, the public sector generates a scale and scope of services that would be unattainable for any sector operating alone. Governments enter into NGO partnerships for both this pragmatic purpose as well as for a more normative emphasis on values-based approaches to meet the desired ends.<sup>44</sup>

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<sup>38</sup> Note 33.

<sup>39</sup> Boisvert, P. & Moore, R. (2004). *Crisis and emergency management: a guide for managers of the public service of Canada*. Retrieved from: [http://www.cspc-efpc.gc.ca/research/publications/html/p117/9\\_e.html](http://www.cspc-efpc.gc.ca/research/publications/html/p117/9_e.html)

<sup>40</sup> Kovacs, P. & Kunreuther, H. (2001). *Managing catastrophic risk: lessons from Canada*. Institute for Catastrophic Loss Reduction, 13.

<sup>41</sup> Note 40, p. 19.

<sup>42</sup> Note 40, p. 19.

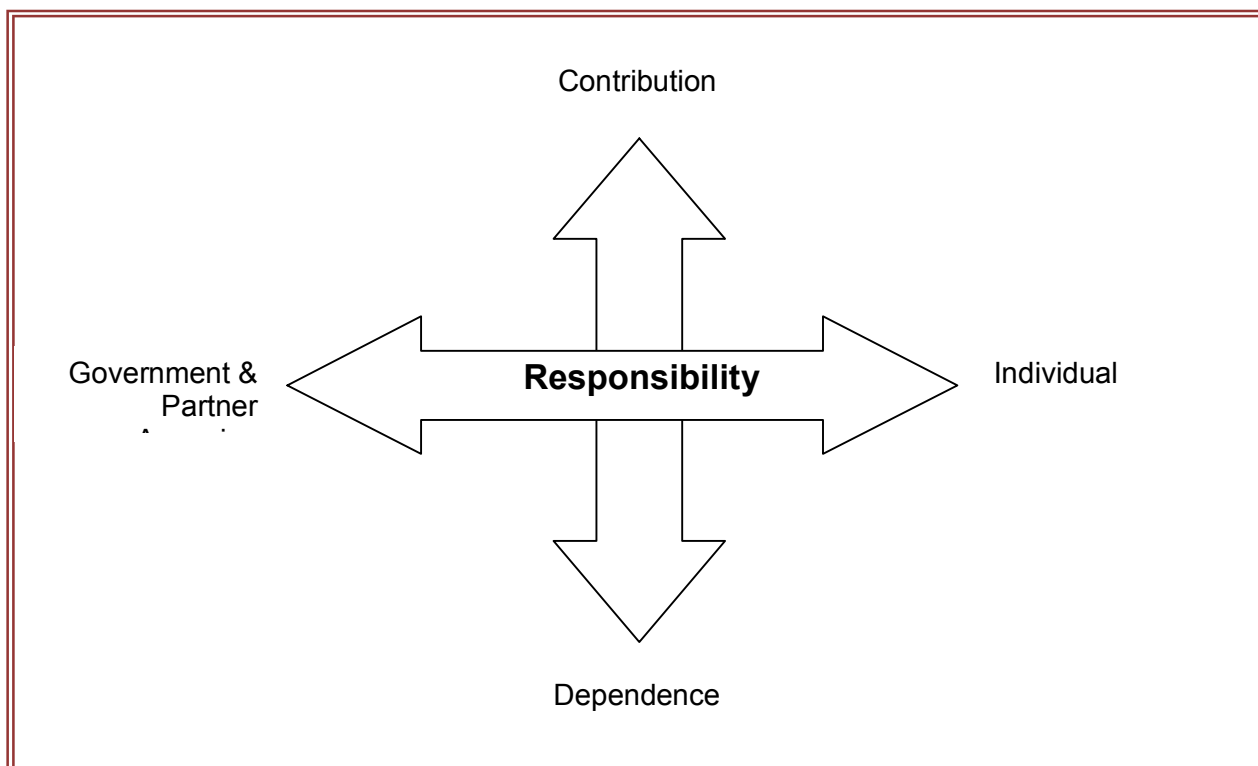
<sup>43</sup> Simmons, P.J. (1998). *Learning to live with NGOs*. Foreign Policy, p. 87.

<sup>44</sup> Brinkerhoff, J. (2002). *Government-Non-profit Partnership: A Defining Framework*. Public Admin. Dev. 22, 9-30.

In recent decades there has also been increasing emphasis placed on public preparedness and individual responsibility.<sup>45</sup> Large-scale disasters, such as Hurricane Katrina, have shown that effective recovery cannot be achieved by government and its partners alone. The impacts of a disaster reach deep into a community, affecting all individuals, private, public and non-profit entities. As John Lindsay and Toni Morris-Oswald suggest, appropriately assigning responsibilities in emergency management is a balance between the contributions and dependencies of all parties.<sup>46</sup> Government and its partner agencies require some level of involvement and accountability on the part of individuals, while individuals depend on emergency management programs to address needs that are beyond their capability.

Future discussions on the role of the CRC in long-term recovery must consider the underlying assumptions that are made in the allocation of responsibility. For the purpose of this report, there is an assumption that the Red Cross has a role to play in long-term recovery, one that furthers the organization's mission "to improve the lives of vulnerable people by mobilizing the power of humanity in Canada and around the world".<sup>47</sup>

**Figure 3: Balancing Responsibility in Emergency Management**



Source: Morris-Oswald, T. & Lindsay, J. (2007). *Emergency Preparedness: what do seniors say?*

<sup>45</sup> Morris-Oswald, T. & Lindsay, J. (2007). *Emergency Preparedness: what do seniors say?* Retrieved from: [www.umanitoba.ca/centres/aging/media/Toni-Morris-Oswald-PPT.ppt](http://www.umanitoba.ca/centres/aging/media/Toni-Morris-Oswald-PPT.ppt)

<sup>46</sup> Note 45.

<sup>47</sup> Canadian Red Cross. (2003). *About us*. Retrieved from: <http://www.redcross.ca/article.asp?id=000318&tid=019>

## METHODOLOGY

To examine potential roles for the CRC in disaster recovery planning and programs, an analysis of current recovery programs was undertaken. The analysis consisted of four phases:

1. Defining the goal of disaster recovery in Canada, focusing on the perspective of individuals and families;
2. Identifying the current programs and capacities to meet this goal;
3. Identifying the challenges in current recovery regime programming; and
4. Considering the possibility of a standardized role for the Red Cross in addressing, at least in part, the identified challenges in disaster recovery planning and programs.

Several research methods were used to gather the information needed for the analysis including a literature review, a review of relevant legislation, policies and programs as well as consultations with individuals involved in disaster recovery. The literature review was necessary to help frame the topic of disaster recovery within the broader field of emergency management. It was necessary to adequately define disaster recovery in order to articulate the goal of recovery regimes in Canada. Literature used in this project included scholastic journals, newspaper articles on disaster events, as well as research and discussion papers prepared for the CRC, provincial and/or federal governments.

Government recovery programs are enabled through provincial legislation; therefore relevant Acts and regulations were reviewed to determine the exclusions and limits on available recovery assistance. Greater detail on provincial programs was generally available through recovery guidelines or manuals prepared for by the Province.

The perspectives of individuals in government, the CRC, and the insurance industry were also desired to ensure a comprehensive review of recovery regimes. The original research proposal identified the desire to interview participants from the four western provinces. However, representatives from Alberta and Saskatchewan were not available over the course of the project. Individuals from the following organizations were interviewed:

- Canadian Red Cross
- Insurance Bureau of Canada
- BC Provincial Emergency Program
- Manitoba Emergency Measures Organization
- City of Victoria

With reference to the role of insurance in recovery, the following questions were addressed to the Insurance Bureau of Canada:

1. Does insurance fall under provincial or federal jurisdiction, or both?
2. What insurance is available to assist individuals and families in disaster recovery?
3. What are the limits of insurance coverage? (I.e. what items are excluded from coverage? What perils/events are excluded from coverage?)

4. How much assistance can an individual receive through insurance?
5. What timelines exist for individuals and families to recover their losses through insurance?
6. What percentage of individuals carries insurance to cover their losses following an emergency or disaster?
7. Are there examples of insurance provisions following a past disaster that you could provide me with?
8. What do you feel are the gaps in disaster recovery assistance in Canada?
9. Do you have any ideas/opinions on how disaster recovery can be improved upon in Canada?

The following questions were posed to officials in government emergency programs:

1. What is your organizations role in disaster recovery? (Generally)
2. What programs are in place for disaster recovery?
3. What kinds of assistance does your organization provide?
  - a. Financial – please provide rates of assistance, exclusions, eligibility etc.
  - b. Other forms of assistance?
4. When can an individual gain access to these programs?
5. Does your organization have current partnerships/agreements with other agencies involved in disaster recovery?
6. What do you feel are the current gaps in disaster recovery assistance?
7. What do you perceive is the role of the Red Cross in disaster recovery?
8. Do you have any ideas/opinions on how disaster recovery can be improved upon in Canada?

The above methods were used to gather data on the types of, and limits to, funding available to households for disaster recovery through various insurance schemes, the level of insurance coverage within the general population, and the type of, and limits to, funding available through government disaster recovery programs. However, data on the actual application of insurance schemes and government programs was lacking and difficult to obtain either through literature reviews or discussions with those involved in recovery. There is a lack of specificity in the data related to recovery assistance that stems from both the individual and confidential nature of recovery assistance and the lack of pre-planning in place for disaster recovery and its documentation.

## KEY FINDINGS

### 1) DEFINING THE GOAL OF DISASTER RECOVERY

As described above, the first phase of the analysis considered the goal of long-term disaster recovery from the perspective of individuals and families. It became clear during the research that currently, there is not an agreed upon understanding of what it means for an individual or family to have recovered from a disaster. Not all organizations involved in disaster recovery have the same goal in mind when providing assistance. Individuals and families rely on insurance to return to their pre-disaster state. The CRC and most government programs seek to provide only what individuals and families *need* as a result of a disaster.<sup>48</sup> However, the concept of “necessity” is also difficult to define.

The original intent of this project was to consider the gaps in recovery regimes. However, without a clearly articulated goal for recovery, it is difficult to state with any certainty where gaps exist. This is also complicated by the contextual nature of recovery assistance. The amount of assistance provided to an individual is dependent on their needs and own capacities.

To identify recovery planning challenges, this study will consider the goal of recovery from the perspective of the individual – to return to their pre-disaster state. This is not to suggest that the role of the CRC is to ensure that this goal is reached. The CRC must consider to what level it can and should assist individuals and families in fully recovering from a disaster. This is congruent with the CRC’s mandate to provide for basic needs, thereby allowing individuals to focus on their full recovery.

### 2) CURRENT PROGRAMS AND CAPACITIES

This section of the report describes the results of the second phase of the analysis, an identification of the current programs and capabilities to return individuals and families to their pre-disaster state of being.

#### *Insurance Schemes*

Ultimately, disaster recovery is the responsibility of the individual, who is expected to use their own resources to meet their needs following an emergency or disaster.<sup>49</sup> However, the costs of natural disasters are often severe. According to the Insurance Bureau of Canada, the 1998 ice storm in Eastern Canada resulted in \$5.4 billion in personal losses.<sup>50</sup> The 2003 fires in British Columbia resulted in over 3000 insurance claims amounting to over \$200 million in payouts.

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<sup>48</sup> Note 15.

<sup>49</sup> Note 15.

<sup>50</sup> Insurance Bureau of Canada, (2006). *Natural Disasters – Major Multiple-payments Occurrences*. Retrieved from: [http://www.ibc.ca/en/Natural\\_Disasters/documents/Major-Multiple-payment-Occurences-NatDisast.pdf](http://www.ibc.ca/en/Natural_Disasters/documents/Major-Multiple-payment-Occurences-NatDisast.pdf)

Insurance is the primary means by which individuals finance their recovery and is considered a form of disaster preparedness. In Canada, as well as other affluent countries, the insurance industry has assumed financial responsibility for most catastrophic damage to homes and business.<sup>51</sup>

A home owner's policy is the primary means for disaster recovery for individuals and families. Tenants insurance is also of importance for the significant number of renters in Western Canada. An insurance policy is a legal contract between the company and the policy holder. In Canada, an insurance policy is required to obtain a mortgage but not throughout the duration of the loan. Approximately 64% of homeowners carry property insurance with the numbers varying among the provinces (table 1).<sup>52</sup> In the case of condominiums, the condo association typically purchases a policy covering the structure of the building itself, while individual condominium owners can purchase an additional insurance policy to cover personal property. In western Canada, approximately 29-35% of individuals live in rented accommodation, and of this population, approximately 10% carry tenants insurance to protect their personal property (table 2). This indicates that a large number of citizens are not protected by formal insurance schemes. This number does not include homeless populations, who are without protection for the loss of their belongings. It also does not capture those who choose to "self insure" by opting out of formal, private insurance schemes and setting aside their own funds for future use in the event of an emergency.

**Table 1: Percentage of Homeowners in Canada**

Location	% Homeowners with Insurance	% Renters with Tenants Insurance
Canada	64.0	15.2
British Columbia	64.3	10.4
Alberta	72.8	9.7
Saskatchewan	69.7	10.0
Manitoba	67.5	10.6

Source: Statistics Canada Survey of Household Spending

The amount of assistance an individual or family can receive from insurance is dependent on their particular policy. Generally, policies are replacement contracts that cover the cost of repairing or rebuilding damaged property and goods, although landscaping is typically excluded from coverage. In some circumstances, individuals may decide not to rebuild and take a reduced amount of cash from their insurance provider instead.<sup>53</sup> A policy is either comprehensive, covering both the building and contents for all risks that are not specifically excluded, or basic, covering only those perils that are specifically included.<sup>54</sup> Perils for which insurance is available

<sup>51</sup> Note 40.

<sup>52</sup> Statistics Canada. (2006). *Survey of Household Spending*. Table 2030003.

<sup>53</sup> Note 39.

<sup>54</sup> Insurance Bureaux of Canada. (2004). *Home Insurance Explained*. Retrieved from: [http://www.ibc.ca/en/Home\\_Insurance/documents/brochures/Home\\_Insurance\\_Explained.pdf](http://www.ibc.ca/en/Home_Insurance/documents/brochures/Home_Insurance_Explained.pdf)

include explosions, aircraft or vehicle impact, fire, wind, hail and water damage from failed indoor plumbing, water mains or water heaters.<sup>55</sup>

Insurance policies will also assist individuals in the short term with “additional living expenses” when property is unfit to live in, when they are denied access by authorities or when there is a loss of rental income.<sup>56</sup> This coverage does not reimburse for all expenses, only those that are over and above the policy holder’s normal cost of living.

Insurance coverage excludes assistance for a number of significant perils such as water damage caused by floodwater, waves (including tsunami damage<sup>57</sup>), melting or moving snow or ice, landslides or other forms of earth movement. Earthquake coverage is available as an option in Canada and must be purchased in addition to comprehensive coverage.

The speed that a policy holder can receive assistance from their insurance provider is dependent on external factors such as the availability of resources and the supply of labour. For example, following the Firestorms of 2003 in BC, residents whose homes were destroyed by fire had access to contractors, trades workers and resources to rebuild their homes in less than a year, paid for by their insurance. However, residents of Vancouver Island and the lower mainland of BC were waiting for repairs to their homes over fourteen months after severe wind and weather damage in the winter of 2006.<sup>58</sup> Even short term assistance through insurance, such as additional living expenses, depends on the availability of hotels or other forms of short-term accommodation.

### *Federal Recovery Assistance*

For the most part, financial recovery assistance is allocated to communities and individuals through provincial government programs. In some instances, the costs of recovering from an event are beyond the capabilities of the province. Under the Disaster Financial Assistance Arrangements program, provincial and territorial governments can ask the federal government for relief when eligible expenditures exceed \$1 per capita, following a graduated formula based on the size of the disaster (Table 2).<sup>59</sup> The program also sets out guidelines indicating what expenses qualify for relief. Under these arrangements, provincial and territorial governments are free to design, develop and deliver disaster financial assistance with no restrictions placed on them by the Government of Canada.<sup>60</sup>

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<sup>55</sup> Insurance Bureau of Canada (2001). *Advisory Model Wording – Homeowners Comprehensive Form: A Guide to your Policy*. IBC 1155.

<sup>56</sup> Note 54

<sup>57</sup> Olsen, L. Personal Interview. February 2008.

<sup>58</sup> Note 57.

<sup>59</sup> Public Safety Canada. (2008). *Disaster Financial Assistance Arrangement – Revised Guidelines*. Retrieved from: <http://www.publicsafety.gc.ca/prg/em/dfaa/index-eng.aspx>

<sup>60</sup> Haggart, B. (2004). *Natural Disasters: Insurance Availability and Affordability*. Retrieved from: <http://www.parl.gc.ca/information/library/prbpubs/prb0354-e.htm>

Under the DFAA Guidelines, the federal government will not provide funding to the province to cover relief costs when private insurance is generally available; however, there is nothing in the law to prevent the federal government from covering any

cost it wishes.<sup>61</sup> Furthermore, the Federal Guidelines do not set financial limits on the amount of assistance payable to individuals and families. However, it is common practice among the provinces to set limits and only cover a certain percentage of an appraised loss, as described below. Some provinces also require claimants to pay an additional deductible. It is not clear how individual provinces have come to determine the level of assistance they will provide and whether or not a deductible will be charged. Presumably, these levels take into consideration recovery costs from past events and are designed to encourage citizens to take efforts to minimize their risks and losses in advance of a disaster. This provides an indication that provincial governments assume that some responsibility for recover must remain with the individual. The DFAA Guidelines were revised, effective January 1, 2008 and include enhancements to damaged infrastructure for the purpose of mitigation.<sup>62</sup>

**Table 2: DFAA Per Capita Sharing Formula**

Eligible Provincial Expenditures	Government of Canada Share
First \$1 per capita	Nil
Next \$2 per capita	50%
Next \$2 per capita	75%
Remainder	90%

### *British Columbia*

BC is at risk of numerous hazards, including those with the potential for widespread damage including interface fires, flooding, earthquakes and tsunamis. As such, the province has a strong, comprehensive emergency management program led by the Provincial Emergency Program (PEP), a division of the Ministry of Public Safety and Solicitor General. PEP works with other provincial ministries, local authorities and non-government organizations to coordinate the delivery of recovery efforts across the province.<sup>63</sup> The province provides recovery assistance through disaster financial assistance and by coordinating community recovery efforts.

The legal authority for disaster financial recovery is found in the *Emergency Program Act* and the *Compensation and Disaster Financial Assistance Regulation*.<sup>64</sup> Following a major emergency or disaster that qualifies for DFA, home owners, residential tenants, small business owners, farmer owners and charitable or volunteer organizations can apply to the province for financial assistance. Assistance can be provided for losses that are not recoverable at law, or for which insurance was not reasonably or readily available.<sup>65</sup> The funding can be provided for structural repair or replacement of an eligible structure as well as clean-up costs. A number of personal effects are also eligible for repair or replacement, such as various appliances and standard furnishings. There are limits to the assistance provided, however. Only items necessary

<sup>61</sup> Note 60.

<sup>62</sup> Note 59.

<sup>63</sup> Personal Interview. March 2008.

<sup>64</sup> *Compensation and Disaster Financial Assistance Regulation*. B.C. Reg. 124/95O.C. 310/95

<sup>65</sup> Note 44, s. 8.

to replace or restore the necessities of life will be considered and basic essentials will only be replaced with basic models, despite the model of the original item lost.<sup>66</sup> Furthermore, the amount of total assistance for each claim is 80% of the amount of the total eligible claim that exceeds \$1000, to a maximum of \$300,000.<sup>67</sup>

Through PEP, BC is also taking steps towards an integrated, proactive approach to recovery. The BC Community Disaster Recovery Guide recommends a “case management” approach to assisting families and individuals.<sup>68</sup> Case management is intended to ensure that no needs go unmet following an event. Individuals and families are treated on a case-by-case basis, establishing a single file that can be used by all organizations involved in recovery. Each case file can be considered by a “needs committee”, a collaborative group of local and regional agencies that share a common mandate of assisting affected individuals.

To coordinate these efforts, PEP formed the Provincial Integrated Recovery Council (PIRC) in 2005. PIRC is comprised of a combination of NGOs and other public agencies for the purpose of reducing and/or eliminating duplication of effort and unproductive uses of resource.<sup>69</sup> While the formation of PIRC has created a framework to recognize and fill the gaps in disaster recovery, there remains a need to clarify how the transitional time between the end of the response and when a family has returned to their “new normal” is funded.<sup>70</sup>

**Table 3: PIRC Membership**

BC Provincial Integrated Recovery Council Chaired by the Provincial Emergency Program	
BC Association of Specialized Victim Assistance and Counselling Programs	BC Housing
Buddhist Compassion Relief Tzu-Chi	Canadian Disaster Child Care
Canadian Red Cross Society	Christian Reformed World Relief Committee
Emergency Social Services Association	Mennonite Disaster Services
Ministry of Children and Family Development	Ministry of Children and Family and Development
Ministry of Public Safety and Solicitor General, Victim Services	RCMP Victim Services
St John Ambulance	Society of Saint Vincent de Paul
The Salvation Army	First Nations Emergency Services Society (Affiliate member)

*Alberta*

In Alberta, when an event overwhelms the local authority, assistance can be requested from the province, led by the Alberta Emergency Management Agency (AEMA). AEMA leads the

<sup>66</sup> Note 63.

<sup>67</sup> Note 64.

<sup>68</sup> Provincial Emergency Program. (2005). *Community Disaster Recovery; A Guide for BC Local Authorities and First Nations*. Retrieved from: <http://www.pep.gov.bc.ca/Community/recoverytk.html>

<sup>69</sup> Provincial Emergency Program. (2006). *Provincial Integrated Recovery Council: A Framework for Cooperation and Coordination*. Retrieved from: [http://www.pep.gov.bc.ca/Community/PIRC\\_Framework\\_Nov06.pdf](http://www.pep.gov.bc.ca/Community/PIRC_Framework_Nov06.pdf)

<sup>70</sup> Note 63.

coordination, collaboration and cooperation of all organizations involved in emergency management across the province. The hazards of most concern to Albertans are summer and winter storms, flooding and forest fires.

In the area of recovery, the province may implement a Disaster Recovery Program (DRP) within municipalities after a disaster event. Unlike BC, where DFA is considered an on-going program, disaster recovery assistance is not available in Alberta until an estimation of total loss and damage is completed and a decision to implement a program has been made.<sup>71</sup> Extensive flooding throughout the province in 2007 led to the creation of seven DRPs, providing over \$48 million in assistance to residents.

The provision of recovery assistance is guided by the Disaster Recovery Regulation.<sup>72</sup> Consistent with other programs across Western Canada, applicants are ineligible to receive compensation if insurance was readily and reasonably available, if there is a substantial likelihood that costs could be recovered, or the damages, loss or costs could have been reasonably prevented.<sup>73</sup> Furthermore, like other recovery programs, assistance is intended to provide for basic needs and will not cover automobiles, property other than the applicant's principal residence, jewellery, lost wages and recreational equipment. The maximum amount of assistance available per residence is \$100,000.

Unlike BC, Alberta does not currently have a formal program to manage the coordination of the numerous organizations involved in disaster recovery. While the province has been affected by a number of flooding events in recent years, a brief review of Alberta's hazards and risks reveals that the majority of hazards of concern are insurable perils<sup>74</sup>, suggesting that there is less of a need in Alberta to provide for a more comprehensive recovery program. It is interesting to note that no Alberta participants were available to participate in this research study, another indication that planning for recovery may not be a high priority for the province.

### *Saskatchewan*

Saskatchewan's lead agency for emergency management is the Saskatchewan Emergency Management Organization (SaskEMO). The organization coordinates the provincial government's overall emergency planning and programs, including the Provincial Disaster Assistance Program (PDAP), offering financial assistance to citizens, local authorities and small businesses after a natural disaster. Like Alberta, the main hazards of concern in Saskatchewan are severe weather, including tornadoes, and flooding.<sup>75</sup>

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<sup>71</sup> Alberta Municipal Affairs and Housing. (2007). *2007 Central and Southern Alberta Disaster Recovery Program*. Retrieved from:

[http://www.aema.alberta.ca/documents/ema/2007\\_Central\\_and\\_Southern\\_Alberta\\_Program\\_Description\(1\).pdf](http://www.aema.alberta.ca/documents/ema/2007_Central_and_Southern_Alberta_Program_Description(1).pdf)

<sup>72</sup> *Disaster Recovery Regulation*, Alta. Reg 51/1994

<sup>73</sup> Note 72, s. 9

<sup>74</sup> Note 50.

<sup>75</sup> Public Safety Canada. (n.d.). *Know the Risks - Saskatchewan*. Retrieved from:

[http://getprepared.gc.ca/risks/sk\\_e.asp](http://getprepared.gc.ca/risks/sk_e.asp)

Saskatchewan’s Provincial Disaster Assistance Regulations<sup>76</sup> allow for the provision of assistance when an impacted area is designated as an “eligible assistance area”. The regulations guiding DFA are comparable to those in other provinces in Western Canada, limiting assistance to the restoration of a principle dwelling and personal property necessary to the health or reasonable comfort of the individual and their family. The amount of assistance payable to an eligible claimant is equal to 80% of their disaster compensation claim, to a maximum of \$100,000. Disaster recovery assistance in Saskatchewan is currently limited to DFA.

### *Manitoba*

The Manitoba Emergency Measures Organization (MEMO) works closely with a wide range of government and non-governmental organizations to coordinate efforts during all phases of an emergency. The province has experienced a number of significant events including flooding of the Red River in 1950, 1966, 1979 and 1997, and the strongest confirmed tornado in Canadian history, striking the town of Elie in 2007.

Like all provinces in Canada, Manitoba offers disaster financial assistance to restore property when insurance is not available to cover losses. Assistance is generally available to cover pre-emptive costs, such as the construction of temporary dikes, evacuation and restoration costs, including clean-up and debris removal, structural damage and the loss or repair of essential items. Similar to other jurisdictions, a local authority resolution is needed and all DFA payments are subject to a 20% deductible. The maximum amount of assistance payable to a claimant is \$100,000.

**Table 4: Partners in Disaster Membership**

<b>Regular Member</b>	<b>Affiliate Member</b>
Canadian Red Cross	Manitoba Emergency Measures Organization
Christian Reformed World Relief Committee	Emergency Social Services, Manitoba
Mennonite Disaster Service	Manitoba Health
St. John Ambulance	Public Aid, City of Winnipeg
The Salvation Army	Winnipeg Regional Health Authority

Following the Red River flood of 1997, the province recognized the need for a more holistic approach to disaster recovery. The event highlighted the importance of NGOs in recovery and the organization “Partners in Disaster”, a coalition of NGOs, was formed. The group came together initially to ensure that individuals were not being compensated more than once for the same loss. Today, the group continues to work together to provide a more coordinated response to the needs of disaster victims and evacuees. This approach to recovery proved valuable following the Elie tornado. Several homes were destroyed during the event; however, damage to all but one residence was covered by insurance. Given the nature of the hazard, government assistance through DFA was not available to impacted families, so those without insurance relied entirely on the time, finances and labour provided by NGOs. These efforts were successfully coordinated by “Partners in Disaster”.

<sup>76</sup> *Provincial Disaster Assistance Program Regulations*, 1993, RRS c. E-8.1 Reg1

### *Local Governments*

As previously indicated, local governments share responsibility for emergency management in Canada. In terms of disaster recovery, local authorities assume primary responsibility for community recovery through requirements placed on them by provincial legislation and because of their close ties to community entities involved in recovery. Community recovery places emphasis on the psychosocial viability and economic health of the community as a whole. It considers the collective recovery of all members of the community, including individuals and families, businesses and NGOs. Local governments are also responsible for their own recovery including the restoration of damaged infrastructure and the continuity of public services.<sup>77</sup>

With respect to individuals and families, their recovery is dependent on the ability of local governments to rapidly recover from the event so that local infrastructure and services are available to them. However, few, if any, communities in Western Canada have formal, comprehensive community recovery plans in place.<sup>78</sup> Local governments are also limited in their ability to assist in individual and family recovery due to the extraordinary costs of disasters. Local governments themselves are often reliant on provincial DFA programs to recover. While community recovery is beyond the scope of this paper, it should be noted that the importance of local authority and community recovery cannot be over emphasized as it provides the foundation for all other recovery activities.

This brief review of recovery regimes highlights the similarities that exist across Western Canada. The few variations seen are largely due to the nature and frequency of hazards experienced by the individual provinces. Both BC and Manitoba have experienced and are prone to large-scale emergencies and disasters. In response, both provinces have taken a more holistic approach to disaster recovery.

### 3) CHALLENGES FOUND IN CURRENT RECOVERY REGIMES

Through a consideration of the various goals in disaster recovery and a review of current recovery regimes, several challenges were identified that stand in the way of ensuring that adequate recovery planning and programs are in place. These challenges may be opportunities for the CRC in formalizing their role in disaster recovery in Canada.

#### *Lack of Planning*

When asked to consider the gaps in disaster recovery, all participants identified the lack of planning for recovery as the most significant shortcoming. Few jurisdictions in Canada have comprehensive recovery plans in place that outline the roles and responsibilities of agencies

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<sup>77</sup> Note 68.

<sup>78</sup> During the course of this research, no comprehensive community recovery plans could be identified.

involved in recovery. The review of current recovery regimes revealed that recovery planning has emphasized the role of financial assistance without taking into account planning beyond DFA programs. Committees such as the PIRC in BC and Partners in Disaster in Manitoba show a trend towards more proactive recovery regimes, however, more work is needed to better incorporate the insurance industry, DFA programs and other support agencies into recovery planning. These entities must come together to clarify how the transitional time between the end of response and when a family has fully recovered will be funded.<sup>79</sup>

This research project also revealed a lack of consensus on a practical definition of recovery. At what point can an individual, family or community be said to have fully recovered from a disaster? When does the transition occur from response to recovery? What does recovery look like? Recovery planning must first grapple with these issues before it can start to define roles and responsibilities.

### *Assistance Deductibles*

Most provincial DFA programs only fund 80% of the assistance needed.<sup>80</sup> This leaves individuals and families responsible for covering a 20% deductible. British Columbia also requires claimants to pay an additional \$1000 per claim. Insurance deductibles are also part of the contract between a home owner and their insurance provider. As indicated previously, the existence of assistance deductibles demonstrates where decisions are being made regarding the appropriate allocation of responsibility. One way that individuals and families take responsibility for their own recovery is through these deductibles.

In many instances, however, these deductibles place a significant burden on disaster victims. Large-scale emergencies and disasters not only destroy homes, but also the business and economic viability of the community. With little to no income following an event, many, particularly those already in a vulnerable position in society, will have difficulty overcoming this significant gap in recovery assistance.

### *Families without Insurance*

While the majority of homeowners have insurance policies that will assist them following a disaster, many renters and a percentage of homeowners do not carry insurance (table 2). This represents a significant population that are also ineligible for DFA after a number of hazardous events. The rationale for the rule against providing aid to those who do not purchase insurance is to protect the insurance agency and taxpayers. If governments provided assistance for all damages regardless of whether insurance was available, there would be no incentive to purchase insurance. This would increase the cost of disasters paid for by taxpayers and would decrease the pool for insured risks, escalating the risk of insolvency for insurers.<sup>81</sup>

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<sup>79</sup> Note 63.

<sup>80</sup> Note: Alberta regulations do not indicate the rate of assistance provided. No one from AEMA was available to verify that the province covers all costs to a maximum rate with no deductible charged.

<sup>81</sup> Note 60.

While recognizing the need to protect taxpayers and insurers, disaster recovery regimes are designed to assist individuals and families in meeting their basic needs. This is particularly necessary for vulnerable populations who are financially unable to purchase insurance. In such cases, disaster victims are reliant on assistance from NGOs and the discretion of provincial employees who administer DFA programs. One participant in this study stated that they had no discretion in providing DFA due to the wording of their province's DFA regulation. In contrast, another participant found that the exclusion of assistance where insurance is *reasonably* available is open to interpretation. This has permitted DFA to be available when insurance is too costly. Provincial assistance has also been provided in spite of the availability of insurance during large-scale events that garner widespread media attention, such as the Firestorm of 2003 in BC.<sup>82</sup>

Regardless of the uncertainty surrounding the availability of DFA to some individuals and families in certain circumstances, there will always be a role for NGOs in providing assistance to those without insurance to cover their losses.

#### *Damage above Assistance Levels*

Another identified shortcoming in recovery assistance is those costs over and above assistance provided by an insurance policy or the maximum amount of DFA available. As previously stated, the amount of assistance available through insurance is dependent on the particular policy in question. Generally, the policy will cover the replacement cost for building losses unless that cost has been underestimated. In these cases, the insurer will not pay more than the cost stated in the policy.<sup>83</sup>

With respect to DFA, most provinces in Western Canada provide up to \$100,000. BC is the only province that will assist up to \$300,000. Depending on the nature of the event and the cost of living in the area where the disaster has occurred, these maximum rates may not cover the costs of recovery.

#### *Market Value Limitation*

DFA arrangements also limit assistance to the market value of a dwelling as opposed to the actual cost of rebuilding. This may be of particular concern in rural areas where housing costs are less than those in large urban centres and the cost of rebuilding may exceed the building's market value. Under current policies, individuals and families facing such situations are unable to rely on government assistance and any financial support for recovery will therefore need to come from NGOs or community fundraising.

#### *Transitional Time*

The final difficulty identified by participants and a review of recovery legislation and programs exists in the transition time between the initial response and receiving assistance from insurance,

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<sup>82</sup> The Honourable Gary Filmon. (2003). *Firestorm 2003: Provincial Review*. Retrieved from: <http://www.2003firestorm.gov.bc.ca/firestormreport/FirestormReport.pdf>

<sup>83</sup> Note 54.

legal action or governmental assistance. As the participant from the Insurance Bureau of Canada notes, financial assistance from insurance is paid out as the individual or family find alternative, short-term accommodation and to the contractors who work to repair their homes. In large events, short-term accommodation may not be available regardless of an evacuee's ability to pay, either through insurance or government assistance. Furthermore, homes cannot be rebuilt without the necessary materials and workers, resources that will be in short supply when there is widespread damage.

Provincial government assistance is not available where costs can be recovered through litigation. In some instances, applicants may receive assistance if there is a declaration stating that any provincial assistance provided will be refunded in the amount awarded through litigation.<sup>84</sup> Recovering losses through legal action is limited to only a few possible hazards. As such, it is not yet clear how well disaster victims are assisted through this means. In situations where an applicant is denied DFA because legal action is possible and there is a significant time between the disaster and a legal resolution, assistance from NGOs will be required.

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<sup>84</sup> Note 64.

## CONSIDERING THE ROLE OF THE CANADIAN RED CROSS

The preceding sections considered the historical and current role of the CRC in disaster recovery as well as the state of recovery regimes in the four western provinces. This information helped to identify several challenges for recovery planning. This section considers what the CRC can do to help overcome these challenges. It begins with consideration of the feasibility of standardizing the role of the CRC across western Canada. Next, it examines how the CRC can work within existing intergovernmental structures as well as the risks and challenges the organization may face in formalizing its role.

## STANDARDIZING ROLES IN DISASTER RECOVERY

The CRC is just one of numerous organizations involved in disaster recovery. Like many other nations, Canada has yet to develop coherent strategies for coordinating the roles and responsibilities of these parties beyond immediate, short-term relief.<sup>85</sup> As previously mentioned, the CRC is defined as an auxiliary to the federal government. However, the relationship between the CRC and provincial governments has not been so formally defined. During the auxiliary project's consultations, it became evident that a *de facto* auxiliary relationship was being forged between provincial officials and zone or regional CRC operations.<sup>86</sup> It is also recognized that formal Memorandum of Understanding (MOU) between the CRC and provincial authorities would provide a tool to enhance cooperation during recovery. To what extent can such agreements be standardized across Western Canada?

Standardization can be defined as establishing and applying a set of agreed solutions intended for repeated application, directed at benefits for stakeholders.<sup>87</sup> In considering the role of the CRC, thought should be given to both a standard process and standard outcomes. In some instances, there is great benefit in ensuring that a standard process is used to ensure a desired end. In emergency management, this can be seen in the area of business continuity, where the process of developing plans is well defined, as are the roles and responsibilities of the various teams needed to carry them out. However, standardized processes are not always possible or desired. Often, it is the outcome that is of central importance. This is common in organizations using performance measurement in conducting their business. Standardizing a process requires considerable consultation with various stakeholders and a base level of similarity from which agreement can be reached. Standard outcomes permit flexibility while ensuring that the desired results are achieved. They require that participating organizations agree on a set of values that help define what is desired.

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<sup>85</sup> Note 40.

<sup>86</sup> Note 4, p. 15

<sup>87</sup> National Standardization Strategic Framework. (n.d.). *How Standardization Works – The Standardization Map*. Retrieved from: [http://www.nssf.info/resources/documents/About\\_Standardization\\_Map.pdf](http://www.nssf.info/resources/documents/About_Standardization_Map.pdf)

The research findings suggest that there are numerous similarities in how the western provinces arrange disaster recovery assistance. Individuals and families take responsibility for many possible losses through private insurance. For hazards that would prove too costly for insurance providers, governments provide disaster financial assistance. However, several variations in recovery arrangements were also revealed in the findings, including different maximum rates of assistance. It is the different approaches to coordination that may pose the greatest hurdle to standardizing the process of delivery recovery assistance. Both BC and Manitoba look at recovery through a holistic lens, defining significant roles for NGOs. Alberta and Saskatchewan focus on DFA, although NGOs no doubt play a significant role when a disaster strikes in either province. Do the similarities in recovery regimes provide a strong enough base level of similarity to overcome these various approaches and permit standard provincial agreements? One observation made during the auxiliary project was that:

"Operationalizing the auxiliary role was not seen as a "one size fits all" proposition. [I]t was suggested that the CRC [will] likely have to discuss auxiliary roles individually with each province to determine priorities and needs."<sup>88</sup>

While the approaches used vary across the provinces, it is evident that the values that guide all participating organizations in disaster recovery are shared. Recovery programs are aimed at assisting individuals and families following events that threaten their ability to meet even their basic needs. Insurance, provincial and NGO assistance is predicated on notions of responsibility, vulnerability and need. This suggests that standard outcomes could be agreed upon, outcomes that all individuals impacted by a disaster should achieve with assistance from the various organizations. Until such time that recovery planning is of sufficient priority for all provinces standardizing the processes used, the role of the CRC, may prove difficult.

## INTERGOVERNMENTAL DIMENSIONS AND PARTNERSHIPS

A discussion on the CRC's role in recovery must take into consideration the existing intergovernmental structures that influence emergency management policy formation. These structures could play a significant role in defining recovery standards, particularly at the national level. At the highest level, the committee of Federal-Provincial-Territorial (FPT) Ministers Responsible for Emergency Management meets annually to discuss matters related to public safety and emergency management. Current initiatives announced by the committee relate to critical infrastructure, public alerting and disaster mitigation.<sup>89</sup> At the 2008 meeting, Ministers discussed disaster recovery from the perspective of the Federal Disaster Assistance Initiative. While the importance of DFA to Canadians was acknowledged, planning to improve the program

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<sup>88</sup>Note 4, p. 37.

<sup>89</sup> Canadian Intergovernmental Conference Secretariat (CICS). (2008). *News Release: Federal, provincial and territorial ministers address emergency management priorities*. Retrieved from: [http://www.scics.gc.ca/cinfo08/830932004\\_e.html](http://www.scics.gc.ca/cinfo08/830932004_e.html)

centers on streamlining the existing processes as opposed to questioning current levels of assistance and deductibles across the country.<sup>90</sup>

At the strategic, policy level FPT collaboration is institutionalized by a high-level committee of Senior Officials Responsible for Emergency Management (SOREM).<sup>91</sup> The main objectives of SOREM are to exchange information, points of view, knowledge and experiences among the FPT governments on emergency management issues of common interest and to foster better cooperation between governments to improve disaster response capabilities. SOREM also provides guidance to the committee of FPT Deputy Ministers Responsible for Emergency Management, another high level, intergovernmental structure engaged in emergency management dialogue.

Among provinces and territories, the Council of Emergency Management Organizations (CEMO) was formed in 2002 to strengthen the professional relationship between provincial and territorial agencies responsible for emergency management. The Council's membership consists of executive directors of Canada's provincial and territorial emergency management organizations. Their objectives include developing consensus among members on policy and operational concerns and providing a forum for discussion and formation of a common voice as a precursor to discussions with the federal government.<sup>92</sup>

The CRC could have a significant role in defining national standards for disaster recovery in cooperation with existing intergovernmental structures. There is overlap in the membership of the CCEMO and SOREM, with the latter also including federal officials. By lobbying to groups like SOREM, the CRC could expand its role as an advocate for disaster recovery planning. This could include conversations on both the current state of DFA programs and the need for recovery standards for individuals and families. A national standard on recovery can only be achieved by extensive dialogue between policy makers and NGOs, like the CRC, that have extensive experience assisting individuals and families in their recovery.

In addition to engaging in dialogue with governments through structures such as SOREM, the CRC should also consider working with provincial emergency management organizations to formalize roles in long-term recovery. As previously mentioned, the current state of recovery programs across Canada suggests that standard agreements on recovery may not be possible at this time. The CRC will likely find more success in dealing with provinces individually. The CRC has previously entered into agreements with several provinces across Canada with respect to short-term assistance. By extending such memorandums of understanding and agreements to include roles in long-term recovery, the CRC and provincial governments can better prepare for large-scale events.

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<sup>90</sup> Note 89 .

<sup>91</sup> Hay, J. (2006). *Who Does What? Critical Energy Infrastructure Protection in the Canadian Government*. Critical Energy Infrastructure Protection Policy Research Series No. 6 – 2006. Retrieved from: [http://www.carleton.ca/cciss/res\\_docs/ceip/hay.pdf](http://www.carleton.ca/cciss/res_docs/ceip/hay.pdf)

<sup>92</sup> Public Health Agency of Canada. (2008). *The National Health Emergency Management System: An Overview of How Canada's Health System Prepares for and Responds to Emergencies*. Unpublished Report.

Long-term recovery agreements could consider a number of areas including the role of the CRC in various provincial recovery committees. Initiatives such as PIRC and Partners in Disaster have found success in both the planning stages and coordinating recovery efforts. Future agreements between the CRC and BC and Manitoba could focus on the role of the Red Cross in these pre-established committees. Given the CRCs experience in recovery, they are well suited to provide leadership in recovery planning. The CRC could also agree with provincial entities to help coordinate the formation and functioning of needs committees in provinces where they are not yet formed. Again, the CRC can take on a leadership role in establishing provincial recovery committees.

A long-term agreement could also outline a role for the CRC in covering the cost of DFA deductibles for vulnerable populations. This would require the CRC to examine the financial viability of such an agreement as well as well-articulated guidelines for when such assistance would be made available to individuals. Such a provision may need to vary across the Western Provinces as there are differing levels of risk for the CRC in agreeing to such a responsibility.

Whereas the relationship between the CRC and government entities is of great importance, the relationship amongst NGOs involved in recovery must not be overlooked. Currently, the relationship between a number of NGOs involved in disaster management in Canada is articulated in agreed upon Guidelines for Cooperation.<sup>93</sup> The Guidelines are intended to encourage signatories to assess local needs and work cooperatively to provide services to victims of emergencies or disasters. While the guidelines do not specifically address the role of NGOs in recovery, they outline how disaster management efforts will be accomplished through cooperation and a shared set of standards. Such a framework should not be overlooked when considering the role of the CRC in disaster recovery. The CRCs ability to cooperate with other organizations and to share the workload will ensure that individuals and families impacted by disaster receive the most efficient and effective assistance possible.

## RISKS AND CHALLENGES

In formalizing the role of the CRC in disaster recovery, several risks and challenges must be considered. Many of these challenges stem from the uncertainty that exists in the realm of emergency management. Disasters themselves are characterized by uncertainty. We can know the risks posed by various hazards, but rarely can we predict exactly when and where they will strike or the magnitude of their impact. Disaster response is also characterized by uncertainty as rapid decision making often occurs in the absence of all the required information. The unpredictable nature of disasters also has consequences for planning efforts aimed at better coordinating recovery assistance. What levels of assistance will be needed and where? What resources will be available to provide long-term assistance? How will the community as a whole recover? Recovery efforts will be impeded until local infrastructure is in place.

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<sup>93</sup> Signatories to the agreement are: Adventist Development & Relief Agency, the Canadian Red Cross, Christian Reformed World Relief Committee of Canada, Mennonite Disaster Service, St. John Ambulance, and the Salvation Army.

The CRC's capacity to assist evacuees will be limited by the availability of resources after a disaster. The CRC relies heavily on public donations to assist victims in rebuilding their lives. When considering the role the CRC could play in filling recovery assistance gaps, it must be remembered that this funding source brings with it a great deal of uncertainty. It is difficult to know in advance of an event just how much financial resources will be available. The success of raising funds is dependent on the quality and duration of media coverage being concentrated on the disaster event.<sup>94</sup> This suggests that the CRC may have access to more funding following a large-scale event that garners wide-spread media attention than a more localized event that is deemed less newsworthy.

The CRC also relies heavily on the work of volunteers to fulfill their mandate. Following a major disaster, volunteers may be sparse in the impacted region as local volunteers become disaster victims themselves. Fortunately, the CRC has a large network of support available from Red Cross societies in other nations and the International Red Cross and Red Crescent Societies. Other material resources are also in short supply in regions impacted by disaster. Long-term, the lack of trades' workers may prove to be one of the most significant hurdles all organizations assisting disaster victims may face. Even if sufficient funding is available through donations homes cannot be rebuilt without appropriately skilled workers. Unfortunately, these workers are already in short supply in Western Canada.

The CRC must also contend with uncertainty in how other partners in recovery assistance will respond following a major event. While government programs indicate that DFA is not available for insurable losses, or beyond a maximum amount, there is also room for individual discretion in determining what assistance will be made available. This is often seen in the provision of short-term relief. Policies indicate that assistance is also not available for insurable events, and when offered, for a maximum of 72-hours. There are several examples however, of these policies being overruled for compassionate or practical reasons.<sup>95</sup> This lack of clear boundaries makes defining the role of the CRC somewhat complex. It is difficult to know what the gaps in recovery assistance will be until discretion can be considered, which is only possible after an event has occurred.

Another challenge in defining the CRC's role in long-term recovery is the current state of recovery planning in Canada. As previously mentioned, recovery planning has not been a priority for emergency management, which has typically been response focused. It is interesting to note that participants for this research were difficult to come by, particularly in Alberta and Saskatchewan where recovery planning is limited to DFA. Roles and responsibilities must be coordinated amongst all parties involved, and it will be difficult to articulate a role when any single party does not view recovery planning as a priority.

Furthermore, planning for individual and family recovery is integrally linked to planning for community and economic recovery. Victims of Hurricane Katrina faced a great deal of

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<sup>94</sup> Ministry of Municipal Affairs and Housing, Ontario. (2007). *Fundraising Toolkit – Guidelines for Disaster Relief Communities*. Retrieved from: <http://www.mah.gov.on.ca/Page1573.aspx>

<sup>95</sup> Examples include Firestorm 2003 when hundreds of evacuees received provincial assistance when they were covered under private insurance for short-term accommodation, provincial assistance being made available for 2-weeks, as opposed to 72-hours, when a small aircraft struck an apartment building in Richmond, BC.

uncertainty following their return to the area. Even when funding to rebuild homes was available through insurance or government assistance, citizens questioned whether or not to rebuild. Would their neighbours return to the community? If not, what impact would this have on property values and the overall sense of neighbourhood? Citizens also had difficulty finding work as many businesses were heavily damaged or destroyed. Large-scale disasters impact the community as a whole. Defining roles and responsibilities in providing assistance to evacuees is not enough. It is only one part of the recovery challenge.

## CONCLUSIONS AND RECOMMENDATIONS

The purpose of this study was to review the current state of recovery planning and programs in Western Canada and to consider a potential, formal role for the CRC in disaster recovery planning. The project also considered the feasibility of securing standardized agreements between the CRC and provincial governments on the role of the Red Cross in disaster recovery given the differences between provinces in their current recovery assistance regimes. Several interviews were held with representatives from the insurance industry, provincial governments and the CRC. The research also relied heavily on an analysis of disaster recovery legislation, policies and other research reports.

Several challenges for current recovery regimes were identified, most notably, a lack of recovery planning across all western provinces. Other challenges include assistance deductibles, damage above assistance levels when insurance is not available, and funding transition times between the initial response and receiving assistance from insurance, government or through legal action. Individuals and families without insurance and deemed not eligible for government assistance represent significant gap in current recovery regimes. Although these shortcomings are definable when reviewing current policies, it is difficult to know how recovery assistance will play out following a large-event. Fortunately, Canada has had few large-scale disasters in its history. The impact of media attention and individual discretion may result in recovery assistance being provided where it had not been identified previously.

In light of the identified challenges in ensuring appropriate levels of assistance and the challenges of defining a role in filling these gaps, are standardized provincial agreements possible across western Canada? As suggested, identifying a standard process for delivering assistance will prove difficult. The challenges are consistently found in all provinces, but to varying magnitudes. Western Provinces vary in their level of recovery planning and in the amount of financial assistance they will provide. Therefore, the risks to the CRC in agreeing to fill these gaps vary from province to province. A 20% deductible in BC could be substantially greater than a 20% deductible in Saskatchewan, for instance. Predictably, provinces more at risk of large-scale disasters have moved beyond basic DFA programs to consider ways to fill gaps in recovery assistance.

While uncertainty characterizes recovery assistance regimes, there is certainty in the need for greater emphasis on all aspects of recovery planning. The CRC can then work with all partners in recovery to define a national set of standard outcomes for those impacted by disaster. Agreement needs to be reached on the definition of “necessity” and what it means to recover. With these outcomes agreed to, the CRC can work with each province to determine how they can then work together to achieve the desired ends. The integrated needs or recovery committee approach, as used in Manitoba, should be used across all provinces. The Red Cross, in conjunction with other NGOs, can work together to ensure all needs are met and the desired outcomes reached. An essential element of needs or recovery committees is an understanding of the roles and responsibilities of all participating agencies.

In order to facilitate greater definition of the role of the CRC in long-term recovery, the following are recommended activities for the CRC:

**1. Initiate discussions on the practical definition of recovery, assumptions in recovery regimes and national recovery standards:**

Recovery programs in Canada would benefit from a greater awareness of what it means to recover and to agree on standard outcomes for individuals and families after a large-scale emergency or disaster. This conversation must also seek clarity on where responsibilities can and should lie in ensuring that individuals and families reach their goal of full recovery. The results of these discussions will have an impact on future planning efforts aimed at defining roles and responsibilities.

The CRC is an ideal candidate to initiate discussions on recovery given the organizations experience in national and international disasters, and their focus on humanity as a guiding principle. There are a variety of intergovernmental structures in Canada that the CRC could approach to begin recovery discussions. The CCEMO and SOREM are two such structures that could provide a pan-Canadian perspective.

**2. Enter into agreements with provinces individually to better define the role of the CRC in long-term recovery:**

Participants in the auxiliary project identified agreements with the provinces as being an important means of furthering cooperation between provincial authorities and the CRC. Given the differences in current approaches to recovery planning, it is unlikely that these agreements could be standardized at this time, although desired in the future. The results of recommendation 1 will have an impact on the agreements reached with each province.

Agreements with individual provinces should address standard issues relating to notification, payment of expenses, legal relationship, records management, privacy and confidentiality, amendment of the agreement, termination and dispute resolution as outlined in the CRC's manual on Negotiating a Disaster Management Contract with a Municipality.<sup>96</sup> In addition, provincial agreements should consider the role of the CRC in integrated needs committees and covering costs associated with DFA deductibles for vulnerable populations. A sample Memorandum of Agreement for long-term recovery, based on the CRC's model agreement, is included in appendix B. Changes to the model agreement have been made to Schedule A.

**3. Where not currently operating, work with provincial authorities to create integrated needs or recovery committees:**

These committees have proven effective in planning for individual and family recovery and addressing gaps in assistance after an event. Currently, both British Columbia and Manitoba have established recovery committees.

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<sup>96</sup> Note 1.

**4. Advocate for amendments to current provincial DFA policies:**

Recognizing the gaps in current disaster recovery regimes, the CRC could lobby provincial emergency management organizations to amend DFA policies to better meet the needs of evacuees. Areas for amendment include the presence or amount of deductibles in financial assistance, and increasing the maximum amount of assistance to better reflect the increasing cost of housing in western Canada. Again, the results of recommendation 1, discussions on where responsibilities in disaster recovery lie, will have an impact on the amendments needed to provincial DFA policies.

**5. Conduct research on the feasibility of covering the cost of assistance deductibles for selected populations:**

Assistance deductibles were identified as a gap in current recovery regimes, particularly for vulnerable populations. Dependent on the results of recommendation 4, the CRC could consider agreeing to cover these costs. If DFA deductibles will continue to exist, the CRC could conduct research on:

- g. The amount of assistance provided in each province in previous years for past disasters (i.e. minimum, maximum, average assistance levels as well as trends in DFA spending);
- h. The cost of DFA deductibles for those impacted by previous disasters by province;
- i. The number and amount of insurance claims/payments due to disaster in each province (including trends in insurance claims);
- j. The cost of insurance deductibles for those impacted by previous disasters (i.e. minimum, maximum and average deductibles as well as trends);
- k. The amount of funding the CRC has had available for previous disasters (minimum, maximum, average and any trends in funding); and
- l. The financial and legal risks to the CRC in agreeing to fund deductible costs.

By entering into agreements with Provincial and Local governments before a disaster takes place, the CRC can ensure that they provide the most efficient and effective assistance to impacted citizens. Without pre-planning for recovery, all organizations involved in providing assistance run the risk of duplicating resources and efforts. Recent large-scale disasters have shown the world just how destructive these events can be, not only to the infrastructure and buildings we work so tirelessly to replace, but to the very fabric of a community and to the lives of its citizens. The CRC is a leader in disaster recovery and should embrace this role. It can unite organizations involved in recovery around common goals and standards to ensure that Canadians are better prepared to recover from future events.

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APPENDIX A: CANADIAN RED CROSS, NATIONAL DISASTER ASSISTANCE GUIDELINES

ITEMS	RECOVERY ASSISTANCE FOR VULNERABLE GROUPS
Emergency Feeding	Groceries      First person in a household      \$60/wk Each additional household member      \$20/wk Infant Formula      Each infant      \$40/wk
Emergency Clothing	Each Adult      \$120 Children (less than 12 years)      \$100
Personal Services & Health Care	Eye glasses, hearing aids, dentures, prosthetics, mobility aids, one refill of essential medications required to provide basic support
Emergency Lodging	One month rent when home is damaged beyond immediate use. Verification required by needs assessment. Security Deposit not to exceed one month rent. Provided only when required and cannot be waived.  Cost of utilities for one month, utility deposits and connection charges, when verified needs exists and such connections cannot be waived.
Home Repairs	\$35 per household for cleaning supplies Bed linens, blankets & pillow      \$25 per person Towels & Washcloth      \$15 per person Cooking utensils      \$75 per household  Vouchers may be issued for cleaning, repairs or replacement of essential household items. Maximum amounts of vouchers.  First person in a household: \$2000 Each additional person: \$375
Children’s Needs	Crib, car seats and high chair      \$250 in total Childcare/babysitting      \$20 per day, \$100 max.
School Needs	Up to the following amounts: Primary school \$50, Secondary school \$100 and Post-Secondary \$200
Transport	Bus Pass – for one month, based on local rates. Alternative form of transportation if buses not available – maximum \$50
Occupational Needs	UP to \$500 per wage earner

APPENDIX B: SAMPLE PROVINCIAL RECOVERY AGREEMENT<sup>97</sup>**MEMORANDUM OF AGREEMENT**

(The “Agreement”)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

BETWEEN HER MAJESTY THE QUEEN, in the right of the Province of **[Insert Province]** as represented by the Minister **[Insert Ministry Name]** (hereinafter referred to as the “Minister”)

AND The Canadian Red Cross (hereinafter referred to as the “Red Cross”)

**WHEREAS** the Minister and the Red Cross wish to enter into an agreement whereby the Red Cross will provide disaster recovery assistance to citizens throughout the Province of **[Insert Province]**;

**AND WHEREAS** the Minister will request the assistance of the Red Cross to provide disaster recovery assistance as outlined herein;

**AND WHEREAS** the RED CROSS is recognized officially as an auxiliary to the public authorities in providing protection and assistance to victims of disasters, and has the resources and mandate to support the provision of disaster recovery assistance;

**AND WHEREAS** it is acknowledged that the responsibility for emergency preparedness is dictated by the **[Insert Legislation]** and the Regulations made under that Act;

**NOW THEREFORE, IN CONSIDERATION** of the mutual terms and covenants herein contained, the parties covenant and agree as follows:

**Definitions**

1. In this Agreement:

- a) “Disaster” means a situation or an impending situation caused by the forces of nature, an accident, an intentional act or otherwise that constitutes a danger to life or property and includes:

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<sup>97</sup> Canadian Red Cross. “Negotiating a Disaster Management Contract with a Municipality, Canadian Red Cross Manual”. November 2006; Amendments made to Schedule A.

- (i) a situation necessitating action to arrange for temporary shelter for residents evacuated from their homes, prior to or without the official declaration of an emergency; and;
- (ii) a situation necessitating the formal declaration of an emergency;
- b) “Eligible Expenses” means the expenses incurred in the provision of Services of a type for which the RED CROSS is entitled to be reimbursed by the Province;
- c) “Evacuation Centre” means a centre identified by the Province for the temporary lodging of persons during a Disaster;
- d) “Proper Officers” means those officers of the parties to this Agreement who have the signing authority to bind the party;
- e) “Services” means the services to be provided by the RED CROSS under this Agreement.

### Services

1. The extent of the Services set out in Schedule “A” that can be provided by the Red Cross is conditional upon the finalization of the financial arrangements for this Agreement, under section 13.
2. The Red Cross will provide the Services set out in Schedule “A” upon receipt of the Province’s notification of a Disaster. However, nothing in this Agreement restricts the entitlement of the Red Cross to provide additional services at its own expense, in the absence of notification by the Province, and to raise funds independently for these additional services.

### Notification

2. In the event of a Disaster, the Province will contact the Red Cross within 24 hours of the decision to invoke Red Cross’s services. Upon contacting the Red Cross, the Province will provide the following information:
  - a) the nature and extent of the Disaster;
  - b) the anticipated number of evacuees;
  - c) any identified threats or hazards to those affected or volunteer relief workers.

### Staff and Volunteers

3. The Red Cross will provide staff and volunteers necessary for the operation of Recovery Centres. This does not eliminate the Province’s commitment to provide staff to Recovery Centres for the provision of services designated by law until the Red Cross takes over their operation.

## Records Management

4. In conjunction with other agencies involved in the provision of recovery assistance, the Red Cross will establish, maintain, and retain records of all evacuees who receive recovery assistance following the Disaster. The records will include the following information:
  - a) names of all family members;
  - b) primary residence address;
  - c) duration of stay;
  - d) forwarding address and contact phone number for the evacuees when they leave the Evacuation Centre; and
  - e) medical needs.

At the end of the disaster the Red Cross will deliver all records to the Province.

## Privacy and Confidentiality

5. The Red Cross will treat as confidential, and will not, without the prior permission of the Province, publish, release or disclose or permit to be published, released or disclosed, either before or after the expiration of this Agreement, private or confidential information supplied to, obtained by, or which comes to the knowledge of the Red Cross as a result of the Agreement except insofar as publication, release or disclosure is necessary, in the reasonable opinion of the Red Cross, to enable the Red Cross to fulfill its obligations under the Agreement, or is required or permitted by law.
6. The Red Cross and the Province acknowledge that any personal information that is provided for the purpose of creating records is given to the Red Cross in confidence and is protected by the Red Cross privacy policy and applicable privacy legislation. The Province undertakes that personal information in records delivered to it by the Red Cross will be used for the limited purposes of disaster recovery assistance. The Province further acknowledges that any personal information obtained from the Red Cross for Disaster recovery purposes will be protected under the terms of the Province's privacy policy and applicable privacy legislation.

## Financial Arrangements

7. The Red Cross and the Province will negotiate and finalize the financial arrangements for this Agreement within one (1) month of the signing of this

Agreement. The Red Cross will respond to a disaster situation pending the finalization of financial arrangements, but the extent of the services will be conditional upon the Red Cross's resources and at the Red Cross's sole discretion. The finalized financial arrangements shall be attached as Schedule "C".

### **Indemnification**

8. Each party will, during the term and after the termination of this Agreement, indemnify and save harmless the other from any loss, damage, claim, cost, expense or liability whatsoever that the other may incur, suffer or be required to pay pursuant to any claim, demand, action, suit, litigation, charge, complaint, prosecution or other proceeding that may be made or asserted against or affect the party indemnified by reason of a wrongful or negligent act or omission on the part of the indemnifying party, its employees, servants, agents, subcontractors or volunteers in the performance or rendering of Services.

### **Insurance**

9. The Province will, at its sole cost and expense, take out and keep in force throughout the term of this Agreement occupiers liability insurance on the Recovery Centres, as well as public or general liability insurance covering all acts and omissions of its employees and volunteers in respect of loss by or injury to third parties, including Red Cross staff and volunteers, arising from those acts or omissions in the course of this Agreement, both coverages to a limit of at least Ten Million Dollars (\$10,000,000.00) per incident, or such lesser amount as is approved by the Society. Certificates of insurance will be delivered promptly to the Red Cross from time to time, on request, throughout the term of this Agreement.
10. Each policy of insurance must be endorsed to provide 30 days notice to Red Cross in the event of cancellation by the insurer. Additionally the Province must provide the Red Cross with (30) days written notice of its intention to cancel or not renew the policy.
11. The Red Cross will, at its sole cost and expense, take out and keep in force throughout the term of this Agreement public or general liability insurance covering all acts and omissions of its employee and volunteers in respect of loss by or injury to third parties, including Province staff and volunteers, arising from those acts or omissions in the course of this Agreement, to a limit of at least Ten Million Dollars (\$10,000,000.00) per incident, or such lesser amount as is approved by the Province. Certificates of insurance will be delivered promptly to the Province from time to time, on request, throughout the term of this Agreement.
12. Each policy of insurance must be endorsed to provide 30 days notice to the Province in the event of cancellation by the insurer. Additionally the Red Cross

must provide the Province with (30) days written notice of its intention to cancel or not renew the policy.

### **Fundamental Principles**

13. The Red Cross will carry out the terms of this Agreement in accordance with the Fundamental Principles of the International Red Cross and Red Crescent Movement, which are attached as Schedule “C”.

### **Reporting**

14. The Red Cross will provide the Province with a summary of events and/or a debriefing within thirty (30) days after the start of the Disaster and on a monthly basis thereafter. At the conclusion of a Disaster relief effort, the Red Cross will, within sixty (60) days, provide to the Province a final report and accounting of its activities during the Disaster.

### **Legal Relationship**

15. Nothing in this Agreement gives rise to a partnership or joint venture between the Province and the Red Cross or to an employment relationship between the Province and the employees or volunteers of the Red Cross in the provision of Services.

### **Amendment of Agreement**

16. None of the terms, conditions or provisions of this Agreement shall be held to have been changed, waived, varied, modified or altered by any act or statement of either party, their respective agents, servants or employees unless done so in writing signed by both parties.

### **Termination**

17. This Agreement may be terminated by either party by giving thirty (30) days notice in writing to the other party.
18. Termination of this Agreement shall not relieve either party of any ongoing obligation incurred in accordance with this Agreement prior to its termination.

### **Withdrawal of Services**

19. The Red Cross may give immediate notice at any time during a disaster that it will withdraw or reduce its services in the event conditions are such that the Red

Cross is unable to provide Services without compromising the health or safety of its staff and/or volunteers.

### **Notice**

Any notice, instrument or document to be given, served or delivered must be in writing and sent to the other party at the address indicated below, or to such other address as may be designated by notice provided by either party to the other. [add names and addresses]

20. Any notice, instrument or document to be given by either party to the other shall, in the absence of proof to the contrary, be deemed conclusively to have been received by the addressee (i) if delivered personally on a business day, then on the day of delivery; (ii) if sent by prepaid registered post, then on the second day following the registration thereof; (iii) if sent by ordinary mail, then on the third business day following the date on which it was mailed; or (iv) if sent by facsimile, upon confirmation of successful transmission of the notice.

### **Dispute Resolution**

21. A dispute between the parties relating to the interpretation or implementation of this Agreement will be addressed through good faith negotiation, with or without the assistance of a mediator. The parties agree that in the event that they are not able to reach a resolution of all the matters in dispute after mediation, then the matters remaining in dispute will be finally determined by arbitration in accordance with the provisions of the legislature of the province in which the Disaster has occurred, or, at the option of the Red Cross, in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce, by a single arbitrator appointed in accordance with the legislation or those Rules, as the case may be.

### **Whole Agreement**

22. This Agreement comprises the whole of the understanding between the parties and is not subject to or in addition to any other arrangements, representations or warranties, whether written, oral or implied, that are not set out herein. However, the parties acknowledge that this Agreement does not affect any existing or future agreement that has been or may be put in place to deal with large scale emergencies which may occur within the Province.

### **Execution**

23. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The parties to this Agreement may rely on a facsimile

copy of this Agreement, when executed, as conclusive evidence of a valid and binding agreement between them.

**IN THE PRESENCE OF WITNESSES**, the proper officers have signed this agreement on behalf of the parties

**THE CANADIAN RED CROSS SOCIETY**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

Per: \_\_\_\_\_

Title: \_\_\_\_\_

**THE PROVINCE OF**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

Per: \_\_\_\_\_

Title: \_\_\_\_\_

## SCHEDULE A – SERVICES

### 1. Participation in Recovery Planning Committee (Pre Disaster):

- Participate in provincial recovery committee [insert name] prior to a disaster to better articulate and coordinate the roles and responsibilities of government, non-governmental organizations and the insurance industry in disaster recovery, as requested.

### 2. Participate in Provincial Needs Committee (Post Disaster):

- Following a disaster, participate in [insert name of “needs committee”] to coordinate the provision of disaster recovery assistance. This will include:
  - An assessment of community needs and the identification of needs not met through insurance or government agencies.
  - The use of a common needs assessment form when working with evacuees.
  - Attending [insert name of committee] meetings on an as needed basis to coordinate the provision of assistance to individuals and families, which may include providing:
    - Groceries
    - Clothing
    - Financial assistance to cover the cost of rent or emergency home repairs
    - Transportation
    - Household items
    - Medicines
    - Tools

### 3. Family Reunification Services

- Collect information and answer inquiries as to the condition (non medical details) and location of disaster victims.
- Assist in reuniting family members as quickly as conditions permit.

## SCHEDULE B – FUNDAMENTAL PRINCIPLES.

<b>Humanity</b>	The international Red Cross and Red Crescent Movement, borne of a desire to bring assistance without discrimination to the wounded on the battlefield, endeavours, in its international and national capacity, to prevent and alleviate human suffering wherever it may be found. Its purpose is to protect life and health and to ensure respect for the human being. It promotes mutual understanding, friendship, cooperation and lasting peace amongst all peoples.
<b>Impartiality</b>	It makes no discrimination as to nationality, race, religious beliefs, class or political opinions. It endeavours to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.
<b>Neutrality</b>	In order to continue to enjoy the confidence of all, the Movement may not take sides in hostilities or engage at any time in controversies of a political, racial, religious or ideological nature.
<b>Independence</b>	The Movement is independent. The National Societies, while auxiliaries in the humanitarian services of their governments and subject to the laws of their respective countries, must always maintain their autonomy so that they may be able at all times to act in accordance with the principles of the Movement.
<b>Voluntary Service</b>	It is a volunteer relief movement not prompted in any manner by desire for gain.
<b>Unity</b>	There can be only one Red Cross or one Red Crescent Society in any one country. It must be open to all. It must carry on its humanitarian work throughout its territory.
<b>Universality</b>	The International Red Cross and Red Crescent Movement, in which all Societies have equal status and share equal responsibilities and duties in helping each other, is worldwide.