



LETTER NO. L-40-05

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Log No. 10267

VIA E-MAIL

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June 15, 2005

Mr. Donnie Wing, CA
Vice President
Investments & Corporate Development
Insurance Corporation of British Columbia
PO Box 2606
349 West Georgia Street
Vancouver, B.C. V7B 3W8

Dear Mr. Wing:

Re: Insurance Corporation of British Columbia ("ICBC")
Regulatory Schedule for the Remainder of 2005

Your letter of June 3, 2005 identified that ICBC does not plan to file a full revenue requirements application for 2006 Basic Insurance rates. ICBC believes that a rate change is not required and a full revenue requirements review at this time will be a costly, time-consuming, and onerous process for both ICBC and intervenors.

By letter dated June 8, 2005 the Commission sought the views of Registered Intervenors from its last ICBC proceeding with respect to the ICBC proposal. The Commission has considered the views of the respondents identified in the copy section to this letter as part of its consideration of the request by ICBC that it not be required to file a full revenue requirements application for 2006 Basic Insurance rates. None of the submissions support the ICBC request.

The Commission remains concerned that the lack of a full revenue requirements filing is inconsistent with the determinations of the Commission in its last ICBC Decision dated January 19, 2005. At page 76 of that Decision, ICBC was directed to file a comprehensive revenue requirements application for 2006 Basic Insurance premiums later in 2005 at a date to be determined by the Commission. The Commission determines that this comprehensive revenue requirements application is to be filed with the Commission no later than Monday, August 22, 2005. The filing will also include the additional topics identified in ICBC's letter of June 3, 2005.

While the Commission believes that a detailed review of the 2006 revenue requirements application is necessary, it is also hopeful that this detailed review will establish a base case upon which a multi-year revenue requirement rate setting can be undertaken for future years.

Yours truly,

Original signed by:

Robert J. Pellatt

WJG/rt

cc: Mr. James L. Quail
The British Columbia Public Interest Advocacy Centre
Mr. Bruce Cran
Consumers' Association of Canada
Ms. Lindsay Olson
Insurance Bureau of Canada
Mr. Peter Thrower
Family Insurance Solutions
Ms. Carla Terzariol
Trial Lawyers Association of BC (TLABC)
Ms. Margaret J. Priestley Birrell
Coalition Against No-Fault in BC
Mr. Russell Sykes
Mr. Don Nixdorf
British Columbia Chiropractic Association
Ms. Karen L. Hopkins-Lee
Canadian Direct Insurance Inc.
Mr. Roger Finnie
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