



LETTER NO. L-84-07

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VIA E-MAIL

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October 16, 2007

Mr. Donnie Wing, CA
Senior Vice President
Insurance, Marketing and Underwriting
Insurance Corporation of British Columbia
Suite 340-151 West Esplanade
North Vancouver, BC V7M 3H9

Dear Mr. Wing:

Re: Insurance Corporation of British Columbia ("ICBC")
Regional Claims Centres Allocation Review Process

On August 9, 2007 ICBC filed a letter regarding the remaining work to be done with respect to the allocation of Regional Claim operating expenses. The Negotiated Settlement Agreement, approved by Order No. G-46-05, paragraph 11 states: "In 2007 ICBC will file with the Commission an updated work effort study relating to the Regional Claim Centres Allocator (i.e. work effort)." Additionally, the Commission in the Order's transmittal letter directed "ICBC to hold a workshop to discuss the appropriate allocation study methodology to be followed, prior to commencing the detailed allocation work."

In its letter of August 9, 2007 ICBC believes work and negotiation discussions would be more productive and the regulatory process more efficient if ICBC conducts an updated work effort study prior to the start of the process. ICBC proposes to conduct the updated work effort study with respect to the ten transaction types in Regional Claim Centres and then file the updated work effort study plus ICBC's proposals for allocation of the transaction types with the Commission in the Fall. Also, ICBC proposes that following the filing, a workshop be conducted with a negotiated settlement following.

The Commission agrees that ICBC should file an updated work effort study by the end of 2007 before holding a workshop. However, an adequate review of the filing by way of a workshop and negotiated settlement process in 2007 is not likely due to scheduling of available Commission resources.

The Commission believes that a sufficient review process for all stakeholders would be best achieved if ICBC files the updated work effort study and ICBC's proposals for allocation of the transaction types by mid-December

2007, with a workshop to review the filing in mid-January 2008. Before the workshop, stakeholders may file information requests to ICBC. ICBC can then respond to the information requests before the workshop. At the workshop stakeholders can submit undertakings to ICBC regarding the filing. ICBC can then respond to the undertakings by end of January or early February 2008. Subsequently, a negotiated settlement process can be held in early/mid February 2008.

Yours truly,

Original signed by

Erica M. Hamilton

DC/cms

cc: Participants in the May 2005 Negotiated Settlement Agreement Process
Registered Intervenors in the 2007 Revenue Requirements Application