

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-21-12**



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IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

the Insurance Corporation Act, R.S.B.C. 1996, Chapter 228, as amended

and

An Application by the Insurance Corporation of British Columbia
for Approval of the Revenue Requirements for Universal Compulsory Automobile Insurance
for the Policy Year Commencing February 1, 2012

BEFORE: A.W.K. Anderson, Panel Chair and Commissioner
M.R. Harle, Commissioner February 29, 2012
R.D. Revel, Commissioner

O R D E R

WHEREAS:

- A. On December 1, 2011, the Insurance Corporation of British Columbia (ICBC) submitted an application to the British Columbia Utilities Commission (Commission) for approval of the Revenue Requirements for Universal Compulsory Automobile Insurance (Basic Insurance) for the policy year commencing February 1, 2012 (the Application). ICBC's Application seeks Commission approval for an 11.2 percent rate increase in Basic Insurance rates on an interim and permanent basis;
- B. By Order G-221-11 the Commission approved the requested 11.2 percent interim refundable rate increase for implementation with an effective date on or after February 1, 2012, for all new and renewal Plate Owner Basic and Fleet Reporting Policies. The Commission also established an Initial Regulatory Timetable including a Workshop and a Pre-hearing Conference for the review of the Application;
- C. By letter dated February 20, 2012, the Commission Panel provided additional information regarding Pre-hearing Conference procedural matters including Commission Staff Draft Regulatory Timetable options attached as Appendix A to that letter (Exhibit A-5);
- D. At the Pre-hearing Conference on February 23, 2012, a Revised Commission Staff Draft Regulatory Timetable Options was submitted for comments (Exhibit A-6);
- E. As per Order G-221-11, a Pre-hearing Conference was held on February 23, 2012, in Vancouver, BC to discuss Exhibits A-5 and A-6. ICBC, Insurance Bureau of Canada, Canadian Direct Insurance, British Columbia Old Age Pensioners' Organization *et al.*, Automobile Insurance Committee of the Canadian Bar Association, Voice for

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2

Economic Justice, and Mr. Rosenbloom made appearances and submitted comments for consideration by the Commission Panel. Certain Interveners indicated that they intend to submit Intervener Evidence;

- F. The Commission considers that the components of the Policy Year (PY) 2012 Indicated Rate Change can be adequately examined by way of written information requests and responses, other than: (1) PY 2010 Loss Cost Forecast Variance and (2) Loss Trend to PY 2012, which the two component items would require further examination by way of a limited Oral Public Hearing;
- G. The Commission also considers that following the limited Oral Public Hearing, Oral Arguments by ICBC and Interveners, and an Oral Reply Argument by ICBC would be appropriate;
- H. The Commission has considered the submissions and considers that a Revised Regulatory Timetable is warranted.

NOW THEREFORE the Commission orders as follows:

- 1. The Application will be examined by way of a limited Oral Public Hearing process in accordance with the Revised Regulatory Timetable attached as Appendix A to this Order. The limited Oral Public Hearing process will examine actuarial matters and will be held on Tuesday, May 29, 2012, commencing at 9:00 a.m., in the Commission Hearing Room on the 12th Floor, 1125 Howe Street, Vancouver, BC.
- 2. Actuarial matters in the Application comprise PY 2010 Loss Cost Forecast Variance and Loss Trend to PY 2012 in Exhibit B-1, Chapter 3-Actuarial Rate Level Indication Analysis, including any related Exhibit Sets, Appendices, and responses to related Information Requests.
- 3. Oral Arguments by ICBC and Interveners, an Oral Reply Argument by ICBC on the entire Application, in accordance with the Revised Regulatory Timetable, will be held on Tuesday, June 12, 2012, commencing at 9:00 a.m., in the Commission Hearing Room on the 12th Floor, 1125 Howe Street, Vancouver, BC.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of February 2012.

BY ORDER

Original signed by:

A.W.K. Anderson
Panel Chair and Commissioner

Attachment

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for the Policy Year Commencing February 1, 2012

REVISED REGULATORY TIMETABLE

ACTION	DATE (2012)
Commission and Intervener Information Request No. 2	Monday, April 2
ICBC Information Request No. 2 Responses	Thursday, April 26
Intervener Evidence (if any)	Wednesday, May 2
Commission and ICBC Information Request on Intervener Evidence (if any)	Tuesday, May 8
Intervener Information Request Responses (if any)	Monday, May 14
ICBC Rebuttal Evidence (if any)	Friday, May 18
Oral Public Hearing* (Actuarial matters only)	Commences Tuesday, May 29 at 9:00 a.m. If necessary, scheduled to Thursday, May 31
ICBC and Intervener Oral Final Arguments, and ICBC Oral Reply Argument*	Commences Tuesday, June 12 at 9:00 a.m. If necessary, scheduled to Thursday, June 14

*Location: Commission Hearing Room
12th Floor, 1125 Howe Street
Vancouver, BC V6Z 2K8