



LETTER L-3-15

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VIA EMAIL

January 19, 2015

**TO: Insurance Corporation of British Columbia
2014 Revenue Requirements Registered Interveners**

**Re: Insurance Corporation of British Columbia
ICBC's Filing of the 2014 Customer and Injury Services
Operations Detailed Work Effort Study including an
Independent Third Party Report**

By Order G-63-13 dated April 25, 2013, the British Columbia Utilities Commission (Commission) approved the Insurance Corporation of British Columbia (ICBC) proposal to forgo the 2011 Regional Claim Centres Detailed Work Effort Study update that was to be filed in November 2013. Instead of the update, ICBC was directed to file a new detailed work effort study by December 31, 2014, based on the new Claims Division functional organizational structure and to include a report by an independent third party reviewer. The Commission stated that it will assess whether or not any regulatory process is warranted at the time when a new detailed work effort study was filed.

On December 31, 2014, in accordance with Order G-63-13, ICBC filed the 2014 Customer and Injury Services Operations Detailed Work Effort Study which includes an independent third party report (2014 Detailed WES), attached to this Letter.

In the 2014 Detailed WES, ICBC states that any allocation changes resulting from the 2014 Detailed WES will be applied prospectively to the 2015 Revenue Requirements Application once the Commission's decision on the 2014 Detailed WES is received.¹ In the ICBC 2014 Revenue Requirements Application (2014 RRA), ICBC submits that the 2014 Detailed WES will not have an impact on the policy year 2014 rate indication and ICBC is not seeking Commission acceptance and/or approval of the 2014 Detailed WES in the 2014 RRA.²

The Commission is seeking submissions from stakeholders on whether or not a review process is necessary for the 2014 Detailed WES. Please provide comments on whether a review process is necessary and if so, what the review process should entail and when it should occur.

For example, if a review process is necessary should the 2014 Detailed WES be reviewed as part of the 2015 Revenue Requirements Application or as a separate process? Please provide your reasons.

Or, if a review process is not necessary for the 2014 Detailed WES, then should ICBC file, consistent with the

¹ 2014 Detailed WES, p. 25.

² 2014 Revenue Requirements, Exhibit B-13, 2014.1 RR BCUC.67.2 and BCUC 67.2.1.

directives set out in Order G-75-10:

- (i) an update to the 2014 Detailed WES within 24 months of the Commission's decision on the 2014 Detailed WES; and
- (ii) a detailed study when significant business changes occur or, at a minimum, within 5 years?

The Commission notes that participants in the G-63-13 process are also participating in the ongoing 2014 RRA as interveners, and invites submissions, if any, from those participants by Friday, January 30, 2015. ICBC may provide its reply submission by Wednesday, February 11, 2015.

Yours truly,

Erica Hamilton

LC/nd
Enclosure