



**Letter L-18-16**

**VIA EMAIL**

regaffairs@icbc.com

July 21, 2016

Ms. June Elder  
Manager, Corporate Regulatory Affairs  
Insurance Corporation of British Columbia  
339 - 151 West Esplanade  
North Vancouver, B.C. V7N 3H9

Dear Ms. Elder:

Re: Insurance Corporation of British Columbia  
Filing of the Insurance Business Capability Project Information Technology (IT) Capital Report

On June 23, 2016, the Insurance Corporation of British Columbia (ICBC) filed the Insurance Business Capability Project (IBCP) IT Capital Report (Report), in accordance with British Columbia Utilities Commission Order G-86-06 and July 13, 2006 Decision; Letter L-82-06; Order G-3-08 and January 9, 2008 Decision; and Order G-189-11.

By this letter, the Commission acknowledges receipt of the Report and has identified the following questions regarding the IBCP:

1. ICBC's Insurance Sales and Administration System (ISAS) project through the Transformation Program (TP) is to implement a new policy administration system (PAS) called Guidewire PolicyCenter (PolicyCenter). The IBCP is built upon the completion of the ISAS project and is an extension of PolicyCenter. Why is the IBCP not within the scope of the ISAS project under the TP?
2. What is the detailed cost breakdown of the \$16.3 million expected IT capital expenditure? What is the analysis that led ICBC to revise its expected IT capital expenditure to be \$3 million lower than forecasted in the April 4, 2016 IT Capital Plan?

The Commission notes that ICBC is required to file a rate change application by August 31 of each year. Accordingly, the Commission requests ICBC to address the questions as identified in this letter regarding the IBCP, and include a copy of the Report in the next rate change application.

Yours truly,

*Original Signed By:*

Laurel Ross

LC/dg