



ORDER NUMBER

G-1-19

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

the *Insurance Corporation Act*, RSBC 1996, Chapter 228, as amended

and

Insurance Corporation of British Columbia
Revenue Requirements Application for Universal Compulsory Automobile Insurance
Effective April 1, 2019

BEFORE:

K. A. Keilty, Panel Chair/Commissioner

R. D. Revel, Commissioner

T. A. Loski, Commissioner

on January 2, 2019

ORDER

WHEREAS:

- A. On December 14, 2018, the Insurance Corporation of British Columbia (ICBC) filed an application with the British Columbia Utilities Commission (BCUC) for its 2019 Revenue Requirements for Universal Compulsory Automobile Insurance (Basic insurance), seeking a Basic insurance rate increase of 6.3 percent for the policy year commencing April 1, 2019, among other requests (Application);
- B. Pursuant to the *Insurance Corporation Act* and Special Direction IC2 to the BCUC, BC Regulation 307/2004, as amended (Special Direction IC2), the BCUC's jurisdiction with respect to the regulation of ICBC's revenue requirements and rates is restricted to Basic insurance. The BCUC has no jurisdiction over ICBC's Optional insurance business;
- C. In accordance with Special Direction IC2, as amended by Order in Council No. 456/2018, the BCUC must require ICBC to apply for a general rate change order by December 15 of each year for ICBC's Basic insurance rates to be effective April 1 of the next year;
- D. Pursuant to section 89 of the *Utilities Commission Act* and section 15 of the *Administrative Tribunals Act*, ICBC seeks approval of the requested rate increase on an interim basis for all policies, consistent with past revenue requirements applications, with an effective date on or after April 1, 2019. ICBC submits that this will lessen the depletion of ICBC's already low Basic insurance capital. ICBC further requests the deferral of any difference between interim and permanent rates until the next annual Basic insurance rate change; and

- E. The BCUC has commenced review of the Application and considers that establishing an interim rate and regulatory timetable are warranted.

NOW THEREFORE the BCUC orders as follows:

1. Pursuant to section 89 of the *Utilities Commission Act*, the requested 6.3 percent increase to Basic insurance rates is approved for implementation on an interim basis for all new or renewal policies with an effective date on or after April 1, 2019. The BCUC will determine the manner by which any variance between approved interim rates and permanent rates, including interest if any, will be refunded to or collected from policyholders at the time the BCUC renders its final decision on the Application.
2. ICBC is directed to file with the BCUC, within 30 days of the issuance of this order, amended Basic insurance rate schedules in accordance with the terms of this order.
3. A regulatory timetable for the review of the Application is established, as set out in Appendix A to this order.
4. ICBC is directed to provide notice to all Basic insurance policyholders affected by the interim rate increase and the conditions under which it is subject to refund or additional billing. The notice must be given with the Renewal Reminder, or other similar form, issued by ICBC to Basic insurance policyholders in the ordinary course of business for renewal policies, or at the time of purchase for new policies.
5. ICBC is directed to provide adequate notice of the Application and a copy of this order regarding the review of the Application to all registered interveners in the past three ICBC Revenue Requirements Application proceedings (i.e. 2017, 2016 and 2015) and to the public using communication methods including ICBC's website, a News Release and social media, as soon as reasonably possible, but no later than Monday, January 7, 2019.
6. ICBC is directed to make the Application available to the public for inspection at the ICBC Head Office at 151 West Esplanade, North Vancouver, BC V7M 3H9 and on ICBC's website.
7. In accordance with the Rules of Practice and Procedure as attached to BCUC Order G-1-16, parties who wish to participate in the proceeding may submit a letter of comment, register as an interested party or request intervener status. Parties requesting intervener status must register with the BCUC by completing a [Request to Intervene Form](#) available on the BCUC's website by the date established in the Regulatory Timetable attached as Appendix A to this order. Those requesting intervener status are to specifically state the nature of their interest in the Application and to generally identify the issues they intend to pursue and the extent of their anticipated involvement in the proceeding.

DATED at the City of Vancouver, in the Province of British Columbia, this 2nd day of January 2019.

BY ORDER

Original signed by:

K. A. Keilty
Commissioner

Attachment

Insurance Corporation of British Columbia
Revenue Requirements Application for Universal Compulsory Automobile Insurance
Effective April 1, 2019

REGULATORY TIMETABLE

Action	Date (2019)
ICBC notice of Application	Monday, January 7
Intervener Registration	Monday, January 21
BCUC Information Request (IR) No. 1 to ICBC	Tuesday, February 5
Intervener IR No. 1 to ICBC	Thursday, February 14
ICBC responses to BCUC and Intervener IR No. 1	Friday, March 8
Further Process	To be determined