



May 4, 2007

Mr. Donnie Wing, CA
Vice President, Investments & Corporate Development
Insurance Corporation of British Columbia
PO Box 2606
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Vancouver, BC V7B 3W8

Via Email
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Dear Mr. Wing:

British Columbia Chiropractic Association
Intervenor Information Request No. 1

Insurance Corporation of British Columbia (“ICBC” or “Corporation”)
Project No. 3698456 – Order No. G-48-07
2007 Revenue Requirements Application

The intervenor, B.C. Chiropractic Association (“BCCA”) hereby makes the following information requests (IR No. 1 or 2) in relation to the March 16, 2007 filing made by ICBC.

Please provide answers to the following information requests:

Chapter 5 – Bodily Injury

1. Page 5-2, paragraph 6, the first bullet point refers to “An increase in the general damages and future wage loss payments”.
 - a. To what extent are general damages increasing because bodily injury claimants are experiencing more pain and suffering or longer periods of pain and suffering caused by the injuries suffered in motor vehicle accidents?
 - b. To what extent are future wage loss payments increasing because bodily injury claimants are not recovering as fully or as fast as they did previously, therefore their future disability is greater or their period of disability is longer?
 - c. To what extent has ICBC attempted to relate its increasing damages payments and claims costs to the state of health and recovery of bodily injury claimants?

- d. Do the increased damage awards relate at all to difficulty in access to treatment or delay in treatment?
2. Page 5-2, paragraph 6, the third bullet point refers to “an increase in claim complexity represented by factors such as treatments...”. ICBC does not elaborate on the “treatments” to which it refers. Please provide some detailed information on the “treatments” to which reference is made and the context in which the “treatments” have been analyzed. Please produce whatever statistical analysis has been done on “treatments” to support the assertion made in this bullet point.
3. Page 5-2, paragraph 6, the third bullet point also refers to the “increased need for medical...specialists/experts...” as a factor in an increase in claim complexity.
 - a. To what does ICBC attribute the increased need for medical specialists/experts?
 - b. Please provide information on the frequency with which ICBC uses medical specialists/experts. That is, in what percentage of bodily injury claims both generally and specifically in claims with a value less than \$40,000. In claims less than \$40,000 please identify the type of specialists/experts ICBC chooses and indicate the relative frequency of use for each type of specialist as a percentage of the whole.
 - c. What is ICBC’s process and criteria for its selection of ICBC specialists/experts?
4. Page 5-4, paragraph 11, refers to reducing the overall time that a claim is open.
 - a. Is the length of time that files are open increasing? If so, present the data supporting this conclusion.
 - b. If so, to what does ICBC attribute the lengthening time that claims are open?
5. Page 5-4, paragraph 12, the third bullet refers to the “Official Disability Guidelines”.
 - a. Please produce a copy of the Official Disability Guidelines (“ODG”) that will apply to consumers?
 - b. What is the Work Loss Data Institute? Where is it based? Who does it represent and how is it compensated? What is the source of origin for the data upon which it relies?
 - c. Please explain how the ODG can be truly applicable to Whiplash Associated Disorder (“WAD”) when the guidelines are primarily created from workplace injuries and work loss data and not motor vehicle accidents?
 - d. What other source of guideline or equivalent information did ICBC consider besides the Work Loss Data Institute.
 - e. In relation to managing WAD, what were the criteria that caused ICBC to choose to purchase the Work Loss Data Institute’s information? How much has ICBC paid or will pay to use the ODG?

- f. What measures does ICBC have in place to assess the effectiveness of the ODG?
6. Page 5-5, paragraph 12, the fifth bullet refers to increasing the overall skill level of adjusters. With ICBC enhancing adjuster training, how will ICBC ensure that adjusters are appropriately trained to co-ordinate or provide input or direction on “treatment options” described in the ODG?
7. Page 5-5, paragraph 13, What skills will Litigation Centre staff possess which enables them to better handle high-risk/high-complexity claims?

Chapter 8 – Performance Measures

1. Page 8-7 and 8-8, Figures 8.4 and 8.5 reflect that ICBC receives its lowest Claims Services Satisfaction scores in “fairness” and “kept informed” in both tort and accident benefit claims.
 - a. What steps has ICBC taken to identify the reasons for its low scores in “fairness” and “kept informed”?
 - b. Is ICBC able to identify why customers perceive ICBC to be performing worse in the context of “fairness” and “kept informed”.
2. Page 8-10, Figure 8.8 Customer Approval Index reflects what appears to be a uniformly poor score on the public perception of ICBC. Please amplify the reasoning for not setting a corporate target for the customer approval index. If ICBC is attempting to “develop communications that promote informed opinions and a better understanding of the value of ICBC” (as stated on page 8-9), then is it not appropriate to have a corporate target? What approval index score does ICBC consider to be acceptable?
3. Page 8-10, Legal Representation Rate.
 - a. What are the Legal Representation Rates for claims with a value under \$40,000 for each of 2004, 2005, and 2006?
 - b. To what extent can ICBC relate its representation rate to its management of accident benefit claims, that is, can ICBC measure or determine the extent to which consumer frustration with accident benefit issues drives them to retain legal counsel?
 - c. Can ICBC identify when, in the course of a claim, legal representation generally occurs. For example, X% have lawyers retained within 3 months, or 6 months, etc.
4. Page 8-16, Figure 8-15, Bodily Injury Paid Severity. Please provide the severity measure for claims above and below \$40,000 for each of 2004 and 2005 as well. If not available, please explain why?
5. Page 8-17, Figure 8.16 Accident Benefit Paid Severity. Since the inclusion of claims over \$100,000 adds “volatility” to this measure, please provide the accident benefit paid severity for each of 2004, 2005, and 2006 excluding all claims for accident benefits over

\$100,000. Further, to the extent that the BCUC and ICBC distinguish between claims over and under \$40,000 in the bodily injury category, please provide the accident benefit paid severity for claims where the bodily injury severity was over and under \$40,000. The object is to allow a comparison of the trends in relation to accident benefits and bodily injury severity within a consistent category of claims.

6. Appendix 8-A, Performance Statistics, reveals that from 2005 to 2006 accident benefit paid severity decreased while bodily injury paid severity increased. For 2007, ICBC projects a 1.9% increase in accident benefit paid severity but a 4.9% increase in bodily injury paid severity. Has ICBC explored the relationship between decreasing AB payouts and rising BI severity? If so, what conclusions has ICBC made?

Yours truly,

A handwritten signature in cursive script, appearing to read "Don Nixdorf".

Don Nixdorf, DC
Executive Director