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British Columbia News

Government undertakes in-depth file review to find savings at ICBC

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Victoria - The Government of British Columbia has selected PwC Canada to lead an operational review of ICBC to identify waste, find ways to prevent fraud and overbilling, and identify opportunities for business reform at the Crown corporation.

The review includes selecting 100 random files for a comprehensive review, similar to a financial audit, but directed at business practices and aimed at cutting waste, overbilling and poor cost controls.

“This is one of the many actions we are taking so that the people of B.C. can have confidence in and continue to benefit from ICBC, one of our most important public assets,” said Attorney General David Eby. “Surprisingly, this is the first review of ICBC we’re aware of that directs the reviewers to talk to front-line employees about where they see waste, fraud, overbilling or other opportunities for reform. We are leaving no stone unturned.”

Following a competitive process, PwC Canada was selected to conduct an evidence-based operational review of ICBC to identify opportunities to reduce costs at the insurer, which lost almost half a billion dollars last year. Any recommendations PwC Canada makes in these areas are also to consider how to maintain or improve the quality of service levels for ICBC’s customers.

“The ICBC board and all senior management are committed to working alongside government to make sure action is taken as quickly as possible to bring about long-term, sustainable improvements at ICBC,” said ICBC board chair Joy MacPhail. “The resulting solutions we want to see must be focused on striking the balance between relieving the cost pressures on ICBC while ensuring improved services and affordable rates for all British Columbians.”

In conducting this review, PwC Canada will look at all previous reports and recommendations related to ICBC’s operations over the last five years, and will review approaches in other jurisdictions and segments within the insurance industry related to ICBC’s various business lines. PwC Canada will conduct interviews with current unionized and management staff from ICBC and review industry best practices.

“ICBC will not be back on the road to financial sustainability or in a position to provide affordable rates to British Columbians without major changes at every level. These are changes that the previous administration was afraid to confront, and now ratepayers are on the hook for losses in the hundreds of millions of dollars,” said Eby. “We must act urgently, because major rate increases are not an option.”

A final report will be submitted to government in early 2018. The report will be made public at that time.

Quick Facts:

- This comprehensive review of ICBC operations and practices was originally announced on Sept. 5, 2017, when Eby introduced a suite of short-term actions to improve ICBC's financial stability.
- An evidence-based operational review is a qualitative and quantitative assessment of an organization's operations taking into consideration relevant market leading practices.

Contacts

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