

HSBC Canadian Direct

Insurance Corporation of British Columbia
151 West Esplanade
North Vancouver ,B.C.
V7M 3H9

Attention: Mr. Donnie Wing, CA
Vice President,
Investments and Corporate Development

Re: Information Request

Please accept the following Information Requests, which relate to the Insurance Corporation's filings of February 27, 2004.

ICBC BASIC INSURANCE INFORMATION SHARING

GENERAL:

CDI.100 Please provide a list of all of ICBC's Basic and databases, including non-insurance* databases accessed in the course of ICBC's Basic insurance operations, with a table showing the database elements each contains. Please provide a complete list of data elements contained in each database, even if the data elements are drawn from a link to other databases.

CDI.101 If data elements listed above are drawn from other databases, please indicate the source database.

CDI.102 Please specify any other records or databases ICBC can access by virtue of its delegated authority to manage BC's registration, vehicle and driver databases. Specifically, does ICBC have access to interprovincial and international records exchanges? If so, which other jurisdictions subscribe to these registries?

CDI.103 Please list any other organizations, in addition to those listed in CDI.102, which have access to any customer-specific or vehicle-specific data elements or summary reports from ICBC's Basic and non-insurance databases.

INSURANCE RATE-MAKING AND THE ANALYSIS OF TRENDS:

CDI.200 Which Basic data and reports are available to ICBC actuarial staff and contractors, financial and claims analysts for the purposes of investigating Optional market trends, monitoring the performance of Optional Coverages and setting rates for Optional Coverages?

CDI.201 When ICBC analysts identify a trend affecting Optional market product (e.g. Collision), do they have the capacity to cross-reference Basic (e.g. Property Damage) claims results, to assist in analysis of the trend?

CDI.202 When designing Optional insurance products, what access to information from Basic coverages do ICBC resources have? For example, when designing an optional loss-of-use policy, would ICBC resources have access to payment data from loss-of-use claims made against its Basic Property Damage Coverages?

CDI.203 Do staff responsible for monitoring trends and developing rate indications for Optional Extension Public Liability coverages have access to data from underlying Basic injury coverages?

CDI.204 Which Basic and non-insurance databases are available to ICBC Optional, for analysis of current or potential Optional market segments? Is ICBC Optional able to extract lists of plate or registration numbers associated with a specific registered owner, for the purposes of identifying potential fleet customers or specialty market segments, such as antique vehicles?

CDI.205 Please provide copies of any formal policies or operating procedures which restrict access to Basic and non-insurance data and reports, for the purposes of designing and marketing Optional products and monitoring their financial performance. If levels of access are based on job duties or classifications, please provide specifics as to which functions have access to Basic and non-insurance data and reports. Please describe the management controls in place to ensure compliance to these policies and procedures.

CDI.206 In tracking its Optional market penetration, does ICBC access specific Basic market reports? Does ICBC track Optional market penetration as a function of its sales of Basic insurance?

CDI.207 Does ICBC track customer requests for copies of their Basic claims histories and driver records as an indicator of the market penetration or the performance of optional market competitors?

CDI.208 Please describe the process by which Basic claims trends and reserves are reviewed on a monthly or quarterly basis. Are separate processes in place to review the claims results and financial performance of Basic and Optional lines of business?

DISTRIBUTION OF INSURANCE PRODUCTS:

CDI.300 Which elements of Basic and non-insurance data are available to Brokers who are selling ICBC Optional insurance products?

CDI.301 Which Basic and non-insurance data are available to staff at ICBC's Broker Enquiry Line? Please provide copies of any policies or operating procedures which define or limit access to Basic and non-insurance data for the purpose of Optional insurance sales through these resources. Please describe the management controls in place to ensure compliance to these policies and procedures.

CDI.302 Which data elements are used to determine a customer's premiums under ICBC's Claims-Rated Scale (CRS)? What is the source of these data elements?

CDI.303 In determining a specific Optional customer's premiums, which Basic claims data are used?

CDI.304 In the event that a customer with no record of vehicle ownership attends a broker to obtain Basic and ICBC Optional coverage, how is his/her position on the Claims-Rated scale determined?

CDI.305 When a BC driver with no history of ownership of a BC vehicle applies for insurance, is that individual's driver history accessed in order to determine his/her premiums?

CDI.306 When a customer who carries ICBC Basic only wishes to add ICBC Optional coverage, by what means is the CRS entitlement calculated? Are Basic or non-insurance databases accessed, in order to determine the appropriate premium?

CDI.307 In the event that an Insured reports a change in Principal Operator, to an individual other than the named insured, how is the CRS entitlement calculated? Are Basic or non-insurance databases accessed, in order to determine the appropriate premium?

CLAIMS PROCESSING:

CDI.401 Please provide copies of any formal policies or operating procedures which define or limit access to Basic and Non-insurance information in the administration of Optional insurance claims and in the adjusting of individual Optional claims. If levels of access are linked to job classifications or duties, please provide specifics. Please describe the management controls in place to ensure compliance to these policies and standards.

CDI.402 Does ICBC have the capacity to apply systems logic or algorithms to 'profile' claims, by claim type or claimant, for the purpose of determining the means by which its claims will be assigned, resourced and/or serviced?

CDI.403 Please list any data elements which ICBC's systems use to profile claims or claimants.

CDI.404 Which ICBC Basic databases are accessed, in order to profile Optional claims?

CDI.405 At what point in the processing of a new Optional claim does any profiling of the claim by customer or claim type occur?

CDI.406 Please describe all circumstances under which a Basic claims history might affect the assignment or handling of a subsequent Optional claim.

CDI.407 Is it necessary for a customer to report all of the specifics of an Optional claim, or does ICBC draw on its Basic and non-insurance databases to facilitate the reporting of a new Optional coverage claim?

CDI.408 When an ICBC customer wishes to report a claim which is exclusively an Optional claim, such as a Comprehensive claim, from which ICBC databases does the Claims system draw? For example, would the system search databases for details related to a particular plate and driver's license number?

CDI.409 Does ICBC's Claims reporting system have any links to databases containing Basic claims histories? For example, if a customer were to report an Optional claim, would the staff assigned to process that claim be made aware of previous Basic insurance claims? At what point in the process would this occur? What databases would be accessed in order to provide this Basic information?

CDI.410 In the event that a previous Basic claim is identified to the adjuster handling an Optional claim, what steps does the ICBC resource need to take in order to review the specifics of the prior claim? Can the adjuster handling the Optional claim access electronic notes and/or the physical file?

CDI.411 Do ICBC's Claims or reporting systems have a capacity to match Optional insurance claims to corresponding Basic claims arising from the same incident? For example, if an insured

reports an Optional Collision claim, and the other party has already reported, does the system cross-reference the Optional claim and the other party's Basic claim?

CDI.412 In the event that an Insured reports an Optional collision claim, and the other party has not yet reported; do ICBC's claim systems have the capacity to automatically notify the other party, by form letter, that a claim has been made against his/her Basic policy? If so, which Basic or non-insurance databases are accessed in order to obtain addresses and generate this notice?

CDI.413 Do resources assigned to adjust Optional insurance claims have access to electronic notes or other reports from the corresponding (other party's) Basic file?

CDI.414 Does ICBC have a fraud warning system? If "Yes", please indicate how Basic and Optional data is separated for the purposes of fraud analysis and claims handling.

CDI.415 When an individual perpetrates or attempts to perpetrate a fraud on a Basic claim, such as an Accident Benefits or Injury claim, could this be used to flag subsequent Optional claims for special handling? If so, how is this information communicated to adjusting staff handling Optional claims?

SYSTEMS INTEGRATION

CDI.500 Does ICBC have higher-level databases, such as a Customer Database, to integrate its various databases and/or data elements around an individual customer? If so, which databases comprise ICBC's Customer database?

CDI.501 What distinction is made between Basic, non-insurance and Optional data in integrated Customer Databases?

CDI.502 Please provide copies of any formal policies or operating procedures which restrict or limit the use of Basic and Non-insurance data, contained in its Customer Databases, by ICBC's Optional business lines. Please describe the management controls on place to ensure compliance to these policies and standards.

CDI.503 Please describe the databases which are integrated within ICBC's Data Warehouse. Please provide a diagram which shows the various different links between the databases which have been integrated through the Data Warehouse.

CDI.504 Please provide copies of any formal policies or operating procedures which restrict or limit the use of Basic and non-insurance data by ICBC staff with access to its Data Warehouse.

COLLECTIONS

CDI.600 Please describe any access to Basic and non-insurance databases, to assist in the recovery of outstanding debts arising from Optional claims.

CDI.601 How does an outstanding Optional claims recovery affect an Insured's ability to purchase compulsory Basic insurance in BC? Does ICBC refuse to issue Basic insurance coverage to individuals who have not reimbursed it for funds owing on an Optional claim? For example, if an individual vandalized a vehicle and ICBC Optional incurred a claim, would ICBC collect its subrogated interests as a precondition to selling the individual a Basic policy?

CDI.602 In the case described in CDI.601, how is the information shared, both between Basic and Optional, and between ICBC and its Broker?

ICBC PERFORMANCE MEASURES

AUTOPLAN SATISFACTION:

CDI.700 Please provide copies of any previous diagnostic reports which are specific to Basic insurance transactions and customer satisfaction. Please include any analysis conducted which supports the relevancy and accuracy of *aggregate* (combined Basic and Optional) measures in identifying satisfaction and underlying issues relating to Basic insurance transactions.

CLAIMS SERVICES SATISFACTION:

CDI.800 Please provide specifics of the weighting factors and selection criteria applied to the claims sampled.

CDI.801 What performance measures does ICBC propose to apply to its handling of third party (injury and property damage) claims?

CDI.802 Please provide copies of any previous diagnostic reports which are specific to Basic claims processing, specifically bodily injury, accident benefits and property damage claims.

NEW CLAIMS INITIATION:

CDI.900 Please provide the proportions of Bodily Injury, Accident Benefits and Property Damage claims within the total sample.

Yours truly,

Original signed by:

Karen L. Hopkins-Lee
Chief Underwriter,
HSBC Canadian Direct Insurance Inc