



# OFFICE & PROFESSIONAL EMPLOYEES' INTERNATIONAL UNION, Local 378

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PLEASE REFER TO OUR FILE NO. ICBC/ORGN/04-0001

March 25, 2004

Via E-mail: [regaffairs@icbc.com](mailto:regaffairs@icbc.com)  
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Donnie Wing, CA  
Vice-President, Investments & Corporate Development  
Insurance Corporation of BC  
PO Box 2606, 349 West Georgia Street,  
Vancouver, B.C. V6B 3W8

Dear Mr. Wing:

**Re: Insurance Corporation of British Columbia Application –  
Order No. G-23-04; Project No. 3698371 – Performance Measures and Information  
Sharing Protocols**

We would like to put forward the following information requests and pose the following questions under the respective areas of ICBC's proposal:

## **Performance Measures Questions and Information Requests**

- 1) Please provide copies of weekly statistical summaries for all Call Centres for the period January 1, 2003 to date. The Call Centres include: Telephone Claims Department; Victoria Driver Service; Broker Enquiry; Customer Contact (including first contact and second contact). These documents are 5 page computer print outs and contain the following types of information: Abandon% / Avg Ans Delay / Deflected % / Service Level % / longest delay, etc.
- 2) Please provide details of any changes in definitions of the categories on any corporate statistical sheets. (For example the change in service level % definition at TCD from 120 seconds to 210 seconds to 150 seconds).
- 3) Please provide claims opening and closing weekly/monthly statistical sheets and related reports for all claim centres for the period January 1, 2003 to date.
- 4) Please provide statistics on waiting periods for estimates at CEF since January 1, 2003.
- 5) Please provide a complete copy of each survey mentioned in the ICBC proposal and monthly survey statistics generated since January 1, 2003.

- 6) Please provide fair call centre industry measurement information regarding ICBC 3.1.4 proposal claims.
- 7) Please provide information regarding management pay for performance criteria, rates, payouts and results especially as they may relate to staffing and other budget issues. Do such performance measures affect management decisions in ways that may be counterproductive to other corporation performance objectives?
- 8) Will ICBC be forwarding all performance measure results to the Commission and to intervenors on a regular basis, as part of the BCUC mandate to monitor? If not, why?
- 9) Considering the fact that the Commission does not act on information that is not before it and considering that significant profits were announced but not provided to the Commission by ICBC prior to the November 12, 2003 decision, we request full financial disclosure documents as at year end and for the first quarter of 2004 as soon as those are available. This information is relevant to this hearing process in that the Commission is considering "the measures of value perceived by the purchaser" (November 12, 2003 decision, page 27 section 4). Perceptions of being overcharged would have a bearing on the value side of that equation in terms of customer expectations and customer judgment of service quality.
- 10) Why has the 2003 corporate economic performance far exceeded any of the variables considered in the rate increase application for 2004? What corporate or other performance measurement proposals and disclosures in the current application relate to, and will prevent, a recurrence of the 2004 requested rate increase in the face of \$200 million+ profit?
- 11) Have any consulting firms been hired by ICBC to provide information on how ICBC's call centre should measure performance? If so, who has been retained?
- 12) What role does the Customer Service department have in the roll out of the "Customer Care Transition" and "Evergreening" process? Who is responsible and how are they measured to determine if this a necessary cost?
- 13) What was the scope of the Vehicle Services department and why did the Corporation sell its fleet? Who did ICBC sell its fleet to? What arrangements does ICBC have with regard to a fleet now? Who is the provider of the vehicles and what measures have been used to determine if there was a cost savings or otherwise?

### **Information Sharing Protocols Questions and Information Requests**

- 1) Is the sharing of information with competitors also intended to include intervenors and interested parties? (1-1 Background)
- 2) Please provide a definition for "customer specific basis".
- 3) Does ICBC agree that competitors should be required to provide the same information to ICBC that ICBC is ordered to provide to the competitor?
- 4) What basic coverage is currently provided to an insured?
- 5) What is underinsured motorist protection and what coverage details are currently provided?

- 6) Are any of the current basic lines of business provided to an insured, currently also provided as an optional coverage? (i.e. can an insured that has basic coverage extend any of his current coverages under any optional coverage?)
- 7) Do insureds currently covered under basic, pay for uninsured motorist protection?
- 8) Was underinsured motorist protection considered a line of business in the past?
- 9) What is considered to be a line of business and do these lines of business in the current proposal differ from coverages provided an insured in the past?
- 10) Does an insured pay a fee for underinsured motorist protection separate from the current basic premiums that are broken down on their policy document?
- 11) Does an insured pay a fee for no-fault accident benefits separate from the current basic premiums that are broken down on their policy document?
- 12) How does the current proposal for information differ from the information provide in ICBC's annual report?
- 13) How much of the detail provided in the current proposal can be found in the annual report specifically in relation to major lines of business, sales, volume, and loss experience information, third party information for basic, UMP, no-fault accident benefits, and the four major use categories?
- 14) What are the current use categories and how do these differ from vehicle types that currently determine the licence plate in relation to its dual purpose as a policy number?
- 15) The current proposal in Exhibit 1 "Major Lines of Business Experience" refers to private passenger vehicle, commercial, all terrain, and motorcycles but makes no mention of trailers yet the corporation sells third party insurance for trailers. We know that while the trailer is attached, the towing vehicle is currently the vehicle from which any third party claim payments are made. Where does the proposal address the sharing of trailer lines information? The trailer lines premiums earned, written etc. are not mentioned in any portion of Exhibit 1 yet these premiums are not considered currently as optional coverage. Will the Corporation be disclosing this information to the Commission so it can consider the revenue generated?
- 16) Do the current vehicle types have any impact on the type of license plate issued and how does the Corporation currently connect the policy to the plate number?
- 17) What type of impact does the current proposal have on the type of licence plates issued as policy numbers and will there be any hidden costs or administration savings in the proposed changes which appear to delete two vehicle types? Have these two types of policies been consolidated under the commercial line of business?
- 18) It would appear that ICBC is now willing to share information as long as it is not discriminatory information or information that is customer specific. The Corporation states in the proposal that it " will not be populating any components of exhibits that would require such information, unless there were fundamental changes to the rating structure of Basic Insurance or changes to the legislation that prohibits ICBC from the use of certain discriminatory information." It also puts a footnote for a reference "Special Direction IC1" but does not explain how this Special Direction relates to the

statement. The reference "Special Direction IC1" does not provide the Commission or the Corporation any mandate for:

- restructuring rate classes
- lines of business that impact any current lines of basic or third party coverages (by means of changing points of reference in its current business practice that would impact basic coverage such as territories, rate classes, administration costs, staffing needs, classifications of vehicles)
- impacting types of policies written and earned, monies paid to medical professionals, British Columbia Medical Services Plan, the Ministry of Health, no fault accident benefits or UMP and any other items not mentioned but covered or paid out as either costs or benefits under the coverages.

Please provide any and all correspondence with the provincial government that would provide the Corporation or the Commission with a directive to change the current system of basic coverage and any other lines of business as they currently stand.

- 19) Please provide any and all documentation where the Commission has authorized or instructed ICBC to make any changes to the current classification structure for policies written under basic coverage, current basic insurance territories, and insurance rate classes. Exhibits do not provide any data but do appear to be different than those rate classes offered by brokers to customers. This suggests that the Corporation is proceeding with business changes that will impact basic insurance and optional third party while changing coverages under the current insurance scheme, staffing needs and administration costs. Please explain if this is correct.
- 20) Currently there is an outcry in many parts of Canada outside of BC that private insurance companies have not been forthright with information provided to the public regarding rates and reasons for charging premiums that have generated over \$3 billion in profits. Private insurers suggested that they anticipate massive losses due to political instability worldwide. Both ICBC and private insurance companies have benefited with profits paid by their customers in a time where there are major job losses in British Columbia. Why has ICBC now decided to expand the scope of information sharing? We suggest this will benefit private insurers, as the current proposal shares information about rate classes, territories, and policies written, when in the past it claimed the information was competitive or had potential to harm the Corporation's business?

Please provide us with documentation that the Corporation has, about any proposed changes to, territorial codes, claims handling (specifically any documents written by Business Analysts in the department currently or previously known as Customer Care Technical Services, managed by Julia Sammuels), that have been authored and investigated by her staff that demonstrate the impacts to customer service and the insurance division from the proposed sharing of information so that the Commission can fully consider the amount of information. Also please provide all information that was provided or researched by any departments reporting to manager Gail Fleming about "quick wins" (suggested by an American consulting firm) that would impact the sharing of information on its current insurance systems or future systems for any and all services that would impact the administration costs of basic, underinsured motorist protection, and no-fault accident benefits.

- 21) On December 15, 2003, Judy Maddocks, VP of Insurance, announced that ICBC was restructuring its Insurance Division in a release that states:

*Revised Insurance Division structure  
(12/15/03)*

*I am pleased to announce the revised Insurance Division structure, effective January 1, 2004.*

*Glen Kalmar, VP Business Development, will assume responsibility for Personal Lines & Commercial Lines business development. Joining Glen will be John Dickinson, Director Marketing & Broker Management and Fred Squires, Manager Commercial Lines.*

*Harry Pylman, Chief Underwriter, will assume additional responsibility for Regulatory Compliance, Statistical Reporting, and Management Info.*

*Chris Boxall, VP Insurance Operations & Statistical Research, will have Stephen Bath, Manager Business Intelligence & Customer Research, and his team joining his area.*

*Glenda Ouellette and Jim McGinnis will each assume the role as Director, Broker Relations & Sales. Glenda's accountability will include Fraser Valley, North/Central, and Southern Interior. Jackie Martin, Chris Gibson and their teams will join Glenda. Jim's accountability will include Greater Vancouver and Vancouver Island. Peter Dunwoody and his team will join Jim.*

*This is the senior Insurance team structure that will lead the Insurance Division into a challenging & exciting future.*

*Please join me in congratulating the new team and welcoming Glen Kalmar today.*

*Judy Maddocks,  
Senior VP Insurance*

Please provide us with the rationale for such changes and the impacts this restructuring would have on basic insurance affecting any proposed sharing of information.

- 22) Vice President Doug Downing announced that the Corporation was proceeding with changes to its customer service division, after it spent in excess of \$700,000 to move all staff reporting to him to the head office located in North Vancouver. Originally these staff were to be housed in the Central City location, which had been built with a new call centre platform. The move was planned to upgrade the technologies used by ICBC to provide information to its call center staff about policies held by customers and for its Telephone Claims department. This was all part of a strategy provided by an American consulting firm as a means of gathering information under an integrated telephone system that would interface with a new customer service computer software, that draws information from ICBC's legacies systems. This new system has been purchased by ICBC to replace Nortel's Meridian Max System. Nortel had advised that it could no longer support the system and that ICBC would need to consider upgrading. The process referred to at ICBC as the "Customer Care Transition" and "Evergreening" was implemented and the reports from technical services were considered and implemented. This process is still on going and the contract for the new system was awarded.

Please provide us with all information about "Customer Care Transition" and "Evergreening" so we can consider how these changes will impact or improve the sharing of information. Also please provide all documentation about the impacts to (as stated in ICBC's information sharing proposal and exhibits, "were subject to the inherent limitations of ICBC's basic data" or that " ICBC did not historically segregate") basic insurance and optional third party extension coverage.

- 23) Please provide all information about any cost savings and reduction in staff that will result from the Customer Care Transition and Evergreening as this is relevant to any consideration of the proposal being a "cost effective solution".
- 24) CEO, Nick Geer, stated to employees that, 2006 would be a significant year for ICBC and its staff. The amendments to the Motor Vehicle Act, the Insurance Motor Vehicle Act, the Insurance Act, and the Insurance Corporation Act have enabled the provincial government to legislate a provision for the creation of a "facility" (Bill 93-Section 73). Canadian jurisdictions that currently have "facilities", allow for the sharing of information about customers who are considered to be high insurance risks. Also these jurisdictions provide for the sharing of claims information and the costs associated with such administration of a "facility". Please provide documentation and studies that have been made for the creation of a facility as it will impact any costs associated with the sharing of information.
- 25) ICBC currently has a department known as Driver Training and Vehicle Information (DVTI). This department is responsible for the sale of information about vehicle damage paid by ICBC under basic insurance and optional own damage coverages. This department generates over \$3 million from the sale of these reports. It also generates for the provincial government over \$1 million in the sale of vehicle record information, court certification documents and other information approved under the FOI Act about vehicles registered in British Columbia. This Vehicle Damage Report is sold for approximately \$15.00 to \$20.00 depending on the client's status and volume of sales. BOnline, which was purchased by McDonald Detweiler, proposed to link to this Vehicle Damage system to facilitate the sale of information. The provincial government wanted ICBC and BOnline to feed this information through its portal. DVTI is considered to be a profit center and a logical place for a "facility" to be created, since it is already a source for information. Please provide any information that would affect the proposal for the sharing of information. Please provide and related information and studies as they relate to information sharing for the DVTI department.

Thank you for your attention to these details, questions, and information requests.

Sincerely,



Jerri New  
President  
OPEIU Local 378

JN:kc

c: Intervenor and Interested Parties