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TO THE  
BRITISH COLUMBIAN UTILITIES COMMISSION  
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IN THE MATTER OF  
INSURANCE COMPANY OF BRITISH COLUMBIA  
ORDER G-141-13 / PROJECT No. 3698726  
2013 REVENUE REQUIREMENT APPLICATION

FINAL ARGUMENT SUBMISSION  
March 6<sup>th</sup> 2014

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**ACRONYMS**

BC	British Columbia
BCUC	British Columbian Utilities Commission
CMP	Capital Maintenance Provision
CPI	Consumer Price Index
CPP	Canada Pension Plan
CTP	Claims Transformation Program
DCAT	Dynamic Capital Adequacy Testing
ICBC	Insurance Corporation of British Columbia
IFRS	International Financial Reporting Standards
IR	Information Request
LNG	Liquefied Natural Gas
MCT	Minimum Capital Test
OIC	Order in Council
OSFI	Office of the Superintendent of Financial Institutions
ppt	percentage point
PY	Perium Year
Q & A	Question and Answer
RRA	Revenue Requirement Application
TSX	Toronto Stock Exchange
UT	Undertaking
VP	Vice President
WES	Work Effort Study

**PREFACE:**

During this final argument submission I will be offering several personal viewpoints within the context of my IR's, Intervener Evidence and evidence from the Oral Hearing.

I am pleased to express my sincere appreciation of ICBC voluminous work to provide the Commission and Interveners with information relevant to the 2013 Revenue Requirement Application.

Although I am obliged to make the following observation after attending the recent Oral Hearings. ICBC frequently used phrasing in their oral responses in a manner that avoided candid and complete answers during cross-examination. There were many instances, here are just two lengthy examples:

1. Referring to the Commission transcript Volume 5 pages 847 lines 5 through to page 848 line 26 inclusively. To summarize, I was asking a question in relation to my RTL Exhibit 08, and in particular to Exec/Manager times 8. So in ICBC's response they did correct my calculations, and I agreed with the correction. No problem. The problem arose at 11:00pm that Wednesday night when I checked my Excel spreadsheet tables used in the exhibit. Where I realized Mr. Leong so distracted me with my error, the real important question was never asked. It is too late to seek the answer for the record, and I accept that. This example is my expression of ICBC's frequent evasiveness during cross-examination that were ... shall we say open ended, or certainly in my case, responses to incomplete question construction, (my inexperience, and I will live with that). The Commission Panel must also live with the loss of response and an incomplete answer. Now I am a fair minded person, so I am pleased to report on Thursday Mr. Leong did guide me through this exhibit during the first coffee break, and I am satisfied completely. But the Commission Panel will not hear that information, because I rested my cross-examinations the day before.

2. Referring to the Commission transcript Volume 6 pages 990 lines 12 to page 1001 line 12 inclusively. To summarize, Mr. Weisberg and Ms. Prior are engaged in a Q & A over two communications released by ICBC August 30<sup>th</sup> 2013. The Q & A continues for a long time. I am suggesting by the end of Thursday, the Commission Panel, Mr. Weisberg, Ms. Prior achieved nothing, with no constructive probative information or dialogue accomplished. Ms. Prior suggested in one response Volume 6 page 991 lines 9,10 and 11; "*Mr. Weisberg, I think that's your prerogative how you want to use the time with the Commission and the panel*". Here I believe Ms. Prior set the course of discord that followed. I can only have conjecture as to her reasoning. The Q & A continued through to page 1010 line 19, thanks for the break.

Why mention this, the answer is on the last page of this submission.

## FINAL ARGUMENT DISCUSSION

### 1. MINIMUM CAPITAL TEST

In regard to the Minimum Capital Test (MCT) and Rate Smoothing, I draw the Commission Panel attention to Volume 5 page 678, lines 13 to 17 inclusive. To quote, Ms. Minogue, “*the Commission could continue to adopt the 130 as still an inappropriate solvency target and then consider the narrower issue of the rate smoothing margin*”. Then Mr. Miller leads off with a series of Q & A from page 678 line 18 to page 679 line 20 inclusive. At this point ICBC undertakes to look at a 10% rate smoothing margin, and return with information. At the time of writing this final argument, I can not elaborate further. So I will leave any further address to the 10% Rate Smoothing Margin to the Commission Panel deliberations. Mr. Miller and Ms. Minogue continue their Q & A in Volume 5 page 679 line 22 through to page 682 line 15. To partially summarize, (because I do not understand the dialogue), Mr. Miller reviews BCUC IR 2 180.1, and Exhibit B-18 is introduced at this time. Essentially the discussion is around the 130% MCT level rising by “*a margin*” to test the solvency target against greater volatility in the equity markets. In June 2008 the Commission appears to have approved a single scenario methodology that provided a 10% probability level. What that means I do not know. But on page 681 lines 13 to page 682 line 2 inclusive, Ms. Minogue discusses market declines for the period “08-09” in context to market volatility over the last 80 years, and then striking a 90<sup>th</sup> percentile. Again I do not pretend to understand this review by Ms. Minogue. But I must assert in my opinion, for Ms. Minogue to draw any comparisons on today – 2013, to 80 years ago to support ICBC’s application of a 10% or even a 20% MCT Rate Smoothing increase to address volatility is hideous in the extreme. IR 2 180.1 with Exhibit B-18, Table 1 the discussion remains unsubstantiated evidence, even during cross-examination by either Mr. Miller or with the ensuing Q & A with Ms. Minogue. The 2008 DCAT testing approved by the Commission is not updated or followed with updated discussion and reference. Although ICBC had an opportunity to do so. So the relevance to pre 2008 equity market volatility seems irrelevant to ICBC’s application in support of a 10% to 20% MCT Rate Smoothing mechanism. Ms. Minogue dances around Mr. Miller’s questions in regard to the relevancy of inclusion of the 2008/2009 stress testing for volatility, and on lines 14 and 15 ICBC have an undertaking to explain. Ref: ICBC Undertaking 2013 RR BCUC.UT.5 and 2013 RR BCUC.UT.6 and 2013 RR BCUC.UT.8 The “Indicated MCT Target” table provided demonstrates marginal differences, and the explanation is 80 year old “*cherry picking*”.

- So I leave the various MCT issues to the Commission Panel. Mr. Revel picks up on the issue, Volume 5 page 684 lines 10 to 25 inclusive. Mr. Miller continues the line of inquiry up to page 686 line 8 inclusive. A lot of ground is covered, but not much tangible evidence is expressed to reach a determination as to the best MCT decision...., whether to stay at 130%, or increment up to 140% or 150% or any value in between to address Rate Smoothing.

Further in Volume 5 page 837 line 8 to page 838 line 21, I start the cross-examination with Mr. Leong, then Mr. Magnan, asks a series of questions, and finally Mr. Leong agrees to undertake to inform the Commission Panel after March 6<sup>th</sup>. “*confidentially*” the December 31<sup>st</sup> 2013 MCT level. Perhaps the rest of us will find out this magical number in the course of ICBC’s 2014 RRA in May 2014.

No negative inference to confidentiality is implied. Nevertheless, I would like to know the answer, while we do understand the Supreme Court ruling on confidentiality.

Almost needless to say, but I must, to ensure the Commission Panel answer my final argument on this MCT subject, I submit:

- Taken in totality along with my IR's, Intervener Evidence with rebuttals, and my cross-examination evidence, I assert the Commission Panel should dismiss ICBC's application to raising the MCT ceiling. The current 130% level set in 2008 was established to address volatility and other contributing component pressures on the 100% MCT level.

Canada and British Columbia has survived 2008/2009 and moved on. It is ICBC's problem to manage the Revenues, Rates, Resources, Capital, Tools (transfers from optional to basic among other things), within the legal Management Framework currently in place that address the existing MCT rules as defined by the OSFI guidelines.

Even in light of Government Directions and *Special Direction IC 2*, where ICBC is required to submit a New Capital Management Plan, this new plan described in the application is premised on 80 year historical volatility and fear mongering. Ms. Gould in the application discusses Investment returns in support of the applications for a 150% MCT level based on market volatility, increased BI frequencies and severities, and so on. But as said, the premise is fear mongering. Since 2012 the TSX, Dow Jones, Bond Markets have responded upwardly to the severe market hit of 2008/2009. Currently the Bank of Canada and the Federal Government project albeit a conservative economic growth moving forward, on the coat tails of the United States economy expanding. My suggestion to ICBC's investment world, is to turn to the Premier Christy Clark BC expansion into the LNG industry of British Columbia. This would definitely minimize volatility in the equity market that ICBC invests in. Thereby increasing the "-1.1ppt" line 3 of Figure 3.2 to reducing the 4.9% Indicated Rate Change line 9 by some other lower number ?? On a personal note, my investment returns have also been very modest, and subject to the same rigors of volatility as ICBC, as with every other invested person. My CPP went up 0.9% in January 2014. ICBC investments went up over 3.5%. Gasoline went up over 89%, our green grocery bill went up over 35% in the last 12 months. The list goes on. I get a 25% seniors discount and a 43% safe drivers discount on my Basic Insurance. This 43% Safe Drivers discount could be lost in a heart beat. There are other policy holders between the ages of 15 to 64, ICBC says they are not eligible for a senior's discount (Rate Class 005), yet may be eligible for a proportional safe drivers discount based on their years of driving with safe driving practices. They have the same pressures as ICBC, and "HAVE TO MANAGE" with the resources they have at hand. (Stop paying bonuses, incentives and parking for employees).

- The Commission Panel I believe has the responsibility to take not just ICBC's financial problems into account, but the 3.4 million British Columbian Policy Holders financial impact of exorbitant Basic Insurance Premium increases since 2011, amongst other products and services that increase as well around us.
- I put it to the Commission Panel, they have the responsibility to strike a 50-50 balance in all fairness. Mr. Blucher's reference to the "Average \$11" is totally misleading. The greatest percentage of policy holders live in the Lower Mainland. (Rate Class 0xx/D). The Commission could ask, what is the Average for the Lower Mainland ?
- I put it to the Commission Panel, the current MCT range of 100% to 130% provides all the features of fiscal management in our growing economy of Canada and British Columbia, capable as history has shown to weather volatility impacts.

- Especially in light of Ms. Minogue in Volume 4 page 514 line 24 to page 515 line 3 inclusive says:

*“I don’t have certainty about what the future holds. And so we I don’t really know what circumstances will unfold in the future. So, one does have to talk in terms of conditional tense”*

I am obliged to point out throughout my body of evidence, I have expressed grave concern in the many actuarial models ICBC have employed in this 2013 Revenue Requirement Application, confirmed by Ms. Minogue response to my question preceding line 24. (see my question, lines 17 to 23).

I expressed certainty in cross-examination with Ms. Gould, where I clearly stated Senior Pensions were increased by the Federal Government by 0.9% in January 2014.

- Quite frankly, I admit this last point is argumentative, it is meant to be, in light of ICBC employing high salaried VP’s, Directors and Managers that build an application on supposition, unverifiable models (albeit approved by the Commission years ago), outdated financial investment data, fear mongering, unvetted “Material” facts not released for 3<sup>rd</sup> party scrutiny, such as the Commission and Interveners. I do not pretend I am capable of providing this scrutiny, but there are other Interveners who can.

This last point is supported by ICBC’s many references from time to time to “Internal” staff evaluations, testing, models, decisions, and data, to name but a few components.

Lastly, in regard to “Basic Insurance” - I think it is about time the BCUC Commission aggressively overhauled the “Models” ICBC is allowed to use, along with the criteria associated with those models. I recognize this overhaul may be constrained by existing OSFI guidelines. But that restriction does not negate the BCUC’s responsibility to provide oversight and if required specific direction to correct and or up date and replace the existing models.

Although I am not versed or educated in insurance modeling, and the adherence to the insurance tort system, ICBC also when it suites them employs the Dynamic Capital Adequacy Testing (DCAT) model as Manitoba, and Saskatchewan. Please review ICBC Undertaking response filed February 20<sup>th</sup> to 2013 RR BCUC.UT.7 – *Attachment A – Communications from Saskatchewan Government Insurance and Manitoba Public Insurance regarding Capital Management of Basic Insurance.*

It is understood ICBC operates under a “Full Tort” system. Yet this does not justify ICBC tortuous approach to their employment of convoluted models with “no name”. The application and numerous supplemental tables, “Fail” to communicate the “Weighted Values” employed in the various models, so that active 3<sup>rd</sup> party scrutiny is impossible to validate ICBC’s assumptions and conclusions, as they are applied to the “Indicated Rate Change”. In Intervener Evidence 2013.2 RL.2.2, I ask a series of questions in regard to ICBC’s Exhibit G.1 and G.2, which I renamed Exhibit G.1.RTL, and G.2.RTL. ICBC responses still leave me wanting. I failed to ask questions during the Oral Hearing, (although the I did submit all my scripted questions for the Oral Hearing on February 3<sup>rd</sup>), because I could not figure out how to ask further exploratory questions, that contested the weighted values and apparent (for example responses, 2.2.1, 2.2.2, 2.2.5) “Comprehensive Internal Analysis” and “Transient Target”. So really all the questions still stand, can the BCUC support ICBC’s responses to me. If not, why not. And if not, why not, then the BCUC has the perfect example and justification to completely re-examine how ICBC uses the numerous models, weights, and formulas to reach the various conclusions they come to in the determination of the “Indicated Rate Change”.

As an observation, it is amazing to reflect that ICBC's New Capital Management Plan and the Claims Transformation Plan never discuss any "new models"... Isn't it? Old models, old weighted values, old formulas applied to new tricks (plans) lead to Ms. Minogue saying, "*don't have certainty*", and Ms. Prior Volume 5 page 841 lines 12 to 22 inclusive, – (in response to partial question from Landale lines 6 to 11), asserts the Commission has approved a "formula", which may or may not include "Current CPI" data? Ms. Prior failed to elaborate on the components of this formula, while she had the opportunity to do so, why? What are we missing here?

## 2. CLAIMS TRANSFORMATION PROGRAM

In regard to the Claims Transformation Program, I am horrified ICBC gets away with m....., the BCUC has no jurisdiction or direction on how ICBC wastes the 400 million approved by the BC Government (OIC-222-10), Outrageous! I refer the Commission Panel to Volume 4 page 488 line 10 through to page 491 line 8. The Q & A involved Mr. Magnan, Mr. Ghikas, Mr. Wilson and myself, as evidence the CTP is outside the scope of this current hearing..... No "Public" accountability...!

➤ Mr. Magnan, Chairperson ruled the CTP is out of scope.

Consequently, I assert the Commission Panel should rule the "entire Claims Transformation Program evidence" be removed from the record of these hearings, along with, all rebuttals, all IR's, all Exhibits in regard to the Claims Transformation Program.

In relation to this ICBC 2013 RRA and the "Indicated Rate Change of 4.9%" along with the lack of any oversight for this new Claims Transformation Program, what possible value has the CTP contributed to the Commission Panel? Especially considering no one outside of ICBC could apply "quantitative analysis with measurable results" on the CTP. ICBC has made estimates, projections of staff reductions, and possible savings to operating costs, but nothing quantifiable.

400 million..... ouch! We the "Public Purse and Optional Policy Holders" should be questioning and holding ICBC to accountability.

So where do we "The Public" turn to, if not the BCUC?

In my Intervener IR #2 - 2013.2 RR.RL.2.6, ICBC responds with an updated Figure 9.3 – Cost Per Policy In Force. At first glance this table appears ICBC has struck a fair balance over the given period. But buried in the Notes 3 and 4 are several references to Restructuring costs - \$25 million, Recovery Benefit - \$9 million, changes in IFRS accounting for pensions and post – retirement costs - \$12 million. In the absence of ICBC stating the "Cost per Policy as Basic Insurance", I conclude the Cost per Policy includes all costs, meaning the combined Basic and Optional Insurance. Is that true?

It is too difficult (tortuous) to separate ICBC's explanation to IR#1 – 2013.1 RR RL.7.1 with the updated table provided. ICBC also refers to the one time \$25 million restructuring cost 2013.1 RR BCUC.128.1. That said, these millions should be re-allocated to the Claims Transformation Program, after all the CTP is a restructuring (Claims Hierarchy) of the organization since 2010.

Within the same discussion, ICBC's responses to IR#1 – 2013.1 RR RL.7.1 and 2013.1 RR BCUC.115.2., misdirected attention to Figure 7.23, when, with the discussion to Figure 7.22 gave a more complete answer with respect to ICBC business lines and their respective allocations.

Consequently, I am requesting the BCUC make an appropriate reassessment regarding Basic Insurance Costs Per Policy applicable to the current Application?

### 3. RATE CHANGE BAND +/- 1.5%

Opening Comment:

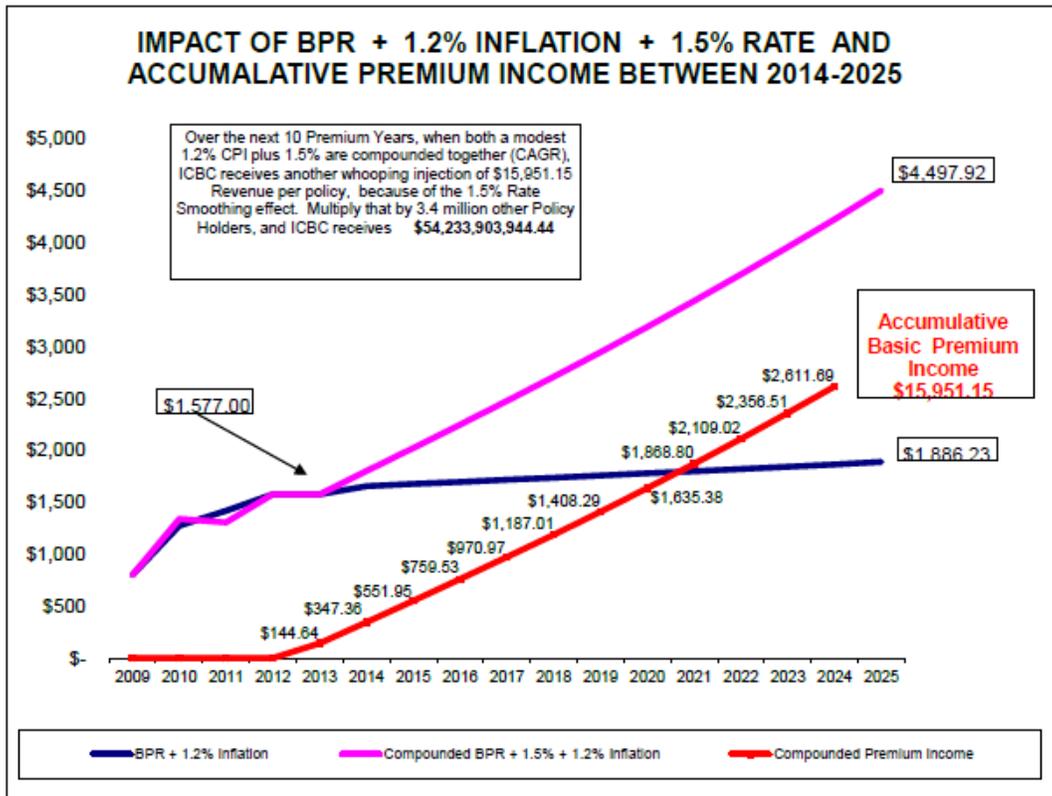
With reference to IR #2 2013.2 RR.RL. 2.12 along with ICBC Responses.

ICBC chose to overlook the point in their response. It is true OIC 152-13 and *Special Direction* IC2 defined the Rate Change Band within the context of a New Capital Management Plan.

Things can change.

Discussion:

The premise of RL.2.12 with RTL Exhibits 10,11 and 12 is to show the long term effects of this Rate Change Band, when in each consecutive year the Rate Change Band increments + 1.5% Rate Smoothing component, on top of a 1.2% Inflation Rate, graphically depicted:



**BPR = BASIC PREMIUM RATE**

ICBC in their response stated: “does not estimate future Basic insurance rate changes for years beyond the rate application, although ICBC does examine a range of scenarios”.

This self proclaimed lack of foresight is of great concern, since the current PY2013 has components that require the Commission Panel to make decisions on. Namely the “Indicated Rate Change” with the new Capital Management Plan, that includes significant changes to the MCT, Rate Change Band +/-1.5ppt, and Rate Smoothing. Long term foresight is critical to understanding the implications of present PY2013 decisions on future outcomes.

In the absence of ICBC’s best future estimates, the above estimate is re-submitted in it’s entirety for inclusion in the Commission Panel deliberations and consideration in their final decision.

#### 4. EMPLOYMENT OF ACTUARIAL MODELS

##### Opening Comment:

I am sure it is not new to the Commission Panel as to how mistrusting I am towards the endless actuarial models employed by ICBC. I will spare the Commission Panel pages of rhetoric I am inclined to share, in the hope the Commission Panel will put some weight during their deliberations on this final example of my mistrust of ICBC models. And why the BCUC should totally overhaul their use, as requested above in this Final Argument submission.

##### Discussion:

ICBC Final Argument Submission February 25<sup>th</sup> pages 20 through to page 26.

ICBC discusses in great detail various named key models, while constantly reiterating “in accordance with accepted actuarial practice”.

I am reminded of the “Little Girl who Cried Wolf” just once too many times, and was consumed.

Now I do very much appreciate ICBC’s efforts to explain some of these models, and quote, this quote really chokes me, ICBC Final Argument page 20 last four lines of the first paragraph:

*“Put another way, the final outcome of claims on average will not decrease in proportion to the reduction in average case reserves. The actuaries account for this higher expected development in their selection of loss development factors.”*

Selection ? “Accepted Actuarial Practice” is repeated 4 times, on Pages 11 and 12 paragraphs 17 and 18, under the title of: “*Unbiased Best Estimates Based on Pertinent Information*”.

Excuse me for being upset, in these two examples, there are conflicting biases. The example claims the Actuaries will make “Selections” to adjust the model outcomes. The second example claims the Actuaries are “Unbiased”.

I acknowledge I have been very selective in isolating ICBC’s words, with intended inference in their Final Argument. These are perfect examples for my overall mistrust. These examples are ICBC words, not mine. Once published, they are in the public domain for scrutiny. As are my words and inference. I welcome and will learn from any correction.....!

And I urge the Commission Panel to share in my grave concern.

##### Conclusion:

In Oral Hearing transcript Volume 4, page 494 line 1 to page 499 line 14 inclusive. Mr. Loach and I go through a lengthy Q & A. There is little point in discussing the minutiae of the Q & A, but to say, I gave up, and moved onto my next question. Mr. Loach failed to explain the weighting system I requested (page 497 lines 9 to 15 inclusive). In so doing the Commission Panel also failed to get the answer. I am sorry for that.

This is my last example to demonstrate ICBC’s manipulation of hard data in models with unsubstantiated weighted values that yield their desired outcome.

I must leave the ramifications of this Q & A as it may or may affect the “Indicated Rate Change” in the hands of the Commission Panel.

## 5 CAPITAL RESERVES

### Opening Comment:

This is not specific to the Minimum Capital Test, although Capital Reserves have a direct influence on the MCT.

### Discussion:

The functioning MCT range of 100% to 130% has sustained ICBC through the Work Effort Study (WES) of August 2011, the development of the Claims Transformation Program (CTP) 2010 ongoing to 2017. What ever the ICBC re-organizational and structural changes these projects have had, and will have, were all undertaken during the existing functional MCT - Capital Reserve Plan. ICBC's exhibits throughout the Hearing support this statement. Not once has the MCT dropped below 100%. Admittedly, there have been serious pressures, but under direction from the BC Government, several Capital Transfers from the Optional Insurance side of ICBC's business contributed to maintaining the Basic Insurance MCT levels within the given range. During this time ICBC admits the claims management, claims turn around times have lengthened, along with increased legal costs, medical costs, and BI claims rising, just to name a few of the contributory factors. If we are to understand and believe the CTP will eventually come into "It's Own" by 2017, then there are a couple of arguments to be made.

1. Stay the course, the current Capital Reserves, the MCT plan is working, and during the transitions from the old methods to the new methods may very well draw on the Capital Reserves, and fully exercise the MCT levels down to 100% or below. In which case the BC Government can be altered by ICBC to request additional Capital Transfers from the Optional Insurance to the Basic Insurance.
2. Based on the outrageous "Accepted Actuarial Practice" code, ICBC actuaries have developed a hypothesis of "Scare Tactic" by being biased and exaggeratory in the Loss Cost Forecast Variance (not included in current application is noted) impacts, Loss Trend to PY2013, BI Severity, escalated legal representations, amongst many other contributing factors. There can be no justification why any British Columbian policy holder increased premiums should be required to bolster ICBC exaggerations in the determination of the "Indicated Rate Change", or the future New "Capital Management Plan".

Having said this, I realize the BC Government, IC2 and the BCUC (see ICBC Final Argument, page 34 paragraph 68), require ICBC maintain a Capital Maintenance Provision (CMP). This is accepted. What is not accepted, is ICBC wants the British Columbian Policy Holder to pay ICBC transitionary way. Way back when, the BC Government approved ICBC could spend up to \$400 million to develop, and implement the CTP. To date ICBC has spent some \$240 million.

The remaining \$160 million can carry the burden of transition. This transition relates to Investment, and investment returns, restructuring, re-organization, claims cost management, numerous hypothesis based on out dated models and uncorroborated data that is not up to date with these on going transitions.

## 6. CHANGE IN AVERAGE PREMIUM

I wish to thank ICBC for the invitation note in their Final Argument page 35 last paragraph:  
*"ICBC will address any intervener submissions on this point in Reply".*

The premise for me being an Intervener is, I am a Senior, and like me there are some 1 million other Seniors dramatically affected by ICBC Basic Insurance Policy premiums increasing out of control.

While I can not submit new evidence at this late stage, I can confirm ICBC did reply in detail to my Rate Class inquiries as a Senior. I can confirm Mr. Blucher definitely does not consider Seniors as an average policy holder. My Rate Class 005/D went up 4.9% or 4.8 times Mr. Blucher's average of \$11 per annum. During the PY2014, I will submit as evidence the email and its accompanying table in contest of the PY2014 RRA. I am still awaiting further evidentiary information from ICBC's Customer Relations (who have been very helpful in these inquiries) in the mail.

I will further restate Seniors 65 plus do get a 25% discount, and some also get a 43% Safe Drivers Discount. The Safe Drivers discount can be lost in an instance. So the functioning basic rate for Rate Class 005/D is the issue in contention. The issue I entreat the Commission to support, by cutting the proposed rate of 4.9% to 1.2% as submitted in my Intervener Evidence at the Oral Hearing. If not 1.2 %, some rate value in between that recognizes a Capital Maintenance Provision. Please also refer to 8 Consumer Price Index in this submission.

## **7. ALLOCATION TABLES – Chapter 7 - 7D**

Opening Comment:

Considering all the re-organizational changes described in the application, no where could I find ICBC's undertaking "commitment" (a scheduled date, planned meeting) to consult with the BCUC to revise the Allocation Tables to suit the re-structuring, in light of the impact from the CTP, New Capital Management Plan, Departmental and Claims Hierarchy - Claims Adjusters new business lines. What is even more disconcerting, ICBC never answered the question "When was the last time"

Discussion:

Drawing the Commission Panel attention to IR#1 2013.1 RR IBC.32.1, IBC.37.1-5, IBC.38 1-2, RL.8.1, RL.8.2 along with all the various ICBC responses.

Did the BCUC review and approve the allocations detailed in the questions, and "vet" the responses provided by ICBC. Particular attention is drawn to ICBC's restructuring costs in regard to the CTP, Claims Division based on the new functional-centric claims delivery service model, New Claims Job Hierarchy and Work Effort Allocator (whatever that is), the New Claims Management System Solution Please consider my discussion in item 2 above Claims Transformation Program.

To refresh everyone, my question was:

**2013.1 RR RL.8.1 Reference: Chapter 7 - Appendix 7D Cost Allocation Tables pages 7D-1 to 7D-7**  
**When were the Allocation tables last reviewed by the BCUC and ICBC, either jointly or separately.**

After the Commission Panel has re-read each of the noted IR questions and responses, will the Commission Panel please address the question:

When was the last time the BCUC and ICBC reviewed all the allocation tables, and will this allocation table be reviewed and updated prior to the PY2014 Revenue Requirement Application.? If not, why not, and when will they all be reviewed next by BCUC ?  
 I would be pleased to make myself available as an Intervener to assist in this needed review.

Can the Commission Panel assure me and all the other Interveners, that through their deliberations in preparation for their final decision, the current Allocation Tables set forth in the application are relevant to the "Indicated Rate Change" given the aforementioned questions, responses, discussion and the totality of the Oral Hearing and cross-examinations?

## 8. CONSUMER PRICE INDEX

Again I thank ICBC for their rebuttal discussion on the CPI and their accompanying computations. I may be wrong to bandy words and numbers with ICBC in regards to the CPI. But I am not wrong when my Canada Pension cheque increased by 0.9% in January of this year, or \$4.53 a month. (See Volume 5 page 838 line22 to page 840 line 25).

There is yet another avenue the Commission Panel could adopt on behalf of Seniors, and perhaps be inclusive for Certified Handicapped policy holders, that their Rate Class increases be limited to the CPI plus the 1.5ppt.

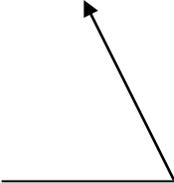
SENIORS INSURANCE BASED ON PY2013 RRA 4.9%						
Rate Class					Difference	
	2011 (11.2%)	2012	Oct-13	Nov-13	PY2013 \$	PY2013%
005 /D			1088	1141	53	4.87%
022/D	1084	1084				

SENIORS INSURANCE BASED ON CPI (0.9%) PLUS +/-1.5ppt						
Rate Class					Difference	
			Oct-13	Nov-13	PY2013 \$	PY2013%
005 /D			1088	1114	26	2.41%

Note:

- Became eligible for Seniors discount on October 28 2013
- This table mirrors ICBC format in recent email information to me, adapted to demonstrate Senior insurance based on CPI
- Please note Seniors are still 2.36 times above Mr. Blucher's average of \$11  
Why are Seniors not average ???
- If there are objections to the inclusion of this table, I accept, but then ICBC must accept my objections to their table on page 30 in their Final Argument



There is no need for the Commission Panel to repeat the awful words: (ICBC Final Argument page 4 and footnote [<sup>12</sup> 2012 RRA Decision, p.44] in response to me and Mr. McCandless )

“Matters of public policy should be directed elsewhere.”

I have never asked the Commission to address the issues that are determinant of the CPI or the CPP, nor would I. My support of Mr. McCandless letter is based on his working experience within ICBC, and the overall context of his letter to the Commission. And I still reiterate the Commission Panel should give some weight and serious consideration to Mr. McCandless letter.

I am asking the Commission Panel to understand the “VACUUM” ICBC is creating between my car premiums and my pension cheque, which is directly controlled by the CPI.

Now ICBC is not the only major Utility, Corporation or Service Provider that will have an awful effect on my pension cheque or purchasing power, but they are the Corporation of account in these hearings, so they stand alone in the argument for these hearings.

In asking the Commission Panel to “understand”, I am asking the Commission Panel to give weight and empathy to the disparity between ICBC and CPI and CPP during their deliberations and in their final decision. Is fairness too much to ask ?

The British Columbian Utilities Commission is the only “Active body - Regulator” that Seniors can turn to,

**We need your voice, we need your support....!**

Respectfully,



Richard T. Landale  
Intervener C1

Footnote:

I found it offensive of ICBC to repeat this reference, “Matters of public policy should be directed elsewhere.” ICBC must employ people schooled in indifference toward their fellow human being to repeat such a retort.

Here is my response to that, I have carried this quotation in my wallet since about 1996. I probably see this quotation a dozen or more times year.

THE WORST SIN TOWARDS OUR FELLOW CREATURES IS NOT TO HATE  
THEM, BUT TO BE INDIFFERENT TO THEM; THAT’S THE ESSENCE OF  
INHUMANITY  
(George Bernard Shaw).