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October 7, 2013

ICBC 2013 REVENUE REQUIREMENTS EXHIBIT A2-2

Ms. June Elder
Manager, Corporate Regulatory Affairs
Insurance Corporation of British Columbia
151 West Esplanade
North Vancouver, BC V7M 3H9

Dear Ms. Elder:

Re: Insurance Corporation of British Columbia
Order G-141-13/Project No. 3698726
2013 Revenue Requirements Application

Commission staff submit the following document for the record in this proceeding:

Distracted Driving 2012 ICBC Revenue Requirements Excerpt.

Yours truly,

Erica Hamilton

/kbb
Enclosure
cc: Registered Interveners
(ICBC-2013RR-RI)

BRITISH COLUMBIA

CORRECTION

Jan. 6, 2012 Ministry of Public Safety and Solicitor General

B.C.'s distracted driving law saves lives

In reviewing the information shared publicly regarding distracted driving statistics, the Ministry Public Safety and Solicitor General wishes to clarify that the 16 lives saved from Feb 2010 to July 2011 encompasses the broad range of distracted driving, of which cell phone/electronic device use is a component.

The statistic is not specific to use of cell phones/electronic devices, but includes other factors that may distract drivers such as reading a map or GPS, adjusting stereos or CDs, or tending to children. However, we know that use of cell phones/electronic devices is one of the most serious distractions and has the most significant of consequences.

The ministry is providing this clarification and apologizes for any confusion that may have been caused by the news release.

We are pleased that there has been a reduction in the number of deaths attributed to distracted driving and will continue to work hard to emphasize the importance of reducing any distractions, including use of cell phones/electronic devices.

The collection of data around distracted driving caused by the use of cell phones/electronic devices is challenging, and so looking at only the very small number of cases where police reported “communication/video equipment” as a definite contributing factor under-reports the issue.

We remain committed to this legislation because we know that use of cell phones/electronic device while driving remains a leading cause of preventable deaths and serious injuries.

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Connect with the Province of B.C. at www.gov.bc.ca/connect

2012.1 RR BCUC.26.2 Reference: PROSPECTIVE ADJUSTMENTS
Exhibit B-1, Chapter 3, Appendix 3 A, pp. 3A-6 and 3A-29
Exhibit B-1-1, Chapter 10, Section D, p. 10-14
News Release, B.C.'s distracted driving laws saves lives, Ministry of Public Safety and Solicitor General
PED Ban and Distracted Driving Awareness Campaign

ICBC on pp. 3A-6 and 3A-29, respectively states:

- ***"PED Ban*. Specific effects are not currently estimable in BC or in other jurisdictions. Crucial data required to conduct a credible evaluation are not available in BC at this time, and the research conducted in other jurisdictions is limited and contradictory."**

- **"No prospective adjustment for the potential impact of the 2010 PED ban should have been included in the claims forecast for 2010 or 2011. Current research does not yet support any assessment of savings related to the legislation enacted in BC."**

A news release by the Ministry of Public Safety and Solicitor General dated January 6, 2012 titled "B.C.'s distracted driving law saves lives" states:

"B.C.'s comprehensive distracted driving law is estimated to have saved 16 lives and brought about a 12 per cent reduction in the number of serious injuries since the law was introduced two years ago…

From Feb. 1, 2010 to July 31, 2011, fatalities related to distracted driving dropped by 12 per cent. Serious injuries related to distracted driving went down 12 per cent when compared to deaths and serious injuries between Feb. 1, 2008 and July 31, 2009…

Each year, police, ICBC and road safety partners join together to help raise awareness about the dangers of distracted driving and how we can all help make our roads safer by making smart decisions…"

Source: http://www2.news.gov.bc.ca/news_releases_2009-2013/2012PSSG0002-000007.htm

26.2 Should the data cited in the above news release be considered "crucial data" to conduct a "credible evaluation" that were not available in BC at the time of ICBC's Application filing?

26.2.1 If so, please re-evaluate ICBC's prospective adjustments to the actuarial rate level indication analysis. Please calculate the new actuarial rate indication.

26.2.2 If not, please provide reasons to dismiss the data cited in the above news release.

Response:

26.2

ICBC agrees that the number of fatal crashes involving driver distraction was lower in the 2010 to 2011 period than in the corresponding 2008 to 2009 period. However, this observation does not represent sufficient data to conduct a credible evaluation of the personal electronic device (PED) ban itself.

There are two requirements for a credible evaluation:

1. The ability to reliably measure the magnitude of a program effect.
2. The ability to attribute the effect to the specific program of interest.

For the following reasons, the data cited in the January 6, 2012 news release are not sufficient to meet these requirements.

First, the identification of crashes involving PED use is very difficult. As noted by the government in a news release issued later that same day (please see response to information request 2012.1 RR BCUC.26.1, Attachment B – Distractions – Correction), the collection of data around distracted driving caused by PED use is challenging. In fact, the number of fatalities reportedly involving the "Use of Communication/Video Equipment" (or PED) by a driver is extremely small (please see response to information request 2012.1 RR BCUC.26.1, Attachment A – Request 2010RDS0870-8 Distractions shows one fatality in each of the pre- and post-comparison periods). Furthermore, as noted in the Application, Chapter 10, page 10-15, the Traffic Accident System (TAS) data is currently the only source of information in BC about the human factors that contributed to any specific crash. A legislative change in 2008 means attendance by police at crashes is now at their discretion, resulting in a marked decrease in the number of police reports submitted to ICBC. While this change has not influenced the reporting of fatal collisions, it has influenced the reporting of non-fatal collisions. As a result, TAS data cannot be relied upon to evaluate general changes in collisions over time.

Second, in conducting a credible evaluation it is desirable to control for other factors that may have influenced crash outcomes during the included time period (for example, other road safety initiatives, economic factors, weather, or changes in collision reporting). Consideration of other factors at play provides more information than a simple before and after comparison of crash counts. Due to the province-wide application of legislation and differences between BC and other jurisdictions, it is very difficult to identify appropriate comparative groups that would provide the necessary control required for the attribution of effects to the law itself or, more comprehensively, to the combined effects of the law, its enforcement and any education campaigns undertaken to increase awareness and understanding of the risks associated with PED use by drivers.

In the absence of such controls, and with the limited availability of contributing factor data on collisions, a credible evaluation would, at a minimum, need to demonstrate that the targeted driver behaviours (i.e., PED use) had been altered by the program as intended.

26.2.2

ICBC does not dismiss the data discussed in the news release above. For the reasons noted above, the data are not sufficient to meet ICBC's criteria for a credible evaluation of the PED ban. These data do not enable ICBC to estimate or attribute the effects on claims that the PED ban might have.