



August 16, 2018

Sent via email/eFile

ICBC 2018 BASIC INSURANCE RATE DESIGN EXHIBIT A-2
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To: Stakeholders

**Re: Insurance Corporation of British Columbia – 2018 Basic Insurance Rate Design Application–
Project No. 1598968 – Regulatory Timetable**

On August 9, 2018, the Provincial Government of British Columbia issued Orders in Council (OIC) No. 458/18 and 459/18. The Government directive letter dated August 3, 2018 under OIC 458/18 directed the Insurance Corporation of British Columbia (ICBC) to apply to the British Columbia Utilities Commission (BCUC), by August 15, 2018, for rate design amendment approvals. OIC 459/18 requires that the BCUC must, within 45 days of ICBC's application, regulate and fix the rates using the factors, criteria and guidelines set out in the August 3, 2018 government directive.

On August 15, 2018, ICBC filed with the BCUC an Application for Approval of 2018 Rate Design for Universal Compulsory Automobile Insurance (Basic insurance) (Application) in accordance with OIC No. 458/18.

The *Insurance Corporation Act* sets out the role of the BCUC's regulation of ICBC's Basic insurance¹. In particular, ICBC must make available Basic insurance in a manner, and in accordance with practices and procedures, that the BCUC considers are in all respects adequate, efficient, just and reasonable. The BCUC must also follow government directives when regulating and fixing rates using the factors, criteria and guidelines as provided.

By Order G-152-18, the Panel has established a public proceeding that includes a streamlined review process (SRP). The SRP is intended to expedite the flow of information between ICBC, registered interveners and the BCUC by incorporating the benefits of a workshop, information requests and an oral hearing into one efficient process.

Recognizing the Government directives set out in OIC 458/18 and 459/18, the Panel requests that parties focus on matters that they view are within the BCUC's discretion, rather than on matters over which the BCUC does not have discretion.

For illustration purposes, where the directive to ICBC states "no more than 35% of Basic policyholders are to experience a premium increase due to the combined effect of rate design changes effective September 1, 2019," the BCUC may have discretion over the number of affected policyholders, to a maximum of 35 percent.

In contrast, the BCUC may not have discretion over the directive which states that the principal driver's risk is to account for a 75% weight and the highest risk driver of the remaining drivers (excluding learners) is to be assigned a 25% weight.

¹ http://www.bclaws.ca/civix/document/id/lc/statreg/96228_01#section45

These two examples are illustrative and are not intended to be an exhaustive analysis of the BCUC's discretion in this matter.

Accordingly, please find enclosed Order G-152-18 establishing a regulatory timetable for the review of the Application.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

LC/ad
Enclosure



**ORDER NUMBER
G-152-18**

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

the *Insurance Corporation Act*, RSBC 1996, Chapter 228, as amended

and

Insurance Corporation of British Columbia
2018 Basic Insurance Rate Design Application

BEFORE:

D. M. Morton, Panel Chair/Commissioner
A. K. Fung, QC, Commissioner
B. A. Magnan, Commissioner

on August 16, 2018

ORDER

WHEREAS:

- A. On August 9, 2018, by Order in Council (OIC) No. 458/18 and 459/18, the Provincial Government of British Columbia directed the Insurance Corporation of British Columbia (ICBC) to apply to the British Columbia Utilities Commission (BCUC), by August 15, 2018, for approval of rate design amendments as set out in OIC 458/18, and directed the BCUC to regulate and fix the rates using the factors, criteria and guidelines set out in OIC 458/18 within 45 days of ICBC's application.
- B. On August 15, 2018, ICBC filed with the BCUC an Application for Approval of 2018 Rate Design for Universal Compulsory Automobile Insurance (Application) in accordance with OIC No. 458/18; and
- C. The BCUC has commenced review of the Application and finds the establishment of a public proceeding and a regulatory timetable is warranted.

NOW THEREFORE the BCUC orders as follows:

1. A regulatory timetable for the review of the Application is established, as set out in Appendix A to this order.
2. ICBC is to provide notice of the Application and this order to all parties who participated in the 2015, 2016, and 2017 revenue requirements applications as soon as reasonably possible but by no later than Friday, August 17, 2018.

3. A Streamlined Review Process (SRP) will be held on Tuesday, September 4, 2018, commencing at 8:30 a.m. at the BCUC Hearing Room on the 12th Floor, 1125 Howe Street, Vancouver, BC. Details regarding the BCUC's [SRP Policy, Guidelines and Procedures](#) can be found on the BCUC website.
4. Interveners may submit written questions in advance of the SRP, by Tuesday, August 28, 2018, with copies to the BCUC and the other parties to facilitate the efficient review of the Application. ICBC is directed to respond to these questions either in advance of the SRP or at the SRP.
5. ICBC and intervener oral arguments will be held on Thursday, September 6, 2018, commencing at 8:30 a.m. at the BCUC Hearing Room on the 12th Floor, 1125 Howe Street, Vancouver, BC.
6. Parties who wish to participate as an intervener in the regulatory proceeding must register with the BCUC by completing a [Request to Intervene](#) form available on the BCUC's website, by Friday, August 24, 2018, and in accordance with the BCUC's Rules of Practice and Procedures attached to Order G-1-16.

DATED at the City of Vancouver, in the Province of British Columbia, this 16th day of August 2018.

BY ORDER

Original signed by:

D. M. Morton
Commissioner

Attachment

Insurance Corporation of British Columbia
2018 Basic Insurance Rate Design Application

REGULATORY TIMETABLE

Action	Date (2018)
Intervener registration	Friday, August 24
BCUC and intervener questions to ICBC in advance of streamlined review process	Tuesday, August 28
Streamlined review process*	Tuesday, September 4 commencing at 8:30 a.m.
ICBC and intervener oral arguments*	Thursday, September 6 commencing at 8:30 a.m.

*Location: BCUC Hearing Room
12th Floor, 1125 Howe Street
Vancouver, BC



PUBLIC NOTICE

ICBC 2018 Rate Design for Universal Compulsory Automobile Insurance

The British Columbia Utilities Commission (BCUC) is seeking public input as part of the BCUC's review of the Insurance Corporation of British Columbia's application for approval of rate design amendments announced on August 9, 2018.

HOW TO PROVIDE YOUR INPUT

There are a number of ways to participate in a matter before the BCUC:

- **Submit a Letter of Comment Form by Thursday, September 6, 2018**
- **Register as an interested party by Thursday, September 6, 2018**
- **Request intervener status by Friday, August 24, 2018**
 - Persons who are directly or sufficiently affected by the BCUC's decision or have relevant information or expertise, and who wish to actively participate in the proceeding, can request intervener status by submitting a completed Request to Intervene Form

STREAMLINED REVIEW PROCESS

The BCUC is conducting this review via a streamlined review process, which is scheduled to take place on Tuesday, September 4, 2018, starting at 8:30 a.m. in the BCUC Hearing Room, 12th Floor, 1125 Howe Street, Vancouver, B.C.

The SRP is intended to expedite the flow of information between the ICBC, registered interveners and the BCUC by incorporating the benefits of a workshop, information requests and an oral hearing into one efficient process. Members of the public are welcome to observe.

All submissions received, including letters of comment, are placed on the public record, posted on the BCUC's website and provided to the Panel and all participants in the proceeding.

FOR MORE INFORMATION

For more information, or to find the forms for the options previously noted, please visit BCUC.com/get-involved/get-involved-proceeding.html.

All documents filed on the public record are available on the "Current Proceedings" page of the BCUC's website at www.bcuc.com.

If you would like to review the material in hard copy, or if you have any other inquiries, please contact Patrick Wruck, Commission Secretary, at the following contact information.

British Columbia Utilities Commission



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