

Date Submitted: August 22, 2018

Proceeding name: ICBC 2018 Basic Insurance Rate Design

Participant contact information

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For organizations only - representative contact information

Name: Todd Litman

Organization (if different from above):

City:

Province:

Email:

Phone number:

Also representing (if applicable):

Additional information

Please state your reasons for intervening in this proceeding:

I am a transportation policy analyst with extensive experience researching the effects of transportation prices on fairness, consumer affordability, traffic safety, traffic congestion and pollution emissions. My research subjects include vehicle insurance pricing. I believe that I can make a positive contribution toward evaluating the full impacts of ICBC's rate structure changes.

Please state how you are directly or sufficiently affected by the Commission's decision in this matter; or describe your experience, information, or expertise relevant to this matter that would contribute to the Commission's decision making:

As a BC resident I am affected by ICBC's insurance price structure in many ways. ICBC rates directly affect my household's ability to afford vehicle insurance and therefore vehicle ownership, plus the traffic risks, traffic congestion and pollution exposure experienced by people in my family and community. My research examines how transportation pricing, including vehicle insurance rate structures, affects consumer costs and affordability, vehicle travel and risk exposure, traffic safety, traffic congestion, pollution emissions, and other provincial policy issues. My research also investigates practical issues related to usage-based insurance pricing, including how a vehicle's travel can be measured; the advantages and disadvantages of various usage-based pricing systems; impacts on vehicle travel, crashes and claims; consumer demand for such pricing; and how ICBC can introduce such pricing with minimal financial risks. I believe that I can make a positive and unique contribution toward evaluating ICBC revenue and pricing options. My related publications include: Todd Litman (1997), "Distance-Based Vehicle Insurance as a TDM Strategy," *Transportation Quarterly*, Vol. 51, No. 3, Summer 1997, pp. 119-138; at www.vtpi.org/dbvi.pdf. Todd Litman (2005), "Pay-As-You-Drive Pricing and Insurance Regulatory Objectives," *Journal of Insurance Regulation*, Vol. 23, No. 3, National Association of Insurance Commissioners (www.naic.org), Spring; at www.vtpi.org/jir_payd.pdf. Todd Litman (2011), *Pay-As-You-Drive Vehicle Insurance in British Columbia*, Pacific Institute for Climate Solutions (www.pics.uvic.ca); at http://pics.uvic.ca/sites/default/files/uploads/publications/WP_PAYD_Insurance_May2011.pdf. Todd Litman (2012), "Pricing for Traffic Safety: How Efficient Transport Pricing Can Reduce Roadway Crash Risks," *Transportation Research Record* 2318, pp. 16-22 (www.trb.org); at www.vtpi.org/price_safe.pdf. Todd Litman (2017), *Pay-as-You-Drive Insurance in BC: Backgrounder*, Victoria Transport Policy Institute (www.vtpi.org); at <http://vtpi.org/PAYD%20in%20BC%20Backgrounder.pdf>. Todd Litman (2018), *A New Traffic Safety Paradigm*, Victoria Transport Policy Institute (www.vtpi.org); at www.vtpi.org/ntsp.pdf.

Please list the key issues you intend to address in the proceeding:

* Actuarial accuracy (the degree that the premiums charged for each vehicle accurately reflect its insurance claim costs). * Insurance affordability (vehicle insurance costs relative to household incomes, and therefore the ability for lower-income households to afford automobile ownership). * Traffic safety (the effects of insurance rate structures on total traffic crashes and crash costs, and ways that insurance pricing reforms can help achieve provincial traffic safety goals). * Traffic congestion (the effects that insurance pricing have on peak-period driving and therefore congestion costs, and possible ways that insurance rates can be structured to help achieve congestion reduction goals). * Pollution emission impacts (the effects that insurance pricing have on total motor vehicle travel and emissions, and possible ways that insurance rates can be structured to help achieve provincial emission reduction goals).

For administrative purposes only

Do you intend to participate fully, including attendance at hearings and submission of evidence or information requests, if applicable?: Yes

Do you intend to request PACA funding? This does not impact your ability to

participate: Yes

Have you or your organization web-registered as an intervener or interested party in the past 12 months?: Yes

If yes, please provide your username: DBVI2017^