

Date Submitted: August 30, 2018

Proceeding name: ICBC 2018 Basic Insurance Rate Design

Are you currently registered as an intervener or interested party: No

Name (first and last): [REDACTED] Kandola

City: Vancouver

Province: British Columbia

Email: [REDACTED]

Phone number: [REDACTED]

Comment:

Please see attached.

I wish to provide comments on the insurance redesign. Respectfully, I request more time to do so, and if possible, wish to request the opportunity to provide an in person presentation as part of this letter of commentary. More information is need from ICBC as well due to the points noted, and the BCUC should consider obtaining further details from them. I request for personal information to be kept private/ confidential. Please contact me to discuss.

First, this public consultation process, as noted in the local media, has been rushed through, with a substantive volume of information, but wholly insufficient time for the public to provide commentary. Such a short time for public input, is not fair to policyholders, especially in a province where we have a large population of seniors, disabled, new immigrants, and those that speak English as a Second language. The material provided by government to consider is, to my knowledge, only in English, highly technical, and with an apparent lack of concise briefing documents outlining the implications to the public. Even more troubling, the access to the BCUC process is not clear and government has not properly advertised the ability for the public to provide commentary. Reports in the local media note this approach (quick turn around, lack of advertising) to be a tactical response by government, suggesting that while a highly limited form of due process is provided, meaningful commentary is still impossible without wide advertising and full public discourse. With respect, this is a failure in the process and significantly prejudices the rights of vulnerable communities.

Second, there are more specific concerns based on several items of direct interest:

1. The claim rate scale in current form provides a fair basis of measuring safe driving, which provides longtime safe drivers a more considered approach to managing the discount, and loss of discount (less of a loss if a person is high on the claim rated scale with more years of safe driving). This approach will be lost and the new measures will take now 10 years to reclaim a persons status on the claim rated scale. It is also unclear whether a person's prior driving history will be applied on the new model or the switch will be turn on at the activation date. The old system should be continued but instead of 10 years, it should be moderated to the measures originally proposed by the prior Minister Responsible for ICBC, Todd Stone, where the Claim Rated Scale discount loss was to be 6 steps (6 years) over the current 10 year approach. It is a disservice to the public to take 10 years to reclaim a discount as it impacts affordability and fairness. Please do not allow the measures currently proposed to be enacted as it is highly unreasonable.
2. The original basis for ICBC being in existence was to ensure that young drivers are not discriminated against by insurance companies that put higher rates on values set by actuaries for young drivers (males in particular). The new rate structure now puts this discrimination back in place, but does so by saying that the claim rated scale will be applied on a 40 year basis

instead of the current 20. However, this does not eliminate the fact that a new driver (who are mostly young drivers, instead of older drivers who have obtained their license late) is still a young driver. The process for charging a higher fee for young drivers has now become discriminatory, but in a different name. The measures are contrary to the spirit of universal insurance and will now take young drivers, many of who need transport for work, out of the road traffic system due to cost. This measure that punishes young drivers has a discriminatory effect and must be moderated. Please do not allow the measure in current form as it is discriminatory.

3. The current process where ICBC insures a car, not a driver, has served our province well, as it has an important salutary public policy effect: it allows for universal coverage for all drivers in a family or household, with the only limitation being whether or not a driver has 10 years of driving experience or not. The regressive new rules, now states, only a "driver" is insured and if other drivers want to be included in a family car, then the risk factor includes a high premium cost (a designated listed driver costs \$150 extra and an "incidental driver" with unlisted name costs \$50 extra a year). If the premise of ICBC being in existence is to provide a public insurance, universal coverage, and by extension this being a reasonable cost, then it further means that having highly restrictive policies that incrementally make the goal of universal access nearly impossible (due to finances) as a bad faith measure being placed upon the public without due consideration of its negative effect. Indeed, a policy holder that by chance may not have listed a driver or had someone drive for them as they are as senior, or unable to drive, or for mere convenience, will pay a high value penalty for failing to have this in their insurance. Yet, not everyone can predict with 100% accuracy what will happen on a given day or who will drive or their life circumstances. The rules as proposed are regressive, restrictive, and recalcitrant and must be denied in their current form. The measures that will be impactful includes lower the cost for listed drivers to an affordable sum, and then the unlisted driver premium should be expanded to a minimum of 5 days a month; to not include a "more generous" approach to the proposed restrictive measures would in effect put a large population of otherwise good citizens into a policy breach, and repeatedly so, with significant penalties since they forget to their policy provisions. Even more so, the regressive penalty scheme as proposed should be eliminated completely or if the necessary corrective measures must be maintained, a nominal penalty amount for first, second or third time "infractions" applied first before considering charges of \$10,000-20,000 for a policy breach (ICBC should not be "criminalizing" its citizens).

4. There is detail that driver penalty points for traffic tickets will be factored into the driver insurance premium. I have not had an opportunity to see whether there is a threshold upon which such a premium applies. Under the current driver points system, a driver that obtained 3 traffic penalty points is not charged a financial penalty. A similar practice should be considered for the insurance regime but widened to include a higher points threshold and then only for significant offences. Otherwise, the penalty system further punishes drivers as this is now more about ICBC wanting tax revenue as opposed to providing a reasoned measure for drivers to operate their vehicles without undue cost or encumbrance by a repressive insurance system.

5. There is also the concern about if the drivers are now responsible for insurance under their name, and someone else such as a passenger who opens a door on another car causes damage, who is held responsible? Under the current system, the cost is assessed to the car/ policy, but under the new system, a passenger that opens a door on traffic causing an accident, is not the causal problem of the driver who may be assessed fault for a problem they did not create. There is no measure in this current proposed scheme to address these no fault of the driver situations. Why should the driver be held at fault for a passenger who caused an accident, and what if the passenger does not even have a license how can they be held responsible?

6. Further, there is the concern about drivers who operate a personal vehicle in their name, but then operate a fleet vehicle for their job (e.g., couriers, bus drivers, taxi, uber, etc). If there is an accident caused on the job in a commercial vehicle, why should the issue impact their insurance for their personal vehicle if the circumstances are different for both? There should be an exception for commercial or fleet drivers whereby there is no impact on personal insurance.

7. There is concern that the rate increase with all the additions to insurance will be unaffordable. The government states they will moderate the impact by a smoothing mechanism, but has failed to provide details on how this applies. The reality is that if there is a 20% increase year over year, for a \$2000 policy, this \$200 in year 1, and \$200 in year 2, for a total cost increase to \$2400. According to the limited (and highly managed) news conference by the Minister, the details were short and the response was so general or deflective that it suggests the Minister was well aware of the rate impact but did not answer the question at that time, perhaps due to the public outrage that it would cause. The problem is that with all of these small "nickel & dime" charges with ad hoc additions an insurance policy would very quickly become unaffordable. Put into this context, it appears to be more akin to a tax increase, and perhaps even an indirect measure designed to take drivers off the road (carbon & environment impact). I respectfully request the commission to please review this effect on the driving public, and further, moderate the impact of any rate increases by putting these small additions back to a universal coverage package, as opposed to the "ad hoc" approach akin to the airlines revenue model of charging fees for every item. ICBC is a universal coverage company and must have a simplified program to provide coverage, not a complicated and regressive model that is hard to understand.

8. With regard to the "free accident" matter - a safe driver can benefit from a loss of a discount if they are high enough on the claim rated scale by not losing their status should they have an at fault accident. The current proposal states that a driver is allowed this one time in a 10 year period, whereas in the old model, it depends on the drivers status (road star, road star gold) on how it impact their insurance. I do not believe it is reasonable for a driver to wait 10 years to reclaim a discount, especially if the circumstances described in point #5 above apply (someone else like a passenger causes an accident). The issue of a free accident should be still maintained under the old model as it rewards drivers who have a longtime safe driving history.

9. The current customer service and complaint process at ICBC is not serving the public. Not only is the ICBC website on public complaints limited in detail, accessing customer relations staff is difficult. When a citizen who is ESL or otherwise wanting dialogue with ICBC staff, a response is provided via email or letter, and does not properly dialogue with a customer. Access to customer relations manuals and ICBC operating policies are not made accessible to the public on its website; ICBC charges a high user fee to get access to these manuals. Access to staff that speak different languages, while advertised at ICBC as available, in practice, is impossible or difficult to obtain. When customers lodge a complaint, they are not given full or proper explanations or informal access to their internal records; customers are asked nearly always after a decision is made to go through FOI (freedom of information) but resulting in the situation where records obtained after the fact are not able to be used in a decision made already, even if potentially supportive of a client complaint. ICBC's process for complaining to the Fairness Commissioner is fraught with problems; the same person has been in the position so long that there are significant questions whether he has actually maintained his independence or now part of the problem as he cannot be considered to be objective if he has maintained close working relationships with the same staff. Even in the fairness commissioner process, no one calls the customer in advance, and the customer is not given any information or records in advance to discuss, but given a decision letter much after the fact. This failure to disclose information, dialogue, and communicate goes against the very idea of fairness, that the process itself now is literally a farce. Even more so, ICBC decisions and correspondence at no point indicate to a customer that appeal rights exist and a customer is forced to go to a website to learn about this option. This impacts negatively ESL speakers, vulnerable or disenfranchised citizens who may not be aware of their rights. There should be a mandatory indication on all correspondence of appeal rights. As a last point on this topic, it is clear that the staff in customer relations and the fairness commissioner are not representative of the multicultural demographics of our province, or of persons that are otherwise not accessible to systems of power and redress (disabled, marginalized). It is a grave injustice to customers if the persons involved in redress mechanisms are not representative of them (we are all taxpayers), and will continue to make short sighted and decisions that are potentially discriminatory or adverse as it may not consider the experience of different communities. To be more blunt on the point, ICBC management, executives, public interface staff, customer relations staff should visibly reflect a culturally diverse province as it would have a meaningful impact on how decisions are received by the public and ICBC customers. To have senior managers and executives who are predominantly white, when the population of BC is nearly 40% of other cultures, denies the regard for diversity that public services are mandated to provide. "Not only should justice be done, it must seem to be done" would indicate that decision makers in a public agency should be reflective of the communities it serves. Therefore, a fundamental change in the ICBC customer relations and redress process should be implemented including a systems review to add mandatory notes about appeal rights, mandatory disclosure of records, better and fuller communication with customers in advance of decisions, and a change in personnel at ICBC to be more reflective of the province's cultural diversity.

I would be pleased to provide more details on this. I noted that this submission was provided after the intervener deadline (Aug 24, 2018), and I would request the opportunity if available as

a private citizen to provide an in person verbal submission to the BCUC. ICBC has a substantive submission which radically changes driving in BC. The current NDP government was, as suggested in the media, forced into this situation by the prior BC liberal government using ICBC reserves for general revenue (bankrupting ICBC) , but the measures proposed are so against the very values of public insurance, universal coverage and affordability that the NDP has always had as its operating ethos, that the stated reasons presented by the Minister responsible now seem disingenuous. Therefore, the proposal must be challenged through robust public commentary and in person presentations by the public.

I ask that my personal information be considered private and confidential and not for public release.

From: Commission Secretary BCUC:EX
Sent: Friday, February 8, 2019 9:20 AM
To: ■ Kandola'
Subject: RE: ICBC 2019 RRA - Request to Intervene

Mr. Kandola,

As requested, your prior letter of comment for the ICBC basic rate issue is now posted on the ICBC 2019 Revenue Requirements proceeding. Please note that your request to intervene is considered withdrawn at this time.

If you have any questions or would like to discuss further, please contact our office.

Regards,

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Coordinator, Regulatory Services

British Columbia Utilities Commission

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bcuc.com

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From: Commission Secretary BCUC:EX
Sent: Friday, February 1, 2019 1:54 PM
To: ■ Kandola
Subject: RE: ICBC 2019 RRA - Request to Intervene

Mr. Kandola,

Thank you for your email. I understand that you would like to include your prior letter of comment for the ICBC issue to be included in the ICBC Revenue Requirements proceeding. We do have a copy of that letter and can post it to the record, however, please note, you will need to withdraw your request to intervene as interveners are not permitted to file letters of comment.

Please confirm you would like us to go ahead and post your letter (attached), and that you are withdrawing your request to intervene.

If you have any questions or would like to discuss further, please contact our office.

Regards,

Patrick Wruck

Commission Secretary and Manager, Regulatory Services

British Columbia Utilities Commission

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