

27 May 2020

VIA E-FILING

Marija Tresoglavic
Acting Commission Secretary
BC Utilities Commission
6th Floor 900 Howe Street
Vancouver, BC V6Z 2N3



Reply to: Leigha Worth
lworth@bcpiac.com
Ph: 604-687-3034
Our File: 7600.610

Dear Ms. Tresoglavic,

Re: ICBC's Application in Response to the COVID-19 Pandemic

Please note that in this process we represent the BC Old Age Pensioners' Organization, Active Support Against Poverty, Council of Senior Citizens' Organizations of BC, and Tenant Resource and Advisory Centre, known collectively in ICBC regulatory processes as "BCOAPO et al." ("BCOAPO"). In our intervention letter we inadvertently included the Disability Alliance BC in our list of clients in the Participant Contact Information Section – an oversight. We respectfully ask that the record be modified to reflect that the Disability Alliance is not part of the BCOAPO client grouping in this process.

Enclosed please find the BCOAPO's Information Request No. 1 with respect to the above-noted matter.

If you have any questions, please do not hesitate to contact the undersigned.

Sincerely,
BC PUBLIC INTEREST ADVOCACY CENTRE

Original on file signed by

Leigha Worth
Executive Director | General Counsel

Encl.

REQUESTOR NAME: BCOAPO *et al.*
INFORMATION REQUEST ROUND NO: #1
TO: Insurance Corporation of British Columbia
("ICBC")
DATE: May 27, 2020
APPLICATION NAME: Application in Response to the COVID-19
Pandemic

1.0 Reference: Transcript, page 5, lines 15-19 and page 7, lines 21-26

The referenced passages state:

This application contemplates three temporary changes to the Basic insurance tariff that will provide some relief, for a 60-day period following BCUC's interim approval. That is the proposal....

MS. AIMERS: My name is Kelly Aimers, I am the chief actuary as mentioned, and the director of regulatory affairs. My role in this application is being responsible for the financial impacts of these proposed changes, as well as ensuring that they adhere to accepted actuarial practice.

- 1.1 Please provide a table which summarizes the financial impacts on ICBC of each of the three changes separately under the assumption that (i) the proposals are in effect for only 60 days and repealed thereafter, (ii) the proposals remain in effect for a 6-month period and repealed thereafter, and (iii) the proposals remain in effect for a one-year period and are repealed thereafter. Please consider all financial impacts on ICBC in respect of all revenues and costs including, but not limited to, premium revenues, policy cancellations, storage revenues, incremental costs, communications costs, investment income, etc. Please explicitly state all assumptions made.
- 1.2 For purposes of comparison with the responses in the preceding IR, please provide the forecasted financial impact on ICBC in the event that it did not make any changes in response to the pandemic.
- 1.3 Is ICBC of the view that its three proposals will provide materially significant benefits to its customers?
- 1.4 Does ICBC believe that its policy proposals will induce positive behavioural changes on the part of its customers?
 - 1.4.1 If so, please explain what those positive behavioural changes will be and how ICBC and its policy holders will benefit from those changes.

2.0 Reference: Exhibit A-2, BCUC 3.1

2.1 Please provide an estimate of the maximum potential financial liability for ICBC in transferring fleet customers to Class 919.

3.0 Reference: Exhibit A-1

3.1 Is it ICBC's position that policy holders who applied to cancel their automobile insurance represent the entirety of British Columbia's non-fleet insured drivers impacted by COVID-19?

3.2 Does ICBC agree that traffic in British Columbia has been far less since the COVID-19 shutdown of mid March?

3.3 Does ICBC agree that automobile accidents in BC have decreased compared to the same time period last year?

3.4 Does ICBC agree that an insurer's exposure to risk is far greater if a policy holder with a certain risk profile is driving in a situation where there are far more drivers on the roads than another policy holder with an identical risk profile driving in an area where there are far fewer cars on the road?

3.4.1 If not, please provide the basis upon which it disagrees with that statement.

3.5 Please confirm whether ICBC is aware that others within the car insurance industry in Canada have offered insurance discounts due to the COVID-19 pandemic and the resulting economic crisis.

3.6 Is ICBC aware that some others in the industry are offering their customers a temporary (i.e. 90 day) deferral of premiums if they are experiencing financial hardship as a result of COVID-19?

3.7 Is ICBC aware that some others within the industry are waiving NSF fees that would be incurred during the COVID-19 pandemic?

3.8 Is ICBC aware that IBC member companies are offering the drivers experiencing financial hardship flexible payment options?

3.9 Did ICBC consider offering any of the above-mentioned forms of relief to its non-fleet drivers?

3.9.1 If not, please explain why not.

3.9.2 If yes, please explain why ICBC has not brought any of those forms of relief to the BCUC in this application.