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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-75-03

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**IN THE MATTER OF**  
the Insurance Corporation Amendment Act, 2003, SBC 2003, Chapter 35  
and  
the Insurance Corporation Act, RSBC 1996, Chapter 228  
and  
the Utilities Commission Act, RSBC 1996, Chapter 473  
and  
Special Direction IC1 to the British Columbia Utilities Commission  
and  
An Application by the Insurance Corporation of British Columbia  
for Approval of 2004 Revenue Requirements and rates for Universal Compulsory Automobile Insurance

**BEFORE:** Len Kelsey, Commissioner )  
and Panel Chair ) November 12, 2003  
Murray Birch, Commissioner )  
Peter Vivian, Commissioner )

**O R D E R**

**WHEREAS:**

- A. On August 29, 2003, the Insurance Corporation of British Columbia ("ICBC") filed for approval of its 2004 Revenue Requirements Application ("Application") and to increase premiums for Universal Compulsory Automobile Insurance ("Basic Insurance") by 1.3 percent applicable to all contracts taking effect on or after January 1, 2004, pursuant to Section 44 of the Insurance Corporation Act, and Sections 58 and 61(2) of the Utilities Commission Act; and
- B. The Application proposed to increase premiums for Basic Insurance as a result of increases in ICBC's 2004 forecast cost of service for Basic Insurance; and
- C. The Commission, by Order No. G-54-03 dated September 2, 2003, established a Regulatory Agenda and Timetable for a written hearing and a public workshop regarding the Application.
- D. The Commission held a public workshop on September 11, 2003 in Vancouver, B.C.; and
- E. The Commission issued Letter No. L-48-03 dated October 2, 2003 and granted ICBC's request that it not be required to respond to the information request of Mr. Russell Sykes; and
- F. The Commission issued Letter No. L-50-03 dated October 16, 2003 and denied a request for a decision in the October 3, 2003 submission of the Office & Professional Employees' International Union, Local 378; and

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G. Written Final Arguments and Reply Argument were completed on October 24, 2003; and

H. The Commission Panel has considered the Application and the written evidence.

**NOW THEREFORE** the Commission orders as follows:

1. The requested amendment to Basic Insurance premium rate schedules to increase rates by 1.3 percent for contracts effective on and after January 1, 2004 is not approved.
2. The amendment to Basic Insurance premium rate schedules to increase rates, for contracts effective on and after January 1, 2004, by 0.4 percent to flow-through the increase in premium tax, effective January 1, 2004 is granted.
3. ICBC is directed to comply with all determinations and instructions set out in the Decision that is issued concurrently with this Order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this      12<sup>th</sup>      day of November 2003.

**BY ORDER**

*Original signed by:*

Len Kelsey  
Commissioner and Panel Chair

Attachment