



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
Filings by the Insurance Corporation of British Columbia
Relating to Performance Measures and Basic Insurance Information Sharing

BEFORE: L.F. Kelsey, Commissioner)
and Panel Chair)
N.F. Nicholls, Commissioner) May 20, 2004
P.E. Vivian, Commissioner)

O R D E R

WHEREAS:

- A. On February 27, 2004, the Insurance Corporation of British Columbia ("ICBC") submitted filings (the "Submission") relating to ICBC Performance Measures ("ICBC PM") and ICBC Basic Insurance Information Sharing ("ICBC BIIS"). The Submission was in response to directions issued by the British Columbia Utilities Commission ("BCUC", "Commission") in its Decision dated November 12, 2003 and Letter No. L-2-04 wherein the Commission Panel accepted ICBC's proposal (with certain variations) regarding regulatory filings in 2004; and
- B. The Submission relating to ICBC PM proposed that the Commission use the performance measures outlined to assess ICBC in fulfilling its mandate in the provision of Basic automobile insurance. The Submission relating to ICBC BIIS proposed to share with competitors aggregated exhibits on Basic automobile insurance similar to those published in industry standard Green Books and combined third-party liability information from both Basic and Optional insurance; and
- C. Following a meeting of active Intervenor, ICBC and Commission staff on December 11, 2003, the Commission Panel issued Letter No. L-2-04 wherein it accepted the proposal, which received general support from all parties, that the Submission be reviewed through a Negotiated Settlement Process ("NSP"); and
- D. The Commission, by way of Order No. G-23-04, established the Regulatory Agenda and Timetable for a Workshop, a Preliminary Discussion Session, information requests, information responses, a First Meeting, and Discussion/Resolution Sessions with all participants; and

- E. The Commission hosted a Regulatory Procedures Workshop, led by Commission staff, and a Preliminary Discussion Session on March 22, 2004; and
- F. Information requests from Commission staff and Intervenor were made to ICBC and subsequently ICBC provided its responses on April 5, 2004; and
- G. The Commission convened a First Meeting on April 8, 2004 in the Commission Hearing Room for ICBC to present an overview of its Submission to Intervenor and Commission staff; and
- H. Discussion/Resolution Sessions with all active participants were held on April 21-23, 2004 in the Commission Hearing Room. A Negotiated Settlement Agreement was reached among the participants and was circulated to all Registered Intervenor and the Commission Panel on May 7, 2004; and
- I. The Negotiated Settlement Agreement contained ten letters of comment from the participants. Eight letters of comment from the participants, including ICBC, accepted the Negotiated Settlement Agreement. One letter of comment from a participant accepted the provisions contained in the section headed "Performance Measures" but withheld and declined agreement to the provisions contained in the section entitled "Basic Information Sharing". Another letter of comment from a participant accepted the Negotiated Settlement Agreement subject to two reservations concerning sections 4.4 and 4.7 under the "Performance Measures" section; and
- J. One Intervenor provided a letter of comment dated May 17, 2004 in which he reserves the opportunity to pursue matters dealt with in the Negotiated Settlement Agreement in the oral public hearing to be held later this year. This letter has been circulated to the Applicant and all Intervenor; and
- K. The Commission Panel has reviewed the Negotiated Settlement Agreement for ICBC's Performance Measurement and Basic Insurance Information Sharing Submission and finds that it should be approved.

NOW THEREFORE the Commission approves for ICBC the Negotiated Settlement Agreement as issued on May 7, 2004 and attached as Appendix A to this Order.

DATED at the City of Vancouver, in the Province of British Columbia, this 20th day of May 2004.

BY ORDER

Original signed by:

Len F. Kelsey
Commissioner and Panel Chair

Attachments



**APPENDIX A
to Order No. G-49-04
Page 1 of 22**

WILLIAM J. GRANT
EXECUTIVE DIRECTOR,
REGULATORY AFFAIRS & PLANNING
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BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

**VIA FACSIMILE
VIA E-MAIL**

May 7, 2004

Log No. 5546

To: Commission Panel
Registered Intervenors
ICBC – Performance Measures and
Basic Insurance Information Sharing – RI

**Re: Insurance Corporation of British Columbia
Performance Measures and Basic Insurance Information Sharing
Negotiated Settlement Agreement**

Enclosed with this letter is the proposed settlement package with respect to the Insurance Corporation of British Columbia Application for Performance Measures and Basic Insurance Information Sharing Application.

This settlement is now public and is being submitted to Commission Panel and all intervenors. Also enclosed are letters of comment received from the participants in the negotiated settlement process.

Prior to consideration by the Commission Panel, intervenors who did not participate in the settlement negotiations are requested to provide the Commission Panel any comments on the settlement package by Monday, May 17, 2004. Thereafter, the Commission Panel will consider the settlement package. A public hearing may not be required unless there is significant opposition to the proposed settlement.

Yours truly,

A handwritten signature in black ink, appearing to be "WJ Grant", written over a horizontal line.

William J. Grant

DC/rt
Enclosures

WILLIAM J. GRANT
EXECUTIVE DIRECTOR,
REGULATORY AFFAIRS & PLANNING
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APPENDIX A
to Order No. G-49-04
Page 2 of 22

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Log No. 5236

~~CONFIDENTIAL~~

VIA FACSIMILE
VIA E-MAIL

May 4, 2004

Dear Participants:

Re: Insurance Corporation of British Columbia ("ICBC")
Performance Measures and Basic Insurance Information Sharing
Negotiated Settlement Agreement

Enclosed is a copy of the final Negotiated Settlement Agreement, which includes all the changes received from Participants up to and including Friday, April 30, 2004. Please destroy the previous May 3, 2004 letter and attachments, which did not include a final revision to Section 4.6 of Performance Measures.

Please provide a written correspondence confirming your acceptance of the Settlement Agreement by Thursday, May 6, 2004. The Settlement Agreement and letters of comment from the Participants will then be made public and forwarded to the Commission Panel for its review.

Thank you again for your participation in the process to review ICBC's Performance Measures and Basic Insurance Information Sharing proposals.

Yours truly,

A handwritten signature in dark ink, appearing to be "WJG".

William J. Grant

WJG/rt
Enclosure

Insurance Corporation of British Columbia ("ICBC")
Performance Measures and Basic Insurance Information Sharing
Negotiated Settlement Agreement

~~CONFIDENTIAL~~

1. ICBC filed its Application with respect to Performance Measures and Basic Insurance Information Sharing on February 27, 2004. Information responses were provided on April 5, 2004. A First Meeting to better understand and discuss the issues of the Application prior to engaging in settlement discussions was held on April 8, 2004. Discussion/Resolution sessions were undertaken on April 21 through 23, 2004. This document represents the agreement between ICBC and the following parties with respect to appropriate performance measures and the sharing of basic insurance information. See Attachment 1.
2. When the Discussion/Resolution sessions were undertaken the amendments to the *Insurance Corporation Act* enacted by the *Insurance Corporation Amendment Act, 2003*, other than Division 3 of Part 2 of the *Insurance Corporation Act*, were in force. The agreement set out in this document was reached in the context of the provisions of the *Insurance Corporation Act* and other applicable legislation that were in force at the time of the Discussion/Resolution sessions.

Performance Measures

3. The parties recognize that detailed reviews of ICBC's costs, services and rates for the provision of Basic Automobile Insurance will occur in rate hearings before the Commission. In December 2003 ICBC proposed that two applications be filed by it in 2004. By letter dated January 9, 2004 the Commission accepted the ICBC proposal and directed ICBC to file the first application by February 27, 2004, which is the application that led to this document. The second application by ICBC is to address issues with respect to cost allocation and the 2005 Revenue Requirement. Issues with respect to "branding" of the ICBC name will be addressed as part of the cost allocation filing. ICBC is to file that application by July 5, 2004. The Order of the Commission with respect to that application is expected to include an oral public hearing in the fall of this year.
4. ICBC states that the purpose of the Performance Measures is to provide key performance metrics that will enable the Commission, intervenors and the public to assess whether ICBC's provision of Basic Automobile Insurance is adequate, efficient, just and reasonable. They are also intended to provide an indication of the financial and quality of service performance of the Basic Automobile Insurance line of business. Tab 1 of the Application provides a review of the Performance Measures proposed by ICBC. Section 2.3 of ICBC's Performance Measures Proposal provides the 19 specific Performance Measures

proposed by ICBC (see Attachment 2). The parties view the development of the Performance Measures as something of a "Work in Progress" with the likelihood of further refinement in the future. Participants in future hearings may request additional detailed information or disaggregation of certain Performance Measures. With the following changes the parties accept the Performance Measures as a good start by ICBC.

- 4.1 The three Directional Indicators of New Driver Comparative Crash Rate, Crash Rate and Injured Person Rate are believed to be somewhat informative but to have only limited usefulness in assessing Road Safety expenditures. ICBC will also provide the number of complaints heard by the Fairness Commissioner. The usefulness of these four measures should be re-evaluated in the review of 2006 Rates in 2005.
- 4.2 The Auto Crime Rate directional indicator is believed to have insufficient usefulness for evaluating those Road Safety expenditures to be included as a Performance Measure.
- 4.3 The parties agree that ICBC's Road Safety programs do not lend themselves to the development of an overall performance statistic. Instead, the merits of individual Road Safety programs will be reviewed in the revenue requirements proceedings. ICBC will provide financial evaluations of Road Safety programs, including benefit/cost analyses.
- 4.4 Further information on the management of Bodily Injury costs is required. ICBC proposes two Performance Measures, being the Bodily Injury Average Severity and the Legal Representation Rate. With respect to Average Severity, ICBC will provide separate reporting on Bodily Injury and Accident Benefit claims. The parties accept these Performance Measures which are further explained in Attachment 3.
- 4.5 ICBC will ask a question on the Autoplan Satisfaction Survey respecting whether the customer has purchased optional coverage from an insurer other than ICBC. Respondents will have the choice of a yes, no or don't know response.
- 4.6 ICBC will work with BCCA in an effort to develop a meaningful Performance Measure to measure bodily injury claim costs which may include the duration of disability for a set of injury types which would be included in what is commonly referred to as a whiplash injury. Parties may ask for detailed disaggregation of data collected by ICBC relevant to the proposed

Performance Measure in future revenue requirements.

- 4.7 ICBC has agreed to show the survey results for the eight questions of the Claims Services Satisfaction survey as part of its reporting on Performance Measures. When reporting the results for its Claims Service Satisfaction, ICBC will weight the Accident Benefit portion of the results commensurate with the proportion of the total Accident Benefit claims to the total claims surveyed. ICBC will also report the results for Accident Benefit claimant satisfaction separately.
- 4.8 Some parties would like to review the details of specific surveys and may request Commission review or approval of specific issues.
- 4.9 The development of a Customer Approval Index should not replace the other Service Measures. It will be an additional Service Measure to complement the existing Measures.
- 4.10 The parties discussed the potential of a Performance Measure comparing ICBC's actual costs to its budgeted cost. While ICBC objects to this as a Performance Measure, it provides this information publicly and in its revenue requirement applications.
- 4.11 The parties agree that a New Claim Initiation Performance Measure should exist. However, there is no agreement on ICBC's proposed use of 210 seconds as the threshold level to evaluate the speed of answering phone calls to Dial-a-Claim. For information purposes, ICBC will provide new claims initiation numbers using both 210 and 120 seconds thresholds in its next revenue requirements filing. ICBC will also include a service level measure (percentage of calls answered in 90 seconds) combining the following areas: Customer Contact First Contact, Driver Licensing, Broker Enquiry Unit, and Driver Examiner Appointment System.

Basic Insurance Information Sharing

1. ICBC interprets its responsibility to share Basic Insurance information to be the sharing of aggregated Basic claims data that is required by the Commission for the purpose of regulating Basic Insurance. Customer specific data and data that could make a customer identifiable would continue to be protected.
2. As explained in Tab 2 of the Application, ICBC believes it is "going the extra mile" in proposing to

include combined third-party liability information from both Basic and Optional Insurance, so that competitors have the benefit of a complete understanding of the basic component of third-party liability coverage in the context of the whole coverage. It is ICBC's position that this is appropriate since claims for third-party liability are settled on an integrated basis. ICBC also believes that the actuarial exhibits in its revenue requirements application for 2004 basic insurance rates are fully sufficient to assess the appropriateness of basic insurance rates. As such ICBC believes that the proposed provision of Major Lines of Business, Classification and Territory exhibits each represent additional indications of "going the extra mile."

3. In addition to the information sharing proposals contained in the ICBC Application, ICBC has agreed to the following additions:
 - 3.1 The data will be provided not only in hard copy, but also electronically in a reasonable format to allow interested parties to import the data electronically.
 - 3.2 The Line of Business Exhibits and Classification Exhibits will include an additional category of "All Other."
 - 3.3 As part of its revenue requirements filings, ICBC will provide Loss Development Exhibits with similar information to that provided in Tab 1, Exhibit A of ICBC's 2004 revenue requirements Application. ICBC will provide the information for Third Party Basic Insurance in addition to Part 7 Benefits. The exhibits will provide triangles of information electronically by accident year and calendar year as follows:
 - Third Party Basic Insurance, including Underinsured Motorist Protection (split between bodily injury and property damage), Part 7 benefits (split between Accident Benefits and Death Benefits)
 - Number of claims counts (open + closed claims with amount + closed claims without payment) for each coverage and split between bodily injury and property damage, and split between Accident Benefits and Death Benefits
 - Number of claims counts (open + closed claims with amount) for each coverage and split between bodily injury and property damage, and split between Accident Benefits and Death Benefits
 - Claims incurred amount (in dollars) (Outstanding Reserve + Paid Loss + Expenses Paid

– Recovered Amounts) for each coverage and split between bodily injury and property damage, and split between Accident Benefits and Death Benefits

Claims paid amounts (in dollars) (Paid Loss + Expenses Paid – Recovered Amounts) for each coverage and split between bodily injury and property damage, and split between Accident Benefits and Death Benefits

- 3.4 As part of future rate design applications, ICBC agrees to split the territorial exhibits into five sub-exhibits by major line of business (Private Passenger, Commercial, All-Terrain Vehicles, Private Passenger Motorcycles, and "All Other").
4. Some parties disagree with ICBC's interpretation of the purpose of the Basic Insurance Information Sharing Proposal. They recognize that Chapter 6 of the Commission Panel's November 12, 2003 Decision deals with information sharing. While one should read the whole chapter, at page 46 of that Decision it states "Further, it is important to establish what information gathered from the Basic Insurance Business should be shared with all participants in the Optional Insurance Business in order to enhance competition." At page 47 of the Decision the Commission Panel writes that: "...it has not been provided sufficient information to demonstrate why this information should not be shared in some aggregate fashion for the benefit of all Optional Insurance competitors, thereby putting them on a level playing field." Further, at page 47: "The Commission is prepared during the next proceeding to hear argument as to what Basic Insurance data should be shared and in what manner, following a proposal by ICBC."
5. ICBC and some participants identify that Division 3 of the Insurance Corporation Amendment Act has not been brought into force. As a result, the Commission's responsibility with respect to Optional Insurance is very constrained. Other parties point to Division 2 of the Insurance Corporation Amendment Act as providing powers to the Commission including powers with respect to cross-subsidization between Basic and Optional Insurance.
6. In any event, the parties are unable to agree at this time, on what further information, if any, should be made public by ICBC for the purpose of enhancing competition or putting other parties on a level playing field with ICBC's Optional Insurance Line of Business. Therefore, the parties reserve their rights to present evidence and argue to the Commission that specific additional information should be provided during the next revenue requirements hearing. If ICBC chooses not to make a revenue requirements application for 2005, some participants recommend that the Commission hold a hearing to resolve any

other matters, including Basic Insurance Information Sharing.

Attachment 1

INSURANCE CORPORATION OF BRITISH COLUMBIA
Performance Measures and Basic Insurance Information Sharing Proposals

We, on behalf of ourselves, and/or on behalf of our clients, as the case may be, will not disclose any positions taken either orally or in writing during the course of the negotiated settlement process to any parties not subject to this confidentiality agreement without the consent of all participants to the negotiations.

Without restricting the generality of the foregoing, we acknowledge that this confidentiality agreement will prevent us, or our clients, from cross-examination on those positions at any public hearing held in this matter and further prevent us from making use of those positions against the proponent of the positions in any argument at such hearing. Similarly, we undertake not to cross-examine witnesses about any positions taken in the negotiated settlement process.

We further acknowledge that we have fully read and now agree to conduct our attendance and negotiations according to the Negotiated Settlement Process - Policy, Procedures and Guidelines as set out by the Commission.

<u>Name (please print)</u>	<u>Organization</u>	<u>Email or Fax #</u>
Bill Grant	BCUC	bill.grant@bcuc.com
Werner Krampf	BCUC	werner.krampf@bcuc.com
Paul Miller	Boughton Law Group	pmiller@boughton.com
Chuck Byrne	IBABC	CBYRNE@IBABC.ORG
Sarah Khan	BCPIAC	skhan@bcpiac.com
Jim Quail	BCPIAC	jimquail@bcpiac.com
Phil Wynne	ING Insurance	pwynne@ingcanada.com
PETER THROWER	FAMILY INSUR SOLUTIONS	ptrower@familyins.com
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In Don NIXDORF	BCCA	dnixdorf@allstream.net
Karen Hopkins-Lee	Canadian Direct Insurance	karen_hopkins-lee@hsbc.ca
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Vince Muto	CANADIAN DIRECT INSURANCE	vince_muto@hsbc.ca
Dennis Prouse	Insurance Bureau of Canada	dprouse@ibc.ca

[illegible]



ICBC Performance Measures Proposal

2.3 ICBC's Proposed Performance Measures

MEASURES		2001 Actuals	2002 Actuals	2003 Projection
Service	Autoplan Satisfaction	92%	93%	94%
	Driver Services Satisfaction	89%	90%	90%
	Claims Services Satisfaction	86%	85%	85%
	New Claims Initiation	84%	77%	75%
	Customer Approval Index*	N/A**	N/A	N/A
Financial	Loss Ratio – Basic Only	N/A	98.9%	95.8%
	Insurance Expense Ratio*** Basic only:	N/A		
	Administrative Cost Ratio		4.4 %	4.2%
	Premium Tax Ratio		4.0 %	4.0%
	Commissions Ratio		<u>2.0 %</u>	<u>2.0%</u>
	Insurance Expense Ratio Basic only:		10.4%	10.2%
Efficiency	Non-Insurance Expense Ratio	N/A	6.4%	6.1%
	Investment Return			
	Policy Benchmark Return	5.05%	3.35%	7.44%
	ICBC Portfolio Market Return	5.66%	4.07%	8.06%
Directional	Cost Per Policy in Force	\$309	\$286	\$281
	Claims Services Cost Per Reported Claim	U/D****	U/D	U/D
Directional	New Driver Comparative Crash Rate	N/A	1.43	1.33
	Crash Rate	N/A	1,097	1,038
	Injured Person Rate	N/A	338	337
	Auto Crime Rate	N/A	550	459

Measures are for the performance of ICBC overall unless otherwise indicated.

* Customer Approval Index is under development.

** N/A = Not Available.

*** Excludes acquisition cost adjustments (Deferred Premium Acquisition Costs) and Other Unusual Items

**** U/D = Under Development

Attachment 3

Bodily Injury Average Severity

Definition:

Numerator: Total dollars paid on closed Bodily Injury exposures (including Allocated Expenses) for all accident years

Denominator: Number of closed exposures, which had a Bodily Injury payment

Why Measure: Injury costs account for approx 50% of claims incurred costs and include amounts for pain and suffering, future care, past and future wage loss and claims handling expenses. The average severity measure is a strong indicator of overall BI claim handling quality and effectiveness of programs introduced to help contain costs. This measure provides a very good year over year comparison on BI claim costs.

Bodily Injury Representation Rate

Definition:

Numerator: Bodily Injury exposures where legal counsel has newly been retained, all accident years

Denominator: New Bodily Injury exposures opened

Why Measure: BC has a tort system of auto insurance where injured claimants have the ability to sue for damages. One of the main drivers of increasing Bodily Injury costs is legal costs. This measure reflects the number of claimants who chose to retain counsel to represent them and is a good indicator of service satisfaction for Bodily Injury Claimants.



151 W. Esplanade
North Vancouver BC V7M 3H9

Mailing address:
PO Box 2606
349 W. Georgia St.
Vancouver BC V6B 3W8

May 6, 2004

British Columbia Utilities Commission
Attention: William J. Grant, Executive Director
Sixth Floor
900 Howe Street
Vancouver, B.C. V6Z 2N3

Dear Mr. Grant:

Re: ICBC Performance Measures and Basic Insurance Information Sharing
Negotiated Settlement Agreement

ICBC agrees to the Negotiated Settlement Agreement as distributed with the Commission's letter of May 4, 2004.

With respect to Performance Measures, the settlement agreement notes that the development of Performance Measures is something of a "Work in Progress" with the likelihood of further refinement. The Performance Measures identified in the settlement agreement are greater in number than proposed by ICBC, and ICBC believes that in future proceedings both refinement of the Performance Measures and a reduction in the number of measures should be considered to ensure focus on the key corporate measures regarding ICBC's delivery of Basic insurance.

With respect to Basic Insurance Information Sharing, the settlement agreement notes that ICBC believes that it is going the "extra mile" in providing the Basic insurance information included in its February 27, 2004 filing. The settlement agreement sets out that parties reserve their rights to present evidence and argue with respect to additional information that ICBC should provide. It is ICBC's position that the Basic insurance information that it has agreed to provide pursuant to the settlement agreement is more than that required by the Commission or intervenors for the purpose of regulating Basic insurance. As a result, ICBC reserves the right to present evidence and argue in future proceedings that it should not be required to provide all the information that it has agreed to provide as part of this negotiated settlement.

ICBC appreciates the effective manner in which Commission staff have facilitated this first Negotiated Settlement Process for ICBC.

Yours truly,

A handwritten signature in black ink, appearing to read "Donnie Wing", written over a horizontal line.

Donnie Wing
Vice President, Investments and Corporate Development

Cc: Registered Intervenor 1-ICBC-PMBI-RI



William J. Grant
Executive Director
Regulatory Affairs & Planning
British Columbia Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, B.C. Canada V6Z 2N3

May 5th 2004

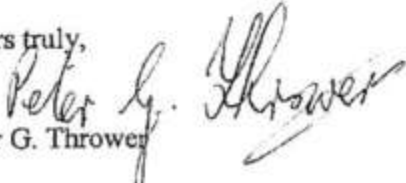
Dear Mr. Grant:

Re: Insurance Corporation of British Columbia ("ICBC")
Performance Measures and Basic Insurance Information Sharing
Negotiated Settlement Agreement

Family Insurance Solutions Inc. accepts the Settlement Agreement attached to your letter of May 4th 2004.

We were pleased to participate as an intervenor in the process leading up to the agreement.

Yours truly,


Peter G. Thrower

Senior Underwriting Analyst

cc: ICBC and Registered Intervenors (by e-mail)

INSURANCE
BUREAU
OF CANADA



BUREAU
D'ASSURANCE
DU CANADA

LINDSAY OLSON, B.A., F.I.C.
Vice President, Pacific Region

May 4, 2004

Mr. William J. Grant
Executive Director, Regulatory Affairs & Planning
British Columbia Utilities Commission
Sixth Floor, 900 Howe St.
Vancouver, BC V6Z 2N3

Dear Mr. Grant,

Insurance Bureau of Canada ("IBC") confirms its acceptance of the Negotiated Settlement Agreement dated May 4, 2004 and provided with your letter of the same date.

The Negotiated Settlement took place further to the Commission Panel's Decision of November 12, 2004 and the Commissioner Letter No. L-2-04. IBC believes that ICBC has come forward with some reasonable Performance Measures. However, these Measures must be reassessed in future. With regards to Basic Insurance Information Sharing, what ICBC has agreed to provide in the course of the Negotiated Settlement falls short of what was anticipated in the November 12, 2004 Decision and what is required by the governing legislation. Basic Insurance Information Sharing must be reassessed in future.

Yours truly,

cc: ICBC Regulatory Affairs
Registered Intervenors

Pemberton Insurance

C O R P O R A T I O N

620-475 West Georgia Street,
Vancouver, B.C. V6B 5K5
Phone 604-682-3111
Fax 604-682-2748

May 5, 2004

British Columbia Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, BC
V6Z 2N3

Attention: Mr. William J. Grant,
Executive Director, Regulatory Affairs and Planning

Dear Sirs:

Re: Insurance Corporation of British Columbia
Performance Measures and Basic Insurance Information Sharing
Negotiated Settlement Agreement

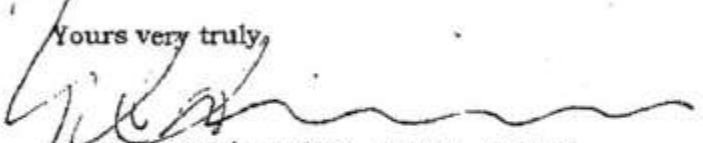
Thank you for your correspondence dated May 4, 2004 providing a final copy of the Negotiated Settlement Agreement.

We are pleased to provide our qualified agreement to the document. In particular we accept in full the provisions contained in the section headed "Performance Measures", and comment that we were satisfied with the progress made by the commission, applicant, and intervenors.

To the contrary, we withhold and decline our agreement to the provisions contained in the section entitled "Basic Insurance Information Sharing". We have material reservations regarding issues of industry conformance, levels of aggregation, breadth of statistics, and lack of working day-to-day data sharing protocols with Optional Coverage providers.

Thank you for hosting the meetings to review ICBC Performance Measures and Basic Insurance Information Sharing proposals and for allowing us to present our thoughts. We believe all parties gained experience from the process.

Yours very truly,

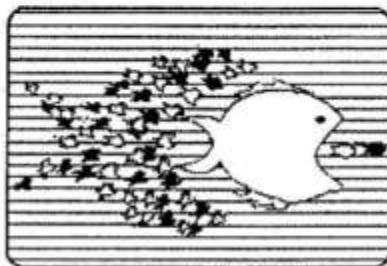


Roger A. Finnic, B.Com., C.R.M., F.I.I.C.
President

RAF/kg
Enclosures

**The
British Columbia
Public Interest
Advocacy Centre**

208-1090 West Pender Street
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Richard J. Gathercole	687-3006
Sarah Khan	687-4134
Patricia MacDonald	687-3017
James L. Quail	687-3034
Jess Hadley (articled student)	687-3044

Barristers & Solicitors

Via email and fax: 604-660-1102

May 5, 2004

William J. Grant
Executive Director
Regulatory Affairs and Planning
BC Utilities Commission
Sixth Floor, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Grant:

**Re: Insurance Corporation of British Columbia
Performance Measures and Basic Insurance Information Sharing**

Our clients, BCOAPO *et al.*, confirm that they accept of the final Negotiated Settlement Agreement circulated on May 4, 2004.

Yours truly,

BC PUBLIC INTEREST ADVOCACY CENTRE

Sarah Y. Khan
Barrister & Solicitor

c: Participants (via email)



May 6, 2004

Mr. William J. Grant
Executive Director, Regulatory Affairs & Planning
British Columbia Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, BC
V6Z 2N3

Dear Mr. Grant:

Re: Insurance Corporation of British Columbia - Performance Measures and Basic Insurance
Information Sharing - Negotiated Settlement Agreement

Thank you for your letter of May 4, 2004, providing a copy of the Negotiated Settlement Agreement.

Canadian Northern Shield Insurance Company is pleased to confirm acceptance of the agreement.

Yours truly,

A handwritten signature in cursive script, appearing to read "C. Elliott".

Cort Elliott
Automobile Underwriter
Canadian Northern Shield Insurance Company

Box 12133, 1900 - 555 W. Hastings Street
Vancouver, British Columbia, V6B 4N6

(604) 662-2900 Fax: (604) 662-5698

001

IBABC

INSURANCE
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Charles J. Byrne, CIP
Executive Director
Email - cbyrne@ibabc.org

BCUC Log # _____
RECEIVED

MAY 06 2004

May 6, 2004

Routing _____

William J. Grant
Executive Director


British Columbia Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, B.C. Canada V6Z 2N3

Via Email: Commission.Secretary@bcuc.com & Fax 604 660-1102

Re: Insurance Corporation of British Columbia - Project #3698371
Performance Measures and Basic Insurance Information Sharing

We accept the Negotiated Settlement Document in the above matter as circulated on May 4th, 2004.

Sincerely,


C. J. (Chuck) Byrne, CIP
Executive Director

CC Intervenor



Your Best Insurance
is an Insurance Broker



OFFICE & PROFESSIONAL EMPLOYEES' INTERNATIONAL UNION, Local 378

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WEB SITE: www.opeiu.ca

PLEASE REFER TO OUR FILE NO.

ICBC/ORG/04-0002

May 6, 2004

VIA E-MAIL: bill.grant@bcuc.com

Mr. William Grant
Executive Director
Regulatory Affairs and Planning
British Columbia Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, B.C. V6Z 2N3

Dear Mr. Grant:

Re: Insurance Corporation of British Columbia – Performance Measures and Basic Information Sharing – Negotiated Settlement Agreement

The document you circulated on May 4, 2004 is an accurate reflection of the agreements reached. The OPEIU agrees with the document in all respects.

We intend to make future information requests beyond the matters stated in the document in areas where we were unable to reach agreement with the Corporation and in areas that may assist the Commission in determining future issues. We also reserve the right to oppose some information requests of other intervenors that may exceed the circulated document.

Yours truly,

Jerri New
President

JN:kc

c: ICBC and Registered Intervenors (by e-mail)



CANADIAN DIRECT INSURANCE

Subsidiary of Canadian Western Bank

May 6, 2004

British Columbia Utilities Commission
6th Floor – 900 Howe Street
Box 250
Vancouver, BC V6Z 2N3

Attention: Mr. William J. Grant
Executive Director Regulatory Affairs & Planning

Dear Mr. Grant:

**Re: Insurance Corporation of British Columbia ("ICBC")
Performance Measures and Basic Insurance Information Sharing
Negotiated Settlement Agreement**

This is to respond to your letter of May 4, 2004 requesting confirmation of acceptance of the Settlement Agreement attached to that letter.

Canadian Direct Insurance, as a participant in negotiations, accepts, in principle, the Settlement Agreement. However, we wish to go on record as stating that in our opinion, the information sharing portion of the agreement for basic insurance is narrow and limited and does not sufficiently address the requests put forward by companies competing with ICBC for optional automobile insurance customers.

Canadian Direct Insurance provided a detailed proposal to the BCUC on information sharing in a letter dated April 17, 2004, but much of that proposal has not been addressed in the Settlement Agreement. As is noted in the Settlement Agreement itself, there is a reservation of rights by the parties which will allow them to present evidence and to make submissions to the Commission on additional information which they believe should be provided by ICBC. We intend to make submissions in that respect in the future.

Yours truly,

Original signed by:

Karen L. Hopkins-Lee
Chief Underwriter
Canadian Direct Insurance Inc.



William J. Grant
Executive Director
Regulatory Affairs & Planning
British Columbia Utilities Commission
Sixth Floor, 900 Howe Street, Box 250
Vancouver, B.C. Canada V6Z 2N3

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MAY 07 2004

Via Email: Commission.Secretary@bcuc.com

Routing _____

May 7, 2004

Dear Mr. Grant:

**Re: Insurance Corporation of British Columbia
Performance Measures and Basic Insurance Information Sharing**

Subject to the following two reservations, the British Columbia Chiropractic Association (the "BCCA") accepts the ICBC Performance Measures and Basic Insurance Information Sharing Negotiated Settlement Agreement ("the Settlement Agreement") attached to the May 4, 2004 letter from the BCUC.

The BCCA expresses the following concerns for the Performance Measures:

1. The Legal Representation Rate (section 4.4 of the Settlement Agreement") should include the "average time from report of loss to date of legal representation". The average time to legal representation provides meaningful insight into ICBC's success in meeting its goal of maintaining "control" of the claim by avoiding legal representation.
2. The Claims Services Satisfaction Survey (section 4.7 of the Settlement Agreement) should canvas both tort and accident benefit claimants. The BCCA understands ICBC intends to survey accident benefit claimants even if the accident benefits claimants have a tort claim. However, the BCCA believes ICBC should also survey tort claimants who do not have an accident benefits claim. Bodily injury claims and costs are a major focus of ICBC management. Any survey which fails to include all types of claimants is suspect.

The BCCA enjoyed participating in the process to review ICBC's Performance Measures and Information Sharing. The BCCA looks forward to further participation in future processes.

Yours truly,
Dr. Don Nixdorf,
Executive Director