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**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-9-05

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IN THE MATTER OF

the Insurance Corporation Act, RSBC 1996, Chapter 228, as amended

and

the Utilities Commission Act, RSBC 1996, Chapter 473, as amended

and

an Application by the Insurance Corporation of British Columbia
for Approval of a Financial Allocation Methodology

and

a Filing by the Insurance Corporation of British Columbia relating to Road Safety and Collection of Data Relating
to Age, Sex and Marital Status

and

a Filing by the Insurance Corporation of British Columbia containing Actuarial and 2005 Financial Information

BEFORE:	L.F. Kelsey, Commissioner)	
	and Panel Chair)	January 19, 2005
	N.F. Nicholls, Commissioner)	
	P.E. Vivian, Commissioner)	

O R D E R

WHEREAS:

- A. On July 5, 2004, the Insurance Corporation of British Columbia ("ICBC") submitted an application for approval of the Financial Allocation Methodology and a filing relating to Road Safety and Collection of Data relating to Age, Sex and Marital Status ("Submission 1"). On July 12, 2004, ICBC submitted a filing ("Submission 2") containing Actuarial and 2005 Financial Information for Universal Compulsory Automobile Insurance ("Basic Insurance"). Submissions 1 and 2 are in response to directions issued by the British Columbia Utilities Commission ("BCUC, Commission") in its Decision dated November 12, 2003 and the Negotiated Settlement Agreement, approved by Order No. G-49-04; and
- B. ICBC advised that it is not applying for a revision to its rates for Basic Insurance; and

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-9-05

- C. The Province of British Columbia (“the Province”) issued Order of the Lieutenant Governor in Council (“OIC”) No. 647, dated June 30, 2004, with the attached Special Direction IC2 to the BCUC. This OIC also repealed Special Direction IC1 to the BCUC. OIC No. 647 with the attached Special Direction IC2 was subsequently amended by OIC No. 678, dated July 6, 2004; and
- D. The Province issued OIC No. 666, dated June 30, 2004, which ordered that the part of section 9 of the Insurance Corporation Amendment Act, 2003, S.B.C. 2003, c. 35, that enacts section 49 of the Insurance Corporation Act, is brought into force; and
- E. As per Order G-66-04, a Pre-hearing Conference was held on July 29, 2004 in Vancouver, B.C. to discuss the major issues to be examined, and the steps and timetable for the Oral Public Hearing process. Registered Intervenors and ICBC made their submissions for consideration by the Commission; and
- F. The Commission, by Order No. G-75-04 dated August 4, 2004, established a Regulatory Agenda and Timetable, and a List of Hearing Issues for the Oral Public Hearing process; and
- G. By letter dated September 28, 2004, the B.C. Old Age Pensioners Organization *et al.* advised the Commission and all Parties of Record that it would seek clarification regarding the Commission’s jurisdiction in the matter of the validity of certain provisions of Special Direction IC2 to the British Columbia Utilities Commission, BC OIC 647, amended by OIC 678; and
- H. The Commission held an oral public hearing, which commenced on October 5, 2004 in Vancouver, B.C. and, which addressed matters related to Submissions 1 and 2 and the matter raised by the B.C. Old Age Pensioners Organization *et al.*; and
- I. The evidentiary phase for the Oral Public Hearing process concluded on October 14, 2004; and
- J. Written Final Arguments and Reply Arguments were completed on November 22, 2004; and
- K. The Commission Panel has considered Submissions 1 and 2, the matter raised by the B.C. Old Age Pensioners Organization *et al.*, and all the related evidence and arguments.

NOW THEREFORE the Commission orders as follows:

1. The Simplified Approach to the financial cost allocation methodology is not approved.
2. [ICBC is directed to implement the provisions of Special Direct IC2 as detailed in the attached Decision.](#)
3. ICBC is directed to comply with all determinations and instructions set out in the Decision that is issued concurrently with this Order.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-9-05

3

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of January 2005.

BY ORDER

Original signed by:

Len Kelsey
Commissioner and Panel Chair