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**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-57-07

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**IN THE MATTER OF  
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

**and**

**An Application by the Insurance Corporation of British Columbia for Approval of its Basic Insurance  
Tariff Effective June 1, 2007 and a request to Amend the Terms and Conditions for  
“Rate Class 017 - (Vehicles Used in Logging and Silviculture and  
Road and Bridge Maintenance Industries)” in the ICBC Basic Tariff**

**BEFORE:** L.F. Kelsey, Panel Chair and Commissioner  
P.E. Vivian, Commissioner May 30, 2007  
A.W.K. Anderson, Commissioner

**O R D E R**

**WHEREAS:**

- A. On March 29, 2007, pursuant to the Utilities Commission Act (the “Act”), the Insurance Corporation of British Columbia (“ICBC”) filed an Application respecting Rate Design for Universal Compulsory Automobile Insurance (“2007 RDA”); and
- B. ICBC requested approval of the Basic Insurance Tariff (“Tariff”) included in the 2007 RDA effective June 1, 2007 in order to be in conformity with certain legislative and regulatory changes; and
- C. On April 27, 2007 the Commission issued Order No. G-48-07, requesting comments from Intervenors on ICBC’s Tariff and the extent that it required review during the hearing established to review the RDA by May 18, 2007; and
- D. On April 30, 2007 ICBC filed an Errata with a revised version of the Tariff incorporating certain minor changes; and
- E. On May 7, 2007, ICBC wrote to the Commission, calling attention to a change in the weight limitations for Rate Class 017 (Vehicles Used in Logging and Silviculture and Road and Bridge Maintenance Industries), contained within the Tariff; and
- F. As filed, the upper limit on Rate Class 017 was increased from 5,000 kg to 8,200 kg GVW; and
- G. ICBC stated that the reason for the proposed change is that newer vehicle types, used in the associated industries, have increased gross vehicle weights; and that, currently, any vehicles between 5,000 kg and 8,200 kg GVW, although used in those industries, are insured under classes not associated with those industries, therefore not having premiums truly reflective of their use; and

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER**      G-57-07

2

- H. ICBC acknowledged that the proposed change had not been previously addressed in regulation, in a current practice, or in policy; and
- I. ICBC requested that the proposed change be approved by the Commission Panel, on an expedited basis, in order to come into effect at June 1, 2007; and
- J. On May 11, 2007 the Commission issued a letter inviting comments on ICBC's proposed amendment to Rate Class 017 by May 18, 2007; and
- K. The Commission received comments from Family Insurance Solutions ("Family Insurance") on May 16, 2007 commenting on ICBC's Tariff, and from the Consumers Association of Canada on May 17, 2007 commenting on ICBC's proposed amendments to Rate Class 017; and
- L. Pemberton Insurance Corporation ("Pemberton") filed an Information Request on May 18, 2007 related to Rate Class 017; and
- M. On May 25, 2007 ICBC responded to the Intervenor's comments on the Tariff and on the Rate Class 017 amendment; and
- N. On May 28, 2007 ICBC filed a second Errata making a further minor correction, which will not affect the premium payable by any customer; and
- O. On May 29, 2007 Pemberton filed a letter responding to ICBC's May 25 letter and opposing ICBC's requested change to Rate Class 017.

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

- 1. The request to amend the weight limitations for Rate Class 017 in the ICBC Basic Tariff, to be effective at June 1, 2007, is denied.
- 2. The Commission approves the Basic Insurance Tariff effective June 1, 2007, including the subsequent Errata, except for the change applied for separately to amend the weight class limitations on Rate Class 017. ICBC is to file a revised Basic Insurance Tariff with the Commission incorporating the changes in the filed Errata and excluding the requested change to the weight class limitation on Rate Class 017.
- 3. The Commission acknowledges the submissions of Family Insurance about ICBC's rate design as reflected in the Tariff, but notes that ICBC must have an approved tariff in place by June 1, 2007. The concerns raised by Family Insurance are best addressed in the proceeding established by Order No. G-48-07 to review the 2007 RDA. The Commission will review the evidence and submissions of Intervenor and ICBC in that proceeding and will Order such amendments to the Tariff as it deems necessary and in the public interest following the conclusion of the hearing.

**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER**      G-57-07

3

4. The Commission will consider ICBC's request for amendments to Rate Class 017 in the 2007 RDA proceeding.

**DATED** at the City of Vancouver, in the Province of British Columbia, this      31<sup>st</sup>      day of May 2007.

BY ORDER

*Original signed by:*

L.F. Kelsey  
Commissioner