

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-155-08

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

and

**Insurance Corporation of British Columbia
Rate Design Application
for Universal Compulsory Automobile Insurance (Basic Insurance)
Policyholder Non-Insurance Costs Payments**

BEFORE: P.E. Vivian, Commissioner

December 5, 2008

O R D E R

WHEREAS:

- A. In the 2007 Rate Design Application ("RDA") Decision of January 9, 2008, Determination 8.1 required the Insurance Corporation of British Columbia ("ICBC") to, within six months, provide the British Columbia Utilities Commission (the "Commission") with an analysis of the cost of implementing flat fees for policyholders' payments of non-insurance costs ("NICs"); and
- B. The flat fees would replace the historical non-insurance charges, which are proportional to Basic Insurance premiums, and include discounts or surcharges; and
- C. ICBC submitted the analysis (the "Submission") to the Commission on July 9, 2008; and
- D. The Submission showed an estimated cost of accommodating flat fees at between \$780,000 and \$960,000, dependent on the rapidity of implementation. The former figure presumes an implementation period of between 12 and 14 months; the latter figure presumes the most rapid implementation; and
- E. In the Submission ICBC expressed the belief that implementation would be efficiently and effectively included as part of the broader rate design and system application changes contemplated by ICBC's Multi-year Plan for Rate Design; and
- F. On August 8, 2008, the Commission sent an information request to ICBC with respect to the Submission. ICBC responded to the information request on September 9, 2008; and

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- G. The Commission Panel has reviewed and considered the NICs implementation evidence presented during the Rate Design proceeding, within the Submission, and in ICBC's responses to the subsequent information request.

NOW THEREFORE the Commission directs ICBC to submit a detailed proposal of how it will implement flat rate NICs in coordination with its Multi-Year Plan, as described in the RDA. The proposal should include a timeline for the implementation. ICBC is directed to submit the proposal to the Commission by Friday, February 6, 2009.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of December 2008.

BY ORDER

Original signed by:

P.E. Vivian
Commissioner