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VANCOUVER, BC V6Z 2N3 CANADA  
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA  
UTILITIES COMMISSION**

**ORDER  
NUMBER** G-169-15

TELEPHONE: (604) 660-4700  
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IN THE MATTER OF  
the *Utilities Commission Act*, R.S.B.C. 1996, Chapter 473, as amended

and

the *Insurance Corporation Act*, R.S.B.C. 1996, Chapter 228, as amended

and

An Application by the Insurance Corporation of British Columbia  
for Approval of the Revenue Requirements for Universal Compulsory Automobile Insurance  
Effective November 1, 2015

**BEFORE:** B. A. Magnan, Panel Chair/Commissioner  
H. G. Harowitz, Commissioner October 21, 2015  
I. F. MacPhail, Commissioner

**O R D E R**

**WHEREAS:**

- A. On August 31, 2015, the Insurance Corporation of British Columbia (ICBC) filed a partial application to the British Columbia Utilities Commission (Commission) of the 2015 Revenue Requirements for Universal Compulsory Automobile Insurance (Basic insurance), and proposed that ICBC be allowed to submit certain sections of the filing, including actuarial analysis and operating expenses, by October 30, 2015;
- B. In accordance with *Special Direction IC2 to the British Columbia Utilities Commission, BC Regulation 307/2004 as amended (Special Direction IC2)*, beginning in 2014 the Commission must require ICBC to apply annually for a general rate change order by August 31 of the year of the application for rates effective November 1 of that year;
- C. On September 1, 2015, the Commission requested ICBC to address how it would implement a November 1, 2015 effective date rate change in accordance with *Special Direction IC2*;
- D. On September 14, 2015, ICBC advised the Commission that it would be requesting interim rates effective November 1, 2015, so as to comply with *Special Direction IC2*, and indicated that ICBC would file outstanding information with the Commission to allow it sufficient time for a November 1, 2015 interim rate to be effective;

- E. On October 15, 2015, ICBC submitted outstanding materials and applies for a 5.5 percent increase in Basic insurance rates (Application) to apply as follows, among other matters:
- a. Pursuant to section 89 of the *Utilities Commission Act* and section 15 of the *Administrative Tribunals Act*, the rate increase to apply on an interim basis for all policies with an effective date on or after November 1, 2015;
  - b. The Basic insurance rate increase to be made permanent on or after the first day of the first month that is at least 60 days following the Commission's final decision on the Application;
- F. In the Application, ICBC also requests that policyholders that have already renewed policies effective November 1, 2015 at the current rate would not be subject to a mid-term adjustment to reflect the interim rate change;
- G. The Commission reviewed the interim rate request and considers setting an interim rate is warranted;
- H. The Commission also considers that establishing a regulatory timetable is warranted; and
- I. The jurisdiction of the Commission with respect to the regulation of ICBC's revenue requirements and rates is restricted by legislation to Basic insurance. The Commission has no jurisdiction over ICBC's Optional insurance business.

**NOW THEREFORE** the British Columbia Utilities Commission orders as follows:

1. Pursuant to section 89 of the *Utilities Commission Act*, the requested 5.5 percent increase to Basic insurance rates on an interim basis is approved for implementation for all new or renewal policies following the issuance of the interim rate order with an effective date on or after November 1, 2015. The interim rate increase is subject to refund with interest calculated for the refund period at an average prime rate of the principal bank with which the Insurance Corporation of British Columbia (ICBC) conducts its business. The Commission will determine the manner by which any variance between the approved interim rate and the approved permanent rate, will be refunded or collected at the time it renders its decision on the Application.
2. Basic insurance policyholders that have already renewed policies effective November 1, 2015 at the Basic insurance rate prior to the issuance of this order would not be subject to a mid-term adjustment to reflect the interim rate change.
3. ICBC is to provide notice of the rate change to all Basic insurance policyholders affected by the interim rate and also indicate that the disposition of any difference between the Commission's final decision and the interim rate will be subject to the Commission's final order. The notice will be given with the Renewal Reminder or other similar form issued by ICBC to Basic insurance policyholders in the ordinary course of business for renewal policies and at the time of purchase for new policies.

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4. The Commission will accept, subject to timely filing, the amended Basic insurance rate schedules in accordance with the terms of this order.
5. A regulatory proceeding for review of the Application, in accordance with the regulatory timetable as set out in Appendix A to this order, is established.
6. A Procedural Conference will be held on Thursday, December 17, 2015, commencing at 9:00 a.m., in the Commission's Hearing Room on the 12<sup>th</sup> Floor, 1125 Howe Street, Vancouver, BC V6Z 2K8, at which the remainder of the Regulatory Timetable and the nature of the hearing process will be addressed.
7. ICBC will publish, by Friday, November 6, 2015, in display-ad format, a Public Notice of the proceeding, attached as Appendix B to this order, in the appropriate local news publications so as to properly provide adequate notice to the public.
8. Interveners and interested parties who wish to participate in the regulatory proceeding, are to register with the Commission, in writing or by electronic submission, by Monday, November 16, 2015. Interveners are to state the nature of their interest in the proceeding and identify generally the nature of the issues they may intend to pursue during the proceeding and the extent of their anticipated involvement in the review process.
9. ICBC is to provide a copy of this order to interveners and interested parties in the 2014 Revenue Requirements Application proceeding as soon as possible.
10. Interveners intending to apply for participant assistance must submit a budget estimate by Friday, January 8, 2016, consistent with the Commission's Participant Assistance/Cost Award Guidelines and Order G-72-07. Copies of the Guideline are available upon request or can be downloaded from the Commission's web site at <http://www.bcuc.com/>.
11. The Application will be made available to the public for inspection at the Head Office of ICBC at 151 West Esplanade, North Vancouver, BC V7M 3H9 and on ICBC's website.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 21<sup>st</sup> day of October 2015.

BY ORDER

*Original signed by:*

B. A. Magnan  
Commissioner

Attachments

An Application by the Insurance Corporation of British Columbia  
for Approval of the Revenue Requirements for Universal Compulsory Automobile Insurance  
Effective November 1, 2015

**REGULATORY TIMETABLE**

<b>ACTION</b>	<b>DATE (2015)</b>
Intervener and Interested Party Registration	Monday, November 16
Commission Information Request No. 1 to ICBC	Monday, November 16
Intervener Information Request No. 1 to ICBC	Friday, November 20
ICBC Information Request No. 1 Responses	Tuesday, December 8
Procedural Conference*	Thursday, December 17 commencing at 9:00 a.m.
<b>DATE (2016)</b>	
Filing of Participant Assistance/Cost Award Budgets	Friday, January 8
Further process	To be determined

\*Location: Commission Hearing Room  
12<sup>th</sup> Floor, 1125 Howe Street  
Vancouver, BC V6Z 2K8

# PUBLIC NOTICE

BRITISH COLUMBIA UTILITIES COMMISSION



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## INSURANCE CORPORATION OF BRITISH COLUMBIA AN APPLICATION FOR APPROVAL OF THE REVENUE REQUIREMENTS FOR UNIVERSAL COMPULSORY AUTOMOBILE INSURANCE FOR THE POLICY YEAR COMMENCING NOVEMBER 1, 2015

*Special Direction IC2 to the BC Utilities Commission, BC Regulation 307/2004, as amended (Special Direction IC2),* requires the Insurance Corporation of British Columbia (ICBC) to file a revenue requirements application annually. On August 31, 2015, ICBC submitted a partial Revenue Requirements Application for Universal Compulsory Automobile (Basic) insurance. On October 15, 2015, ICBC submitted outstanding materials including the actuarial analysis, the capital management plan, and information on operating expenses (Application). The ICBC 2015 Revenue Requirements Application requested rate change is a 5.5 percent increase in Basic insurance rates for the policy year commencing November 1, 2015.

The Commission is initiating a review of the Application. To view the timetable for this hearing and the Application go to [www.bcuc.com](http://www.bcuc.com) select "Current Proceedings" under "Quick Links" and scroll to "ICBC 2015 Revenue Requirements."

### HOW TO GET INVOLVED

If you wish to actively participate in the review process, you must register as an intervener with the Commission by Monday, November 16, 2015, through the Commission's website at [www.bcuc.com](http://www.bcuc.com) or in writing to the Commission Secretary using the Commission contact information provided at the end of this notice. Interveners must identify the issues they intend to pursue as well as the nature and extent of their anticipated involvement in the review process. Interveners will receive email notice of all correspondence and filed documentation. An email address should be provided if available. At the time of registration, interveners should also state their intent to attend the procedural conference scheduled on Thursday, December 17, 2015.

	<b>Procedural Conference</b>
<b>Date:</b>	The Commission will consider the process to review the Application.
<b>Time:</b>	Thursday, December 17, 2015 Commencing at 9:00 a.m.
<b>Location:</b>	Commission Hearing Room 12 <sup>th</sup> Floor, 1125 Howe Street Vancouver, BC V6Z 2K8

Persons not expecting to actively participate, but who have an interest in the proceeding, should register as an interested party through the Commission's website or in writing to the Commission Secretary by Monday, November 16, 2015, identifying their interest in the Application. Interested parties will receive a copy of the Commission's decision when it is issued.

Letters of comment may also be submitted. All submissions and/or correspondence received relating to the application are provided to the Commission panel and all participants in the proceeding. Submissions are placed on the public record and posted to the Commission's website. By participating and/or providing comment on the application, you agree that all submissions will be placed on the public record and posted on the Commission's website.

All submissions and/or correspondence received from active participants or the public relating to the Application will be placed on the public record and posted to the Commission's website.

#### **VIEW THE DOCUMENTS**

The Application and all supporting documentation are available on the Commission's website under "Current Applications" page. If you would like to review a hard copy of the material, it is available to be viewed at the locations outlined below:

<b>British Columbia Utilities Commission</b>	<b>Insurance Corporation of British Columbia</b>
Sixth Floor, 900 Howe Street Vancouver, BC V6Z 2N3 Phone: 604-660-4700 Toll Free: 1-800-663-1385 <a href="http://www.bcuc.com">www.bcuc.com</a>	151 West Esplanade North Vancouver, BC V7M 3H9 <a href="http://www.icbc.com">www.icbc.com</a>

#### **FOR MORE INFORMATION OR TO REGISTER**

For more information or to register, please visit [www.bcuc.com](http://www.bcuc.com) or contact the Commission Secretary at [Commission.Secretary@bcuc.com](mailto:Commission.Secretary@bcuc.com).