



**ORDER NUMBER  
G-142-16**

IN THE MATTER OF  
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

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

and

Insurance Corporation of British Columbia  
An Application for Approval of the Revenue Requirements for Universal Compulsory Automobile Insurance  
Effective November 1, 2016

**BEFORE:**

D. A. Cote, Commissioner/Panel Chair  
B. A. Magnan, Commissioner  
R. I. Mason, Commissioner

on September 2, 2016

**ORDER**

**WHEREAS:**

- A. On August 25, 2016, the Insurance Corporation of British Columbia (ICBC) filed an application to the British Columbia Utilities Commission (Commission) for its 2016 Revenue Requirements for Universal Compulsory Automobile Insurance (Basic insurance), seeking a Basic insurance rate increase of 4.9 percent for the policy year commencing November 1, 2016 (Application);
- 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. In the Application, ICBC seeks approval of a 4.9 percent increase in Basic insurance rates to apply as follows:
  - i. 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, 2016;
  - ii. 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;

- D. 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;
- E. The Commission has reviewed the interim rate request and considers setting an interim rate is warranted;
- F. The Commission also considers that establishing a Regulatory Timetable is warranted.

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

1. Pursuant to section 89 of the *Utilities Commission Act*, the approval of the requested 4.9 percent increase to Basic insurance rates on an interim basis for implementation for all new or renewal policies following the issuance of this interim rate order with an effective date on or after November 1, 2016. Any variance from the interim rate is subject to refund with interest calculated for the interim 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 the Commission renders its Decision on the Application.
2. ICBC is to provide notice to all Basic insurance policyholders affected by the interim rate increase and the conditions under which it is subject to refund or additional billing. 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.
3. The Commission will accept, subject to timely filing, the amended Basic insurance rate schedules in accordance with the terms of this Order.
4. A regulatory timetable for review of the Application, as set out in Appendix A to this Order, is hereby established.
5. ICBC must publish in display-ad format, in a timely manner, the Public Notice attached as Appendix B to this Order, in the appropriate local news publications so as to properly provide adequate notice to the public.
6. Interveners are to register with the Commission by completing a Request to Intervene Form, available on the Commission's website at <http://www.bcuc.com/Registration-Intervener-1.aspx>, by the end of day Monday, September 26, 2016, in accordance with the Commission's Rules of Practice and Procedure.
7. ICBC must provide a copy of this Order, electronically where possible, to all parties who participated in the ICBC 2015 Revenue Requirements Application proceeding.
8. The Application will be made available to the public for inspection at the Head Office of ICBC at 151 West Esplanade, North Vancouver, BC V7M3H9 and on ICBC's website.

**DATED** at the City of Vancouver, in the Province of British Columbia, this        2<sup>nd</sup>        day of September, 2016.

BY ORDER

*Original signed by:*

D. A. Cote

Commissioner/Panel Chair

The Insurance Corporation of British Columbia  
An Application for Approval of the Revenue Requirements for Universal Compulsory Automobile Insurance  
Effective November 1, 2016

**REGULATORY TIMETABLE**

ACTION	2016
Deadline for intervener registration	Monday, September 26
Commission Information Request (IR) No. 1	Monday, September 26
Intervener IR No. 1	Thursday, September 29
ICBC IR No. 1 response	Thursday, October 20
Procedural Conference*	Friday, October 28
Further process	To be determined

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



## Public Notice - Insurance Corporation of British Columbia 2016 Revenue Requirements Application

On August 25, 2016, the Insurance Corporation of British Columbia (ICBC) filed an application with the British Columbia Utilities Commission (Commission) seeking approval of a 4.9 percent rate increase to Basic automobile insurance as of November 1, 2016 (Application).

The Commission is initiating a review of ICBC's Application. To view the timetable for this proceeding and the Application go to [www.bcuc.com](http://www.bcuc.com) select "Current Proceedings" under "Quick Links" and scroll to "ICBC 2016 Revenue Requirements."

### How to get more information

The application and all supporting documentation are available on the Commission's website [www.bcuc.com](http://www.bcuc.com) on the "Current Proceedings" page. If you would like to review the material in hard copy, it is available to be viewed at the locations below:

British Columbia Utilities Commission	Insurance Corporation of British Columbia
Sixth Floor, 900 Howe Street Vancouver, BC V6Z 2N3 Commission.Secretary@bcuc.com Telephone: 604-660-4700 Toll Free: 1-800-663-1385	Head Office 151 West Esplanade North Vancouver, BC V7M 3H9

For all other inquiries please contact Laurel Ross, Acting Commission Secretary using the contact information above.

### How to get involved

There are a number of ways to participate in the review of this application.

**Submit a Letter of Comment** – Members of the public may contribute views, opinion, impact or potential impact of the application using the Letter of Comment Form found online at [www.bcuc.com](http://www.bcuc.com).

**Register as an Interested Party** – Persons that want to receive email notifications of all documents posted to the proceeding webpage, but do not expect to actively participate, should register online at [www.bcuc.com](http://www.bcuc.com) as an interested party.

**Request Intervener Status** - Persons who are directly or sufficiently affected by the Commission's decision or have relevant information or expertise and that wish to actively participate in the proceeding can request intervener status by submitting a completed Request to Intervene Form by Monday, September 26, 2016. Forms are available online at **www.bcuc.com**.

For additional information on how to participate in a Commission proceeding and to access all forms, please refer to the following webpage: <http://www.bcuc.com/RegisterIndex.aspx> Forms can also be requested by email or in writing using the contact information above.

All submissions received, including letters of comment, are placed on the public record, posted on the Commission's website, and provided to the Panel and all participants in the proceeding.