



bcuc
British Columbia
Utilities Commission

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July 28, 2017

Sent via email

Letter L-17-17

Ms. June Elder
Manager, Corporate Regulatory Affairs
Insurance Corporation of British Columbia
339 – 151 W. Esplanade
North Vancouver, BC V7M 3H9
regaffairs@icbc.com; june.elder@icbc.com

Re: Insurance Corporation of British Columbia – Proposal to Discontinue Requirement for Annual Basic Insurance Minimum Capital Test (MCT) Certificate

Dear Ms. Elder:

On July 13, 2017, the Insurance Corporation of British Columbia (ICBC) filed a letter with the British Columbia Utilities Commission (Commission) proposing to discontinue the requirement to file annually a certificate from ICBC's external actuary that certifies ICBC's actual Basic insurance Minimum Capital Test (MCT) ratio for the prior year.

By letter dated September 12, 2005¹, the Commission directed ICBC to file an MCT certification from an outside actuary. On October 11, 2006, ICBC filed a report in compliance with the Commission Decision dated July 13, 2006.² By Letter L-82-06 dated December 19, 2006, the Commission established quarterly MCT reporting requirements.

In its July 13, 2017 letter, ICBC submits a proposal to streamline compliance reporting. ICBC is of the view that the external MCT certificate has limited use to the Commission. The Basic insurance MCT ratio is reported in other filings, including ICBC's annual revenue requirements application and ICBC's quarterly financial reporting.

The Commission has reviewed ICBC's proposal and acknowledges that ICBC will discontinue the annual MCT certificate issued by its external actuary.

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

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¹ Insurance Corporation of British Columbia Application for 2006 Revenue Requirements, Exhibit A-2

² The decision was issued concurrently with Order G-86-06.