



ORDER NUMBER
G-165-18

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

and

the *Insurance Corporation Act*, RSBC 1996, Chapter 228, as amended

and

Reconsideration and Variance of Order G-8-18
pursuant to Special Direction IC2 to the British Columbia Utilities Commission

BEFORE:

B. A. Magnan, Panel Chair/Commissioner

on August 31, 2018

ORDER

WHEREAS:

- A. On September 15, 2017, the Insurance Corporation of British Columbia (ICBC) filed an application with the British Columbia Utilities Commission (BCUC) for its 2017 Revenue Requirements for Universal Compulsory Automobile Insurance (Basic insurance), seeking a Basic insurance rate increase of 6.4 percent for the policy year commencing November 1, 2017 (Policy Year 2017) (Application), among other approvals sought as cited in recital B of Order G-8-18;
- B. By Order G-8-18 dated January 12, 2018, the BCUC ordered as follows:
 - i. A permanent 6.4 percent Basic insurance rate increase for the policy year commencing November 1, 2017 was approved;
 - ii. ICBC was directed to refile for the other approvals sought in its September 15, 2017 application in its next general rate change application, which is scheduled for August 31, 2018. ICBC is to continue reporting on the current suite of Performance Measures and Transformation Program (TP) Reporting in each revenue requirements application until otherwise directed;
- C. On August 9, 2018, by Order in Council (OIC) No. 456 (OIC 456/18), the Lieutenant Governor approved amendments to Special Direction IC2 to the British Columbia Utilities Commission, BC Regulation 307/2004 (Special Direction IC2) which includes extending the Policy Year 2017 beginning on November 1, 2018 and ending on March 31, 2019 (extended policy period);

- D. Among other matters, the Special Direction IC2 amendments established by OIC 456/18 provides that for the purpose of fixing rates applicable to the extended policy period, by August 31, 2018, reconsider and vary the BCUC's final general rate change order issued January 12, 2018 to ensure that the order:
- i. applies, based on evidence filed with the BCUC by December 12, 2017, to the extended policy period included in the 2017 policy year;
 - ii. recognizes that the ICBC is not required to apply for a general rate change order before December 15, 2018; and
 - iii. recognizes that ICBC is not required to file with the BCUC, before December 15, 2018, those reports and statistics that ICBC would have been required to file with the BCUC by August 31, 2018;
- E. On August 9, 2018, by OIC No. 457 (OIC 457/18), the Provincial Government of British Columbia enclosed a Letter of Direction dated June 18, 2018 regarding the timing of the next general rate change application;
- F. Special Direction IC2 requires the BCUC, when regulating and fixing Basic insurance rates, to regulate and fix those rates in a manner that recognizes and accepts actions taken by ICBC in compliance with government directives issued to ICBC; and
- G. The BCUC considers that a variance to the final general rate change order G-8-18 issued on January 12, 2018 is required as directed by OIC 456/18 and 457/18.

NOW THEREFORE the BCUC orders as follows:

1. Order G-8-18, the general rate change order issued on January 12, 2018, is varied to remain in effect for the extended policy period ending March 31, 2019.
2. ICBC must, by December 15, 2018, file its application for a general rate change order for the policy year beginning April 1, 2019.
3. ICBC is directed to refile for the other approvals sought in its September 15, 2017 application in its next general rate change application, which is scheduled for December 15, 2018. ICBC is to continue reporting on the current suite of Performance Measures and TP Reporting in each revenue requirements application until otherwise directed.

DATED at the City of Vancouver, in the Province of British Columbia, this 31st day of August 2018.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner