



ORDER NUMBER
G-192-19

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

and

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

and

Insurance Corporation of British Columbia
Revenue Requirements Application for Universal Compulsory Automobile Insurance
Effective April 1, 2019

BEFORE:

K. A. Keilty, Panel Chair
R. D. Revel, Commissioner
E. B. Lockhart, Commissioner
T. A. Loski, Commissioner

on August 19, 2019

ORDER

WHEREAS:

- A. On December 14, 2018, the Insurance Corporation of British Columbia (ICBC) filed an application with the British Columbia Utilities Commission (BCUC) for its 2019 Revenue Requirements for Universal Compulsory Automobile Insurance (Basic insurance), seeking a Basic insurance rate increase of 6.3 percent for the policy year (PY) commencing April 1, 2019, among other requests (Application);
- B. Pursuant to the *Insurance Corporation Act* and Special Direction IC2 to the BCUC, BC Regulation 307/2004, as amended (Special Direction IC2), the BCUC's jurisdiction with respect to the regulation of ICBC's revenue requirements and rates is restricted to Basic insurance. The BCUC has no jurisdiction over ICBC's Optional insurance business;
- C. In accordance with Special Direction IC2, as amended by Order in Council No. 456/2018, the BCUC must require ICBC to apply for a general rate change order by December 15 of each year for ICBC's Basic insurance rates to be effective April 1 of the next year;
- D. By Orders G-1-19, G-57-19 and G-73-19, the BCUC established, among other things, regulatory timetables for the review of the Application, which included intervener registration, two rounds of BCUC and intervener information requests, and a procedural conference, followed by written final and reply arguments;

E. The BCUC has reviewed the Application and evidence filed in the proceeding and makes the following determinations.

NOW THEREFORE for the reasons provided in the Decision issued concurrently with this order, the BCUC orders as follows:

1. A permanent +6.3 percent Basic insurance rate increase for the policy year commencing April 1, 2019, is approved.
2. ICBC is directed to review the financial allocation methodology for total corporate operating expenses allocated to the Basic insurance line of business following the implementation of the Rate Affordability Action Plan initiatives, and to report its findings and any recommendations to the BCUC as part of its general rate change application for PY 2023, which is scheduled to be filed by December 15, 2022.
3. ICBC's proposed list of amended performance measures as provided in Appendix B of the Decision is approved.
4. ICBC's request to discontinue the reporting requirements that are specific to the Transformation Program is approved.

DATED at the City of Vancouver, in the Province of British Columbia, this 19th day of August 2019.

BY ORDER

Original signed by:

K. A. Keilty
Commissioner