



ORDER NUMBER

G-21-20

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, 2020

BEFORE:

B. A. Magnan, Commissioner

on February 14, 2020

ORDER

WHEREAS:

- A. On February 6, 2020, the Lieutenant Governor in Council approved Order in Council (OIC) No. 047/20, amending *Special Direction IC2 to the British Columbia Utilities Commission, B.C. Reg. 307/2004* (Special Direction IC2) such that, by February 14, 2020, the British Columbia Utilities Commission (BCUC) must:
- a) Exempt the Insurance Corporation of British Columbia (ICBC) from the requirements to:
 - (i) Apply for a general rate change order for the 2020 policy year (PY) by February 16, 2020;
 - (ii) File with the BCUC any reports and information that, but for the exemption, ICBC would have been required to file with its application for a general rate change order for PY 2020;
 - (iii) Make the following reports for ICBC's 2019/2020 fiscal year:
 - (A) An annual road safety report;
 - (B) An annual report on performance statistics;
 - (C) An annual information technology capital expenditures plan;
 - (iv) File with the BCUC a report on ICBC's data and analytics platform project that, but for the exemption, ICBC would have been required to file by March 31, 2020;
 - b) Issue a final general rate change order for PY 2020 fixing the percentage number of the rate change at 0; and
 - c) Require ICBC to file the report on ICBC's data and analytics platform project as part of its application for a general rate change order for PY 2021;

- B. Pursuant to the *Insurance Corporation Act* and 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. By Decision and Order G-192-19 dated August 19, 2019, and in accordance with Special Direction IC2 which states that the percentage number of a general rate change must differ from the previous rate change order by no more than 1.5 and must not decrease existing rates, the BCUC approved a permanent +6.3 percent Basic insurance rate increase for PY 2019, commencing April 1, 2019;
- D. On February 26, 2018, by OIC 067/18, the Lieutenant Governor in Council approved amendments to Special Direction IC2 such that there is currently no Minimum Capital Test (MCT) requirement for ICBC's Basic insurance business. MCT is used to assess financial risk and long-term financial stability and is calculated as the ratio of capital available to capital required;
- E. On August 30, 2019, ICBC filed its 2018/2019 Annual Report with the BCUC, stating that its 2018/2019 Basic insurance MCT ratio was 6.1 percent; and
- F. The BCUC makes the following directives as required by OIC 047/20. The BCUC has not conducted any review.

NOW THEREFORE the BCUC orders as follows:

1. ICBC is exempt from the requirements to:
 - (i) Apply for a general rate change order for PY 2020 by February 16, 2020;
 - (ii) File with the BCUC any reports and information that, but for the exemption, ICBC would have been required to file with its application for a general rate change order for PY 2020;
 - (iii) Make the following reports for ICBC's 2019/2020 fiscal year:
 - (A) An annual road safety report;
 - (B) An annual report on performance statistics;
 - (C) An annual information technology capital expenditures plan;
 - (iv) File with the BCUC a report on ICBC's data and analytics platform project that, but for the exemption, ICBC would have been required to file by March 31, 2020.
2. The Basic insurance rate change is set at 0 percent for PY 2020, commencing April 1, 2020.
3. ICBC is directed to file the report on its data and analytics platform project as part of its application for a general rate change order for PY 2021.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of February 2020.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner