



ORDER NUMBER
G-12-21

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 May 1, 2021

BEFORE:

A. K. Fung, QC, Panel Chair
K. A. Keilty, Commissioner
B. A. Magnan, Commissioner

on January 14, 2021

ORDER

WHEREAS:

- A. On December 15, 2020, the Insurance Corporation of British Columbia (ICBC) filed an application with the British Columbia Utilities Commission (BCUC) for its 2021 Revenue Requirements for Universal Compulsory Automobile Insurance (Basic insurance), seeking a Basic insurance rate decrease of 15 percent for the policy year commencing May 1, 2021 (PY 2021), 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. On December 14, 2020, the Lieutenant Governor in Council (LGIC) approved Order in Council No. (OIC) 631/20 directing ICBC to apply for approval of Basic insurance tariff (Tariff) amendments as set out in OIC 631/20 (Tariff Amendment Application in Support of Enhanced Care and Enhanced Care Rebate Directive);
- D. On December 14, 2020, the LGIC also approved OIC 632/20 directing ICBC, in part, to file a 23-month Basic insurance revenue requirements application for PY 2021, and to reflect in rates for PY 2021 a capital build provision that would result in an 11.5 percentage point increase to the general rate change and a capital maintenance provision that neither increases nor decreases the percentage change in rates (General Rate Change Directive);

- E. On December 14, 2020, LGIC approved OIC No. 633/20, amending Special Direction IC2 such that the BCUC must, for PY 2021, regulate and fix rates in accordance with the Tariff Amendment Application in Support of Enhanced Care and Enhanced Care Rebate Directive and the General Rate Change Directive;
- F. Pursuant to section 89 of the *Utilities Commission Act* (UCA) and section 15 of the *Administrative Tribunals Act*, ICBC seeks approval of the requested rate decrease on an interim basis for all policies, consistent with past revenue requirements applications, with an effective date on or after May 1, 2021. ICBC further requests the deferral of any difference between interim and permanent rates until the next annual Basic insurance rate change; and
- G. The BCUC has commenced review of the Application and considers that establishing an interim rate and a regulatory timetable is warranted.

NOW THEREFORE the BCUC orders as follows:

- 1. Pursuant to section 89 of the UCA, the requested 15 percent decrease to ICBC's Basic insurance rates is approved for implementation on an interim basis for all new or renewal policies with an effective date on or after May 1, 2021. The BCUC will determine the manner by which any variance between approved interim rates and permanent rates, including interest if any, will be refunded to or collected from policyholders at the time the BCUC renders its final decision on the Application.
- 2. ICBC is directed to file with the BCUC, within 30 days of the issuance of this order, amended Basic insurance rate schedules in accordance with the terms of this order.
- 3. A regulatory timetable for the review of the Application is established, as set out in Appendix A to this order.
- 4. A transcribed workshop attended by the Panel to allow ICBC to present the proposals and approvals sought in the Application will be held on Thursday, February 18, 2021, commencing at 1:00 p.m.
- 5. ICBC is directed to provide notice to all Basic insurance policyholders affected by the interim rate decrease and the conditions under which it is subject to refund or additional billing. The notice must be given with the insurance renewal reminder, or other similar form, issued by ICBC to Basic insurance policyholders in the ordinary course of business for renewal policies, or for new policies, at the time of purchase.
- 6. ICBC is directed to provide notice of the Application and a copy of the public notice attached as Appendix B to this order regarding the review of the Application to all registered interveners in the past three ICBC Revenue Requirements Application proceedings (i.e. 2019, 2017 and 2016) and to the public using communication methods including ICBC's website, a News Release and social media, as soon as reasonably possible, but no later than Thursday, January 21, 2021.
- 7. ICBC is directed to make the Application available to the public on ICBC's website and is directed to make hardcopies of the Application available upon request.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of January 2021.

BY ORDER

Original signed by:

A. K. Fung, QC
Commissioner

Attachment

Insurance Corporation of British Columbia
Revenue Requirements Application for Universal Compulsory Automobile Insurance
Effective May 1, 2021

REGULATORY TIMETABLE

Action	Date (2021)
ICBC Notice of Application	Thursday, January 21
Intervener Registration	Thursday, February 4
Workshop*	Thursday, February 18
BCUC Information Request (IR) No. 1	Tuesday, March 2
Intervener IR No. 1	Tuesday, March 9
ICBC Responses to BCUC and Intervener IR No. 1	Wednesday, April 14
Further Process	To be determined

*Commencing at 1:00pm with the workshop location and format to be determined