



**ORDER NUMBER  
G-81-23**

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  
2023 Revenue Requirements Application

**BEFORE:**

E. B. Lockhart, Panel Chair  
B. A. Magnan, Commissioner  
A. Pape-Salmon, Commissioner

on April 13, 2023

**ORDER**

**WHEREAS:**

- A. On December 15, 2022, the Insurance Corporation of British Columbia (ICBC) filed an application with the British Columbia Utilities Commission (BCUC) for its 2023 Revenue Requirements for universal compulsory automobile insurance (Basic insurance), seeking a Basic insurance rate change of zero percent for the policy year commencing April 1, 2023 (PY 2023), on an interim and permanent basis, among other requests (Application). ICBC states that the requested rate change is based on the combined effect of actuarial analysis and the legislative framework established by government;
- B. In the Application, ICBC also proposes changes to certain performance measures and other reporting to the BCUC;
- C. The BCUC's jurisdiction with respect to the regulation of ICBC's Basic insurance pertaining to revenue requirements and rates is set out by the *Insurance Corporation Act* and *Special Direction IC2 to the BCUC, BC Regulation 307/2004 as amended* (Special Direction IC2). The BCUC has no jurisdiction over ICBC's Optional insurance business and does not set rates for Optional insurance;
- D. A revenue requirement application reviews ICBC's requested Basic insurance rate change, which affects all Basic insurance policy holders equally;
- E. On December 12, 2022, the Lieutenant Governor General in Council approved Order in Council No. (OIC) 666/22 amending Special Direction IC2 such that, for 2023, a policy year begins on April 1, 2023 and ends on

March 31, 2025 and that the BCUC must: (i) not decrease existing rates and (ii) by June 30, 2023, exempt ICBC from the requirement to apply for a general rate change order by December 15, 2023;

- F. By Order G-2-23 dated January 10, 2023, the BCUC approved the requested zero percent change to ICBC's Basic insurance rates for implementation on an interim basis for all new or renewal policies with an effective date on or after April 1, 2023, and established a regulatory timetable for the review of the Application, including: public notice, intervenor registration, one round of BCUC and intervenor information requests (IRs) to ICBC, a workshop (if required), and further process to be determined;
- G. On March 6, 2023, March 24, 2023 and March 29, 2023, the BCUC issued letters to ICBC and intervenors confirming the workshop and providing further information regarding the workshop, including the items to be addressed by ICBC and the submissions from the parties on the appropriate regulatory process going forward following the workshop question period;
- H. Pursuant to the regulatory timetable established by Order G-2-23, a web-based workshop took place on April 5, 2023; and
- I. The BCUC has reviewed the evidentiary record and submissions made at the workshop regarding further process, and determines that establishing the remainder of the regulatory timetable for the review of the Application is warranted.

**NOW THEREFORE** for the reasons set out in Appendix B attached to this order, the BCUC establishes the remainder of the regulatory timetable for the review of the Application, as set out in Appendix A to this order.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 13<sup>th</sup> day of April 2023.

BY ORDER

*Original signed by:*

E. B. Lockhart  
Commissioner

Attachment

Insurance Corporation of British Columbia  
2023 Revenue Requirements Application

**REGULATORY TIMETABLE**

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Action	Date (2023)
ICBC Responses to Workshop Undertakings	Thursday, April 20
Letters of Comment Deadline	Tuesday, May 9
ICBC Written Final Argument	Tuesday, May 16
Intervener Written Final Argument	Tuesday, June 6
ICBC Written Reply Argument	Tuesday, June 27

Insurance Corporation of British Columbia  
2023 Revenue Requirements Application

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**REASONS FOR DECISION**

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**1.0 Background**

On December 15, 2022, the Insurance Corporation of British Columbia (ICBC) filed an application with the British Columbia Utilities Commission (BCUC) for its 2023 Revenue Requirements for universal compulsory automobile insurance (Basic insurance), seeking a Basic insurance rate change of zero percent for the policy year commencing April 1, 2023, on an interim and permanent basis, among other requests (Application).

On January 10, 2023, the BCUC approved the requested zero percent change to ICBC's Basic insurance rates for all new or renewal policies with an effective date on or after April 1, 2023 for implementation on an interim basis. On the same day, the BCUC established a regulatory timetable for the review of the Application, including: public notice, intervenor registration, one round of BCUC and intervenor information requests (IRs) to ICBC, a workshop (if required), and further process to be determined.<sup>1</sup>

By letters dated March 6, 2023, March 24, 2023 and March 29, 2023, the BCUC issued letters to ICBC and intervenors, providing confirmation of the workshop (Workshop) as set out in the regulatory timetable and including information regarding the Workshop format and items to be addressed by the ICBC.<sup>2</sup> The BCUC stated:

The purpose of the Workshop is to provide an opportunity for ICBC to present on the approvals sought in the Application and the key issues pursued in IR No. 1. The Panel, the BCUC Staff and intervenors may ask any further questions of ICBC with respect to the Application and the associated documents in the evidentiary record.<sup>3</sup>

In addition, following the question period component of the Workshop, the BCUC invited submissions from ICBC and intervenors on the appropriate regulatory process going forward, including the timelines and any other relevant procedural matters that parties wish to bring to the attention of the Panel.<sup>4</sup>

The web-based Workshop took place on April 5, 2023.

ICBC and the following parties made oral submissions at the Workshop:

- Movement of United Professionals (MoveUP);
- Richard McCandless (McCandless);
- Insurance Bureau of Canada (IBC); and
- British Columbia Old Age Pensioners' Organization, Council of Senior Citizens' Organization of BC, Active Support Against Poverty, and Together Against Poverty Society (BCOAPO).

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<sup>1</sup> Order G-2-23.

<sup>2</sup> Exhibits A-5, A-6 and A-7.

<sup>3</sup> Exhibit A-5.

<sup>4</sup> Ibid.

## 2.0 Submissions on Further Process

ICBC submits that, after answering the few remaining questions left on the record from the Workshop, the review of the Application can proceed directly to final argument without further rounds of IRs or further process. In ICBC's view, the Workshop provided an effective substitute for a second round of IRs that is "similar in many respects to a streamlined review process hearing." The Workshop occurred after one round of BCUC and intervener IRs to ICBC, and participants have "had time to digest the answers" and parties had the opportunity to ask follow-up questions during the Workshop.<sup>5</sup>

Finally, ICBC submits that the legislated rate setting framework should inform a proportional process. ICBC states:

The actuarial indicated rate change but for the rate change floor [of zero percent] would be a decrease, and there hasn't been anything to suggest that ICBC's actions or modelling modifications could overcome that rate change floor. Special direction IC-2 [*Special Direction IC2 to the BCUC, BC Regulation 307/2004 as amended*] also directs that the actuarial indicated rate change includes a capital provision of 7 [percent] of required premium, and this removes consideration of the appropriate capital plan or provision amount.

In this context, ICBC considers that the process followed to-date delivers on a streamlined review process which the BCUC had approved in 2010 for ICBC. By moving directly to written final argument, ICBC submits that the BCUC will have provided a fair and accessible process, ample opportunity to explore the key issues in this proceeding, and an evidentiary record that will ultimately support the BCUC's decision on this application.<sup>6</sup>

MoveUP submits that it is content to proceed directly to final argument but has no objection to further process and may not have anything to ask in a second round of IRs.<sup>7</sup>

McCandless states: "given the constraints on the [BCUC's] authority... a second round of information requests might be useful, but it's probably not going to add much to the outcome."<sup>8</sup>

IBC<sup>9</sup> and BCOAPO<sup>10</sup> request a second round of IRs to ICBC. IBC states that it has additional questions regarding ICBC's responses to BCUC and intervener IR No. 1 but does not have any specifics at this time.<sup>11</sup> Notwithstanding, IBC would not be opposed to going straight to final argument, if the BCUC prefers, as IBC does not expect its second round of IRs to be extensive.<sup>12</sup> BCOAPO states that it was not advised that the purpose of the Workshop was to substitute the next round of IRs or that the Workshop was intended to be similar to a streamlined review process (SRP). If BCOAPO had been provided advance notice, it would have come prepared accordingly but instead came "for [a] regular workshop for additional information about the application." As such, BCOAPO requests a second round of IRs, followed by final and reply arguments. However, BCOAPO was not able to provide information on the topics it wishes to pursue in further IRs.<sup>13</sup>

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<sup>5</sup> Workshop Transcript Volume 2, pp. 35–36.

<sup>6</sup> *Ibid.*, pp. 37–38.

<sup>7</sup> *Ibid.*, pp. 38, 42.

<sup>8</sup> *Ibid.*, pp. 39–40.

<sup>9</sup> *Ibid.*, p. 40.

<sup>10</sup> *Ibid.*, pp. 40–41.

<sup>11</sup> *Ibid.*, pp. 43–44.

<sup>12</sup> *Ibid.*, pp. 40, 44.

<sup>13</sup> *Ibid.*, pp. 41, 43.

In reply, ICBC points out that there will always be more information that could be gathered in additional rounds of IRs, but it is up to the BCUC to determine whether that additional information is required to make a determination on the Application and whether it is proportional process.<sup>14</sup> ICBC states: “the nature of the workshop really developed as the workshop was presented today.” To the extent that interveners have questions that can be left on the record today, ICBC would consider those, but its primary submission is that the Workshop was in effect a replacement for a second round of IRs.<sup>15</sup>

### *Panel Determination*

**The Panel determines that proceeding directly to final and reply argument in the regulatory timetable is warranted.** The Panel finds that neither IBC nor BCOAPO have demonstrated how a second round of IRs to ICBC would better inform the Panel’s decision making with respect to this Application as no topic areas were identified for the additional information they seek to obtain. In addition to the information provided by ICBC through their presentations, and the clarification that was provided during the question-and-answer periods for each presentation, the Workshop provided an opportunity for any additional questions, akin to the second round of written IRs. For example, McCandless sought clarification on a matter in the Application that was not addressed through the presentations.<sup>16</sup>

The Panel notes that, in the BCUC’s letter dated March 6, 2023, which was issued almost one month prior to the Workshop, the BCUC outlined the purpose of the Workshop and stated that the participants will have the opportunity to ask any further questions of ICBC with respect to the Application and the associated documents in the evidentiary record.<sup>17</sup> As such, the Panel considers that ample notice was provided to the parties with respect to the format of the Workshop, including the question period from registered participants and the BCUC in the format, and expected that parties would have come prepared to the Workshop accordingly. In future proceedings, interveners are encouraged to submit any comments or questions with respect to the purpose of any workshop in advance, if clarification is required.

The Panel is satisfied that this decision balances the interests of parties between regulatory efficiency and regulatory cost effectiveness, versus procedural opportunities to expand the evidentiary record.

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<sup>14</sup> Ibid., p. 42.

<sup>15</sup> Ibid.

<sup>16</sup> Ibid., pp. 44–48.

<sup>17</sup> Exhibit A-5.