



**ORDER NUMBER
G-266-23**

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

on October 11, 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. 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 to change a term or condition of any plan of Basic insurance and does not regulate ICBC's Optional insurance business;
- C. A revenue requirement application reviews ICBC's requested Basic insurance rate change, which affects all Basic insurance policy holders equally;
- D. On December 12, 2022, the Lieutenant Governor in Council approved Order in Council No. 666/22 amending Special Direction IC2 such that, for 2023, the policy year begins on April 1, 2023 and ends on March 31, 2025 and the BCUC must not decrease existing rates, among other matters;
- E. By Order G-2-23 dated January 10, 2023, the BCUC approved the requested zero percent change to ICBC's Basic insurance rates on an interim basis;

- F. By orders G-2-23 and G-81-23, the BCUC established a regulatory timetable for the review of the Application, which included public notice, intervener registration, one round of BCUC and intervener information requests (IRs) to ICBC, a workshop, and final and reply arguments that concluded on June 27, 2023;
- G. On August 18, 2023, ICBC filed an errata (Errata) to its response to an intervener IR;
- H. On August 22, 2023, the BCUC reopened the evidentiary record to admit the Errata and requested submissions from interveners outlining any concerns related to the Errata including whether any further regulatory process was warranted. The BCUC did not receive any submissions;
- I. The BCUC has reviewed the Application and submissions 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. The proposed Basic insurance rate change of zero percent is approved on a permanent basis for all new or renewal policies with an effective date on or after April 1, 2023.
- 2. The proposed change to the New Money Rate and Yield on Capital Available for Rate Setting formulae to include leverage for PY 2023 and on a go forward basis is approved.
- 3. ICBC is directed to file its next Performance Measures report on or before December 15, 2023 and its next Road Safety report on or before December 15, 2024.
- 4. ICBC's request to discontinue reporting on the Legal Representation Conversion Rate in future revenue requirements applications is approved.
- 5. ICBC's request to keep the following information confidential is accepted:
 - The unredacted version of Chapter 8, Appendix 8J – 2022/23 Annual Information Technology Capital Expenditure Plan; and
 - 2023.1 RR BCUC.43.1-5.
- 6. ICBC is directed to file with the BCUC, within 30 days of the issuance of this order, amended Basic insurance tariff pages in accordance with the terms of this order.
- 7. ICBC must comply with all other terms and directives in the decision issued concurrently with this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of October 2023.

BY ORDER

Original signed by:

E. B. Lockhart
Commissioner