



**ORDER NUMBER
G-36-24**

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
Extend the Eligibility of the Distance Factor

BEFORE:

B. A. Magnan, Commissioner

on February 9, 2024

ORDER

WHEREAS:

- A. On January 15, 2024, the Insurance Corporation of British Columbia (ICBC) filed an application with the British Columbia Utilities Commission (BCUC) to extend the eligibility of the Distance Factor discount to allow customers the ability to retain the discount upon vehicle substitutions or ownership changes, effective June 1, 2024 (Application);
- B. On August 9, 2018, by Order in Council No. (OIC) 458/18 and 459/18, the Lieutenant Governor in Council directed ICBC to apply to the BCUC for approval of rate design amendments as set out in OIC 458/18 (the 2018 Rate Design Directive), and directed the BCUC to regulate and fix the rates using the factors, criteria and guidelines set out in OIC 458/18;
- C. By Order G-188-18 with accompanying reasons for decision dated September 28, 2018, the BCUC approved, among other matters, certain Basic insurance Tariff (Tariff) pages in the ICBC 2018 Basic Insurance Rate Design Application, including Schedule Y: Distance Factor;
- D. By the 2018 Rate Design Directive in OIC 458/18, ICBC is directed by the Lieutenant Governor in Council to bring forward to the BCUC for approval any changes to the Tariff language necessary to ensure the original intent is achieved after consultation with the ministry responsible;
- E. On February 6, 2024, ICBC filed supplementary information in response to BCUC staff questions related to the Application;

- F. ICBC submits that the proposed amendments to Schedule Y of the Tariff to the Distance Factor eligibility requirements bring consistency in how the discount is applied across all vehicle substitutions and ownership changes and build upon the intent as introduced under the 2018 Rate Design Directive;
- G. ICBC confirms that it has discussed the Application with the ministry responsible in accordance with the 2018 Rate Design Directive and the estimated impact on Basic insurance rates resulting from the Application is in accordance with Canadian accepted actuarial practice;
- H. 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;
- I. The BCUC has reviewed the Application and associated documents and considers that approval of the Application is warranted.

NOW THEREFORE the BCUC approves the Tariff amendments as set out in Appendix A of the Application to allow ICBC's customers to retain the Distance Factor discount in their current term upon vehicle substitutions or ownership changes, effective June 1, 2024.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of February 2024.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner