



PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 615 , Approved and Ordered August 24, 2016


Administrator
Administrator

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the ~~Lieutenant Governor~~ ^{Administrator}, by and with the advice and consent of the Executive Council, orders that approval is given to the attached directive issued by the Minister of Transportation and Infrastructure to the corporation and dated August 22, 2016.


Minister of Transportation and Infrastructure


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: Insurance Corporation Act, R.S.B.C. 1996, c. 228, s. 47

Other: B.C. Reg. 307/2004, s. 3 (4)

August 23, 2016

page 1 of 3

O/646/2016/22



August 22, 2016

Barry Penner, QC
Board of Directors
Insurance Corporation of British Columbia
Executive Office
151 West Esplanade, Room 517
North Vancouver BC V7M 3H9

Reference: 259627

Dear Chair Penner:

I am writing to provide direction to the Insurance Corporation of British Columbia (ICBC) regarding transfer of both capital and income from ICBC's optional vehicle insurance business to its universal compulsory vehicle insurance business.

As you are well aware, ICBC continues to experience ongoing pressure in terms of bodily injury and material damage claims costs and erosion of universal compulsory vehicle insurance capital levels. While it is recognized that ICBC is implementing a number of claims management strategies, the full impact of these strategies in terms of universal compulsory vehicle insurance rates will take time to achieve. In the interim, in order to ensure that universal compulsory vehicle insurance rates remain affordable for British Columbians and the universal compulsory vehicle insurance business retains sufficient capital, ICBC is directed to:

1. Transfer \$172 million of optional vehicle insurance business capital to its universal compulsory vehicle insurance business by August 31, 2016;
2. Transfer \$201 million of income from its optional vehicle insurance business to its universal compulsory vehicle insurance business on November 1, 2016 for the purpose of offsetting claims costs for universal compulsory vehicle insurance policies written in the 2016 policy year (November 1, 2016 through October 31, 2017); and
3. Transfer \$99 million of income from its optional vehicle insurance business to its universal compulsory vehicle insurance business on April 1, 2017 for the purpose of offsetting claims costs for universal compulsory vehicle insurance policies written between November 1, 2016 and March 31, 2017.

.../2

This letter of direction is a government directive within the meaning of that term as it may be defined in Special Direction IC2 to the British Columbia Utilities Commission (B.C. Reg. 307/2004).

Sincerely,

A handwritten signature in black ink, appearing to read "Todd G. Stone". The signature is written in a cursive style with a large initial "T".

Todd G. Stone
Minister