

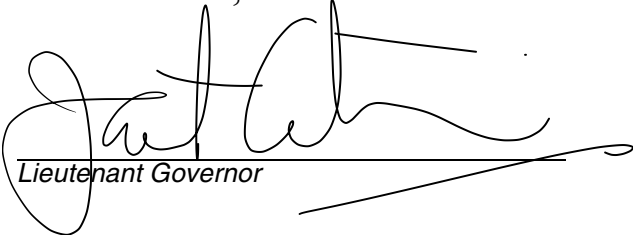
PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 633

, Approved and Ordered

December 14, 2020



Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that Special Direction IC2 to the British Columbia Utilities Commission, B.C. Reg. 307/2004, is amended as set out in the attached Schedule.



Minister of Public Safety and Solicitor General



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, ss. 44 and 47

Other: OIC 647/2004

R10466343

## SCHEDULE

**1 Section 1 (1) of Special Direction IC2 to the British Columbia Utilities Commission, B.C. Reg. 307/2004, is amended**

- (a) by repealing the definition of “extended policy period”, and**
- (b) in the definition of “policy year” by repealing paragraphs (a) and (b) and by adding the following paragraphs:**
  - (b.1) the period beginning on April 1, 2020 and ending on April 30, 2021;
  - (b.2) the period beginning on May 1, 2021 and ending on March 31, 2023; .

**2 Section 3 (1) is amended**

- (a) by repealing paragraphs (a.01) to (a.2),**
- (b) by adding the following paragraphs:**
  - (a.4) despite paragraph (a), require the corporation to apply by December 15, 2020 for a general rate change order for rates to be effective May 1, 2021;
  - (a.5) during the 2021 policy year, refrain from issuing a general rate change order for that policy year unless the corporation applies for the order; ,
- (c) in paragraph (c) by striking out “paragraphs (g) and (j) to (t)” and substituting “paragraphs (g) and (j) to (v)”;**
- (d) in paragraph (c) (i) (B) by striking out “March 31, 2018” and substituting “March 31, 2020” and by striking out “November, 2018” and substituting “November, 2020”;**
- (e) in paragraph (c) (ii) by striking out “April 1, 2017” and substituting “April 1, 2020”;**
- (f) in paragraph (c) (ii) by striking out “and extensions”, by striking out “and extension” and by striking out “Extension and”;**
- (g) in paragraph (c) (ii) by striking out “November 1, 2018” and substituting “August 21, 2020”, and**
- (h) by adding the following paragraphs:**
  - (e.1) despite paragraph (d), for the 2021 policy year, ensure that rates are set in accordance with the capital management plan in existence on May 27, 2016,
    - (i) excluding the capital build or release provisions of that plan,
    - (ii) substituting a capital build provision that would result in an 11.5 percentage point increase to the general rate change, after accounting for the effect on the capital build amount of investment income and expenses that vary with the amount of premium collected from a policyholder, and

- (iii) using a calculation in relation to the capital maintenance provision that neither increases nor decreases the percentage number of a rate change fixed by a general rate change order for the 2021 policy year;
- (u) despite paragraph (j), within 30 days of the corporation applying in accordance with the government directive dated November 30, 2020 for changes to rates, including a rebate, in connection with the *Attorney General Statutes (Vehicle Insurance) Amendment Act, 2020*, approve and set the changes to rates;
- (v) despite paragraph (j), when regulating and fixing universal compulsory vehicle insurance rates for the 2021 policy year, regulate and fix those rates in accordance with
  - (i) the government directive to the corporation dated November 30, 2020 for changes to rates, including a rebate, in connection with the *Attorney General Statutes (Vehicle Insurance) Amendment Act, 2020*, and
  - (ii) the government directive to the corporation dated November 30, 2020 in relation to its application for a general rate change order for the 2021 policy year.

**3 Section 3 (1.1) is amended**

- (a) *by adding* “other than the 2021 policy year,” *after* “vehicle insurance rates,” *and*
- (b) *by adding* “and” *at the end of paragraph (a)*, *by striking out* “and” *at the end of paragraph (b)* *and by repealing paragraph (c)*.

**4 Section 3 (1.2) and (1.3) is amended by striking out** “the extended policy period or”.

**5 Section 3.1 is repealed.**

**6 Section 3.2 is amended by adding the following subsection:**

- (3) The rate change order referred to in subsection (1) (b) is deemed to apply to the 2020 policy year as defined in paragraph (b.1) of the definition of “policy year” in section 1 (1).

**7 The following section is added:**

**Directions relating to 2022**

- 3.3** Despite section 3, the commission must, by January 15, 2021, exempt the corporation from the requirements to
  - (a) apply for a general rate change order by December 15, 2021, and
  - (b) file with the commission any reports and information that, but for the exemption, the corporation would have been required to file with the application in support of a general rate change order described in paragraph (a).