

Progress Report

Ministry: Insurance Corporation of British Columbia (ICBC)

Ministry of Public Safety and Solicitor General

Date: 23/02/2011

Sauce Update on 1930's Transformation Program

Previous Direction:

s.12,s.13

Action Taken and Outcomes:

s.12,s.13



Transformation Program Update: s.12,s.13



s.12,s.13

Contact: Anwar	Chaudhry,	Controller
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ICBC

(604) 661-6663

Honourable Rich Coleman

FEB 2 2 2011

Date Signed



Insurance Corporation of British Columbia Transformation Program

Submitted to Treasury Board February 2011

Page 005 to/à Page 027

Withheld pursuant to/removed as

s.12;s.13



CLIFF Tracking #: 263628

Date Received: March 26 2016

Submission: FIN 262628

Analyst: Don Fige.

Progress Report

Ministry:

Insurance Corporation of British Columbia (ICBC)

Ministry of Finance

Date:

24/02/2012

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Previous Direction:

s.12,s.13

Transformation Program Update:

s.12,s.13

Page 029

Withheld pursuant to/removed as

s.12;s.13



s.12,s.13

Outstanding Issues:

s.12,s.13

Contact: Anwar Chaudhry, Controller ICBC

(604) 982-6663

Date Signed



Insurance Corporation of British Columbia Transformation Program

Submitted to Treasury Board February 2012

Page 032 to/à Page 073

Withheld pursuant to/removed as

s.12;s.13



CLIFF tracking #: 268374 Date received: March 20, 2013 Submission: TRAN/TB 14-13 Analyst: Sam Broadbent

Treasury Board Submission -

Request for Decision

Minister:

The Honourable Mary Polack

Ministry:

Insurance Corporation of BC (ICBC)

(Ministry of Transportation and Infrastructure)

Date:

March 28, 2013

Ministry Document #: TB 14/13

Tille: Approvation GEC's Transformation Project 2013 budget

Jasue:

s.12,s.13

Requasit

s.12,s.13

Implications and Considerations:

s.12.s.13



s.12,s.13

Background / Context;

ICBC is replacing / upgrading its aging systems and business processes, which is done through a multi-year, multi-project initiative called the Transformation Program (TP). 2013 will be the fourth year of the program.

In 2010, ICBC was authorized through Government Directive specified Order-in-Council 222/2010 to recover only the operational costs and depreciation expenses for capital projects associated with ICBC's TP from Optional Insurance capital.

The 2010 Government Directive specified certain conditions including the requirement that Treasury Board annually approve each year's TP expenses and a spending limit of \$400 million over the life of the program.



Discussion:

s.12,s.13



s.12,s.13

ontact:	Geri Prior	11 11 11 1
	Chief Financial Officer, ICBC	(Markelale)
	(604) 982-2432	Honourable Mary Polak



Insurance Corporation of British Columbia Transformation Program

Submitted to Treasury Board March 2013 Page 079 to/à Page 108

Withheld pursuant to/removed as

s.12;s.13



APPENDIX F - OIC 222/2010 - TP Funding Directive



PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

222

, Approved and Ordered

APR 2 9 2018

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Literature Covernor, by and with the advice and consent of the Executive Council, orders that approval is given to the directive issued by the Minister of Public Safety and Solicitor General to the corporation dated April 19, 2010.

Minister of Finance and Deputy Premier

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:-Other (specify):-

Insurance Curporation Act, R.S.B.C. 1996, c. 228, s. 47

April 19, 2610

O/281/2010/7

page ! of !





April 19, 2010

Mr. T. Richard Tutner Chair Insurance Corporation of British Columbia Room 517, 151 West Esplanade North Vancouver BC V7M 3H9

Dear Mr. Turnen

The Insurance Corporation of British Columbia ("ICBC") has identified a need to embatk on a significant program aimed at updating the systems and processes in place at the corporation, which is referred to as the Transformation Program. I am writing this letter of direction to ICBC about this Program.

Government recognizes the importance of ICBC re-investing sufficient capital in its business through the Transformation Program so as to permit ICBC to enhance the quality of service to all universal compulsory automobile insurance and optional automobile insurance ratepayers. Government also supports limiting the impact of ICBC's investment in the Transformation Program on universal compulsory automobile insurance rates.

ICBC is therefore authorized to undertake the Transformation Program which I understand to be estimated at a cost of \$400 million. A description of the scope of this Program is included as in the Schedule to this letter.

In the absence of this directive, all of the costs associated with the Transformation Program would be allocated between optional automobile insurance and universal compulsory automobile insurance based on the methodology approved by the British Columbia Utilities Commission. However, with respect to certain costs associated with the Transformation Program that meet the criteria outlined below ("Optional-Funded Transformation Program Costs"), ICBC is directed to use optional automobile insurance capital available to also cover the portion of those costs that would otherwise be allocated to universal compulsory automobile insurance. ICBC is further directed not to seek recovery of any portion of these Optional-Funded Transformation Program Costs in universal compulsory automobile insurance rates.

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Ministry of Public Safety and Solicitor General Office of the Musister Mailing Address: PO Box 9053 Sen Peor Gove Victoria BC V8W 9E3



Mr. T. Richard Tumer Page 2

The use of optional automobile insurance capital available to pay for Optional-Funded Transformation Program Costs is warranted in these special circumstances. ICBC should not, in the absence of a government directive, use optional automobile insurance capital available to pay for costs appropriately allocated to universal compulsory automobile insurance in accordance with the cost allocation methodology approved by the British Columbia Utilities Commission from time to time.

It is therefore important to place clear parameters around the amount and types of Transformation Program costs that are to be considered Optional-Funded Transformation Program Costs as follows:

- Optional-Funded Transformation Program Costs can include only project operational costs and depreciation expense for project capital costs related to the Transformation Program.
- On an annual (calendar year) basis, Optional-Funded Transformation Program Costs will
 be limited to the total budgeted amount of Transformation Program project operational
 costs and depreciation expense for project capital costs for that year that is approved by
 Treasury Board.

Actual Optional-Funded Transformation Program Costs spent over the life of the Transformation Program will be limited to a cumulative total of \$400 million. For clarity, Optional-Funded Transformation Program Costs are not to include any of the following:

- Post-implementation costs and ongoing operating costs associated with the systems and processes implemented as part of the Transformation Program.
- Costs associated with future upgrades and enhancements to the systems and processes that had been funded as Optional-Funded Transformation Program Costs.
- Actual Transformation Program costs expensed, in a given calendar year, that exceeds the budget approved by Treasury Board; or
- Actual costs associated with the Transformation Program in excess of the \$400 million cumulative limit.

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Mr. T. Richard Turnet Page 3

In order to ensure that Optional-Funded Transformation Program Costs are not recovered in universal compulsory automobile insurance rates, ICBC is directed to comply with the following requirements:

- Treasury Board will, for each calendar year, approve a deduction from any amount payable under an Optional Capital Payment Order issued by the Lieutenant Governor in Council pursuant to section 26 of the Insurance Corporation Act that authorizes such deductions. The amount of any deduction will be equal to at least \$400 million, less the cumulative amount of Optional-Funded Transformation Program Costs expensed over the life of the Transformation Program to the end of the last calendar year. This deduction will be based on ICBC's update on the Transformation Program to be provided to Treasury Board within 30 days after the end of the previous calendar year.
- In determining its forecast revenue requirements for universal compulsory automobile insurance, ICBC will deduct the budgeted amount of Optional-Funded Transformation Program Costs approved by Treasury Board for the calendar year from ICBC's forecast corporate operating costs, before allocating the remaining forecast corporate operating costs as between universal compulsory automobile insurance and optional automobile insurance in accordance with the cost allocation methodology approved by the British Columbia Utilities Commission from time to time.

This letter of direction is a government directive within the meaning of that term as defined in Special Direction IC2 to the British Columbia Utilities Commission.

Yours truly

Michael de Jong, Q.C. Anomey General Solicitor General

Government House Leader

Enclosure



Schedule to Directive Scope of Transformation Program

The Transformation Program involves the transformation of ICBC's service delivery model, including:

- (a) the provision of replacement and new systems, technology and processes to support the claims and insurance operations;
- (b) the provision of enhanced product options and customer service functionality for purchasing insurance, vehicle licensing, and claims initiation and processing;
- (c) the provision of processes, systems and technology to support a more direct link between premiums and driver risk;
- (d) the provision of processes, systems and technology to support enhanced training and workforce mobility for corporation staff;
- (e) the provision of processes, systems and technology to support employee collaboration and employee communication;
- (f) the provision of processes, systems, technology and training to key business partners to support improved customer service; and
- (g) the provision of program and project support, infrastructure, processes, systems, technology and training to enable ICBC to deliver on (a) to (f).

As previously indicated, actual Optional-Funded Transformation Program Costs spent over the life of the Transformation Program will be limited to a cumulative total of \$400 million.



CLIFF Tracking #: 335165 Date Received: March 19 2014 Submission: TRAN/TB 05-14

Analyst: Alex Chandler

Treasury Board Submission Request for Decision

Minister:

Honourable Todd Stone

Ministry:

Ministry of Transportation and Infrastructure

Date:

March 6, 2014

Ministry Document #: TB 05/14

Title: Approval of ICBC's fransformation Program 2014 Budget

Issue: s.12,s.13

Implications and Considerations:

s.12,s.13



s.12,s.13

Background / Context:

ICBC is replacing / upgrading its aging systems and business processes, which is done through a multi-year, multi-project initiative called the Transformation Program (TP). 2014 will be the fifth year of the program.

In 2010, ICBC was authorized through Government Directive specified Order-in-Council 222/2010 to recover only the project operational costs and depreciation expenses for capital projects associated with ICBC's TP from Optional Insurance capital.

The 2010 Government Directive specified certain conditions including the requirement that Treasury Board annually approve each year's TP expenses and a spending limit of \$400 million over the life of the program.



Discussion:

s.12,s.13

Page 118

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s.12;s.13



s.12,s.13

Contact: Geri Prior

Chief Financial Officer, ICBC

604 982-2432

Honourable Todd Stone
Minister of Transportation and

Infrastructure

March 19, 2014

Date Signed



Insurance Corporation of British Columbia Transformation Program

Submitted to Treasury Board March 2014

(draft v2 dated Mar 5, 2014)

Page 121 to/à Page 155

Withheld pursuant to/removed as

s.12;s.13



APPENDIX F - OIC 222/2010 - TP FUNDING DIRECTIVE



PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

222

, Approved and Ordered

APR 2 9 2810

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenan Covernor, by and with the advice and consent of the Executive Council, orders that approval is given to the directive issued by the Minister of Public Safety and Solicitor General to the corporation dated April 19, 2010.

Muster of Unionite and Deputy Fremier

(This past infor administration purposes only and to not paid of the Corder)

Authority under which Order is made:

Act and smallent-Other (specify):-

Insurance Corporation Act, R.S.B.C. 1996, p. 228, s. 47

April 19, 2016

Q/281/2010/7

page ! of !





April 19, 2010

Mr. T. Richard Turner Chair Insurance Corporation of British Columbia Room 517, 151 West Esplanade North Vancouver BC V7M 3H9

Dear Mr. Turnet:

The Insurance Corporation of British Columbia ("ICBC") has identified a need to embark on a significant program simed at updating the systems and processes in place at the corporation, which is referred to as the Transformation Program. I am writing this letter of direction to ICBC about this Program.

Georgianical mangaines the impresence of LAC in intensing sufficient capital in its business through the Transformation Fragum to so to permit LCBC as enhance the quality of sources of all endowned crompalacey entensible becauses and applical automobile because intensions. Government also impress limiting the impost of LCBCs becauses in the Transformation Program on activities compalacey automobile insumes table.

ICBC is therefore outherwised to conductate the Transformastion Program which I understand to be estimated at a cost of \$460 without. A description of the scope of this Program is included as in the Soberfule to this lower.

In the absence of this discrive, all of the crete associated with the Transformation Program would be allocated between optional associated between and universal completely appeared by the India's Colombia Utilities Commission. Showever, with respect to active used successed with the Transformation Program that must be entered outlied before l'Optional-Funded Transformation Program Count', ICEC is the entered outlied before l'Optional-Funded Transformation Program Count', ICEC is the entered to use optional nutronable branches contains also cover the perion of these costs that would otherwise be allocated to universal comprisony constantly because of the funded funded Transformation Program Costs in covernal computercy sustainabile insurance rates.

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Mr. T. Richard Turner Page 2

The use of optional automobile insurance capital available to pay for Optional-Funded Transformation Program Costs is warranted in these special circumstances. ICBC should not, in the absence of a government directive, use optional automobile insurance capital available to pay for costs appropriately allocated to universal compulsory automobile insurance in accordance with the cost allocation methodology approved by the British Columbia Utilities Commission from time to time.

It is therefore important to place clear parameters around the amount and types of Transformation Program costs that are to be considered Optional-Funded Transformation Program Costs as follows:

- Optional-Funded Transformation Program Costs can include only project operational costs and depreciation expense for project capital costs related to the Transformation Program.
- On an annual (calendar year) basis, Optional-Funded Transformation Program Costs will
 be limited to the total budgeted amount of Transformation Program project operational
 costs and depreciation expense for project capital costs for that year that is approved by
 Treasury Board.

Actual Options: Funded Transformation Program Costs apon over the life of the Transformation Program will be limited to a cumulative total of \$400 million. For clarity, Optional Funded Transformation Program Costs are use to lacked say of the following:

- Post-implementation costs and ongoing operating costs associated with the systems and processes implemented as part of the Transformation Program.
- Costs associated with future upgrades and cubancements to the systems and peopeses that bad been funded as Optional-Funded Transformation Program Costs.
- Actual Transformation Program custs expensed, in a given calendar year, that exceeds the budget approved by Transmy Board; or
- Actual coats associated with the Transformation Program in excess of the \$400 million cumulative limit.

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Mr. T. Richard Turner Page 3

In order to ensure that Optional-Funded Transformation Program Costs are not recovered in universal compulsory automobile insurance rates, ICBC is directed to comply with the following requirements:

- Treasury Board will, for each calendar year, approve a deduction from any amount payable under an Optional Capital Payment Order issued by the Lieutenant Governor in Council pursuant to section 26 of the Insurance Corporation Air that authorizes such deductions. The amount of any deduction will be equal to at least \$400 million, less the cumulative amount of Optional-Funded Transformation Program Costs expensed over the life of the Transformation Program to the end of the last extendar year. This deduction will be based on ICBC's update on the Transformation Program to be provided to Treasury Board within 30 days after the end of the previous calendar year.
- In determining its forecast revenue requirements for universal compulsory automobile insurance, ICBC will deduct the budgeted amount of Optional-Funded Transformation Program Costs approved by Treasury Board for the calendar year from ICBC's forecast corporate operating costs, before allocating the remaining forecast corporate operating costs as between universal compulsory automobile insurance and optional automobile insurance in accordance with the cost allocation methodology approved by the British Columbis Utilities Commission from time to time.

This letter of direction is a government directive within the meaning of that term as defined in Special Direction IC2 to the British Columbia Utilities Commission.

Yours puly.

Michael de Jong, Q.C. Attorney General Solicius General

Government House Leader

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Schedule to Directive Scope of Transformation Program

The Transformation Program involves the transformation of ICBC's service delivery model, including:

- (a) the provision of replacement and new systems, technology and processes to support the claims and insurance operations;
- (b) the provision of enhanced product options and customer service functionality for purchasing insurance, vehicle licensing, and claims initiation and processing;
- (c) the provision of processes, systems and technology to support a more direct link between premiums and driver risk;
- (d) the provision of processes, systems and technology to support enhanced training and workforce mobility for corporation staff;
- (e) the provision of processes, systems and technology to support employee collaboration and employee communication;
- the provision of processes, systems, technology and training to key business partners to support improved customer service; and
- (g) the provision of program and project support, intrastructure, processes, systems, rectuology and training to enable ICHC to deliver on (a) to (f).

As previously inticated, sexual Optional-Funded Tennication Program Costs spent over the life of the Transformation Program will be limited to a completive total of \$400 million.



Treasury Board Submission Request for Decision | CLIFF: 342576

Minister: Honourable Todd Stone

Ministry: Ministry of Transportation and Infrastructure

Date: March 12, 2015 Ministry Document #:12-15

ICEC's Transformation Program 2015 Budget

Title Issue:

s.12,s.13

Implications and Considerations:

s.12,s.13

Date Received: March 19, 2015

Submission: TRAN / 12-15 Analyst: Alex Chandler Page 163

Withheld pursuant to/removed as



Background / Context:

ICBC is replacing / upgrading its aging systems and business processes, which is done through a multi-year, multi-project initiative called the Transformation Program (TP).

In 2010, ICBC was authorized through Order-in-Council 222/2010 to fund up to \$400 million of project operational costs and depreciation expenses for capital projects associated with ICBC's TP from Optional Insurance capital. The 2010 Government Directive specified certain conditions including the requirement that Treasury Board annually approve each year's TP project operational costs and depreciation expense.

Discussion:

s.12,s.13

Page 165 to/à Page 168

Withheld pursuant to/removed as



Attachment (1): Transformation Program 2014 Report

Contact:

Geri Prior

Chief Financial Officer, ICBC

(604) 982-2432

March 19, 2015

Date Signed

Page 170 to/à Page 174

Withheld pursuant to/removed as

Insurance Corporation of British Columbia Transformation Program 2014 Report

Submitted to Treasury Board March 2015 Page 176 to/à Page 210

Withheld pursuant to/removed as



APPENDIX F - OIC 222/2010 - TP FUNDING DIRECTIVE

PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Causoff No.	222	, Approved and Octored	APR 2 9 2018
			1/52.7
			Al Truck
Executive Council Chan	rivers. Victoria		Administrator

On the recommendation of the undersigned, the Lieutenant German, by and with the advice and consent of the Executive Council, orders that approval is given to the directive issued by the Minister of Public Satety and Solicitor General to the corporation dated April 19, 2010.

Minister of Finance and Deputy Pranier Presiding Member of the

(This pass to for administrative graptures only and it was past of the Order)

Authority under which Order is made:

Act and section——— Inverance Corporation Act, R.S.B.C. 1996, g. 228, a. 47 Other (specify):-

April 19, 2010

0/281/2010/7

page flot i





April 19, 2018

Mr. T. Richard Turner Chair Insurance Corporation of British Columbia Room 517, 151 West Esplanade Nacth Vancouver BC V7M 3149

Dear Mr. Tomer.

The Insurance Corporation of British Columbia ("ICBC") has identified a need to embatk on a significant program aimed at updating the systems and processes in place at the corporation, which is referred to as the Transformation Program. I am writing this letter of direction to ICBC about this Program.

Government recognizes the importance of ICBC re-investing sufficient capital in its business through the Transformation Program so as to permit ICBC to enhance the quality of service to all universal compulsory automobile insurance and optional automobile insurance ratepayers. Government also supports limiting the impact of ICBC's investment in the Transformation Program on universal compulsory automobile insurance rates.

ICBC is therefore authorized to undertake the Transformation Program which I understand to be estimated at a cost of \$400 million. A description of the scope of this Program is included as in the Schedule to this letter.

In the absence of this directive, all of the costs associated with the Transformation Program would be allocated between optional automobile insurance and universal compulsory automobile insurance based on the methodology approved by the Bruish Columbia Utilities Commission. However, with respect to certain costs associated with the Transformation Program that meet the criteria outlined below ("Optional-Funded Transformation Program Costs"), ICBC is directed to use optional automobile insurance capital available to also cover the portion of those costs that would otherwise be allocated to universal compulsory automobile insurance. ICBC is further directed not to seek recovery of any portion of these Optional-Funded Transformation Program Costs in universal compulsory automobile insurance rates.

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Ministry of Public Safaty and Solicitor General Office of the Minister Milbag Address: PO Ber 1053 Sin Ptor Gove Victoria BC VSW 9£1



Mr. T. Richard Turner Page 2

The use of optional automobile insurance espital available to pay for Optional-Funded Transformation Program Costs is warmated in these special circumstances. ICBC should not, in the absence of a government directive, use optional automobile insurance capital available to pay for costs appropriately allocated to universal compulsory automobile insurance in accordance with the cost allocation methodology approved by the British Columbia Utilities Commission from time to time.

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- Post-implementation costs and ongoing operating costs associated with the systems and processes implemented as part of the Transformation Program.
- Costs associated with future upgrades and enhancements to the systems and processes that had been funded as Optional-Funded Transformation Program Costs.
- Actual Transformation Program costs expensed, in a given calendar year, that exceeds the budget approved by Treasury Board; or
- Actual costs associated with the Transformation Program in excess of the \$400 million comulative limit.

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Mr. T. Richard Turner Page 3

In order to ensure that Optional-Funded Transformation Program Costs are not recovered in universal compulsory automobile insurance rates, ICBC is directed to comply with the following requirements:

- Treasury Board will, for each calendar year, approve a deduction from any amount payable under an Optional Capital Paparat Onler issued by the Licenceant Governor in Council pursuant to section 26 of the Internate Carporation Act that authorizes such deductions. The amount of any deduction will be equal to at least \$400 million, less the canadative amount of Optional-Funded Transformation Program Costs expensed over the life of the Transformation Program to the end of the last extender year. This deduction will be based on ICBC's update on the Transformation Program to be provided to Treasury Board within 30 days after the end of the previous calendar year.
- In determining its forecast revenue requirements for universal compulsory automobile insurance, ICBC will deduct the budgeted amount of Optional-Funded Transformation Program Costs approved by Treasury Board for the calendar year from ICBC's forecast corporate operating costs, before allocating the remaining forecast corporate operating costs as between universal compulsory automobile insurance and optional automobile insurance in accordance with the cost allocation methodology approved by the British Columbia Utilities Commission from time to time.

This letter of direction is a government directive within the meaning of that term as defined in Special Direction IC2 to the British Columbia Utilities Commission.

Yours truly.

Michael de Jong, Q.C. Attorney General Solicitor General

Government House Leader

Enclosure



Schedule to Directive Scope of Transformation Program

The Transformation Program involves the transformation of ICBC's service delivery model, including:

- (a) the provision of replacement and new systems, technology and processes to support the claims and insurance operations;
- (b) the provision of enhanced product options and customer service functionality for purchasing insurance, vehicle licensing, and claims initiation and processing;
- (c) the provision of processes, systems and technology to support a more direct link between premiums and driver risk;
- (d) the provision of processes, systems and technology to support cubanced training and workforce mobility for corporation staff;
- (e) the provision of processes, systems and technology to support employee collaboration and employee communication;
- (f) the provision of processes, systems, technology and training to key business pattners to support improved customer service; and
- (g) the provision of program and project support, infrastructure, processes, systems, technology and training to enable ICBC to deliver on (a) to (f).

As previously indicated, actual Optional-Funded Transformation Program Costs spent over the life of the Transformation Program will be limited to a cumulative total of \$400 million.

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