

Mercer, Andrea TRAN:EX

Subject: HHVs / OFC
Location: Silas' Office

Start: Wed 2016-11-02 4:00 PM
End: Wed 2016-11-02 4:30 PM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: Mercer, Andrea TRAN:EX
Required Attendees: Brownsey, Silas TRAN:EX; Van Schaik, Connie TRAN:EX

s.13,s.17

We need to get some direction on this asap, or the opportunity to take these OICs to Cabinet on Nov 30th will be gone (it might already be gone)

Option 1

Take the original HHV (100% surcharge) and OFC changes forward on Nov 30th

Option 2

Take the original HHV (100% surcharge) and OFC change forward in Dec (Cabinet date TBC)

Option 3

s.13,s.17

Option 4

Postpone to January, continue to flush out policy options



BRIEFING NOTE

I. Prepared for: The Honourable Todd Stone, Minister responsible for ICBC, for **INFORMATION/DECISION/ACTION** etc.

II. Subject: s.13,s.17 **High Value Vehicle surcharge**

III. Background:

- Cabinet has approved a high value vehicle (HVV) BASIC surcharge of 100% on vehicles with an MSRP over \$150,000 to achieve greater fairness in rates, recognizing the extra costs being imposed on the insurance system by expensive luxury vehicles.
• s.13,s.17
- The HVV surcharge recognizes the extra costs imposed on the Basic insurance system by expensive vehicles, whether involved in at-fault crashes or not, which are currently being shared by all ICBC policyholders. Placing high value vehicles on the road contributes to overall system costs in a way that is not reflective in the current rate structure.
- However, when high value vehicles become a few years old, and worth less than new, the high repair costs do not diminish. High average cost of repairs for these vehicles continue to put an extra burden on Basic rates. After a number of years these high value vehicles depreciate to the point that they may be written off after a crash, and avoid the high cost of repairs.
• s.13,s.17
-
- The Cabinet approved Basic surcharge of 100% on vehicles with an MSRP over \$150,000 would affect an estimated 2,000 customers per year at an average additional cost of \$1,100. Basic revenues would increase by approximately \$2.2M annually.

IV. Discussion:

- s.13,s.17

ICBC BRIEFING NOTE

s.13,s.17

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- OIC and Tariff changes have been drafted and agreed to by ICBC and LegCo, under the current plan for a 100% BASIC surcharge on vehicles over \$150,000 to take effect March 31, 2017. s.13,s.17

s.13,s.17

Both Tariff's and OIC have been updated to reflect an implementation date of November 1, 2017.

Contact: Chris Tupper
Manager, Government
Partnerships and Programs
604-328-4271

Business Area Contact: Rob Wilson
Sr. Director Personal Insurance,
Broker Governance & Customer
Strategy, ICBC
(604) 982-6122

Date: October 29, 2016

Page 004 to/à Page 015

Withheld pursuant to/removed as

s.14

Rate Mitigation Measures: Implementation Plans

The following rate mitigation measures have been identified as a means of helping to reduce overall Basic rate increases and introducing greater levels of fairness to B.C.'s insurance system. These were identified by ICBC in June, 2016 and have been endorsed by Government for implementation in 2016/17:

1. Installation of Crash Avoidance Technology in Taxis
2. Allowing only a maximum of one free crash on Basic rates for lower-risk drivers
3. Increasing Basic rates on high value vehicles s.13,s.17

s.12,s.13,s.17

s.13,s.17

With the implementation of ICBC's new insurance system, PolicyCenter, an initial transition phase of up to six months for both system stabilization and the system's thousands of users is expected. The timing reflects the inherent complexity of the new system and will take into consideration anticipated functionality issues. To support changes to CRS levels (i.e., one free crash) and high value vehicle Basic rate tables, s.12,s.13,s.17

s.12,s.13,s.17

s.12,s. significant technical work will be required in many different insurance systems. By layering multiple system enhancements early into the deployment of PolicyCenter, ICBC has created an added level of complexity and risk to the system upgrades required to support the three measures, as well as creating risk and instability to PolicyCenter's implementation.

ICBC recommends an implementation date of January 1, 2017 for the luxury vehicle initiative(s) and March 31, 2017 for the 'one free crash' initiative, with the rate design applications for both measures filed in November 2016. These dates reflect the time required to stabilize PolicyCenter and the complexity involved in the technical systems work required s.13,s.17

These dates come with a high degree of risk as they could be affected by both the technical complexity of this work and potential unplanned issues that prolong the time it takes PolicyCenter to stabilize in the early months after implementation. However, there is opportunity for public communication at the time of the required rate design filings for the 'one free crash' and 'luxury vehicle' initiatives.

The installation of crash avoidance technology in taxis does not require a rate design filing and is not dependent on systems changes. Therefore it can be implemented this fall.

Installation of Crash Avoidance Technology in Taxis

Provide Optional premium refund for taxi fleets that install collision avoidance technology in their vehicles

Overview

ICBC's goal is to have Forward Crash Avoidance Technology (FCAT) installed in all vehicles used as taxis, in British Columbia. s.12,s.13,s.17

s.12,s.13,s.17 ICBC expects all taxi fleet operators to have engaged in the adoption process after one year, with a goal of incentivizing as many as possible to fully install the technology within that timeframe. Smaller communities experience less congestion and a lower crash frequency rate, therefore individual owner/operators and small fleets located within these smaller jurisdictions are unlikely to realize the reduction in crashes required to justify the technology installation. In addition to the immediate benefits described below, ICBC would further incentivize adoption of the technology by refunding a portion of the collision premium paid by fleets. This would be done in recognition of the material change in risk profile and anticipated improvement in loss experience resulting from adoption of the technology.

ICBC is engaged in consultation with the taxi industry and individual taxi fleet operators to discuss the benefits of and develop a plan to ensure the positive outcomes of adopting this technology are fully appreciated.

Background

Taxi fleets present a high cost to the Basic rate scheme in BC. FCAT technology has proven that it works in reducing front end crashes. Taxis have a high frequency of front end crashes. This initiative is to encourage the taxi industry to accelerate adoption of the technology into their fleet.

There are approximately 2,400 taxis in the Province, with approximately 1,700 in the Lower Mainland.

Taxis present a high risk for a range of reasons. They typically operate 24/7 in high volume traffic in urban environments where the risk of a crash is greater. On average, each taxi in the Lower Mainland is the at-fault vehicle in 1.25 crashes per year. This is twelve times the crash rate of other commercial vehicles. Taxi crash rates outside the Lower Mainland are less, but still three times higher than all other commercial vehicle classes. Overall, taxis represent 1% of the

total provincial commercial motor vehicles, yet represent approximately 10% of all commercial vehicle claims. Further, in the event of a taxi crash there is often passengers included in the claim.

Anticipated benefits

In 2014, ICBC conducted a pilot study to determine the road safety benefits of FCAT. Four Vancouver-based taxi companies were selected to participate in the study due to their large fleets having logged significant kilometers in high-risk traffic environments.

The FCAT units alerted the vehicle driver to potential front-end crashes with vehicles, cyclists, pedestrians and lane deviations. The study found a 61 per cent reduction in the at-fault, front-end crash rate, attributable to the use of the FCAT units.

It is anticipated that with the use of FCAT, the province will see an improvement in overall road safety, fewer collisions and injuries, and ultimately, reduced claims costs (combined Basic and Optional). Over a five year period, ICBC could see a potential at-fault front-end collision savings of over \$13 million if FCAT is installed in all vehicles in all taxi fleets across the Lower Mainland and approximately \$17 million if installed in every vehicle used as a taxi in B.C.

Customer impacts

Taxi operators would be responsible for the installation of the FCAT units, either as aftermarket or as equipment on a new vehicle. s.13,s.17
s.13,s.17

In encouraging voluntary adoption, ICBC does not intend to recommend a preferred hardware or installation vendor, thereby providing taxi fleets with a choice in vendor selection.

As part of the implementation agreement between ICBC and an individual taxi operator, there would be a signed document outlining the roles and responsibilities of each party and would include consequences (breach of contract) to the individual taxi if the technology was not present and operational at the time of an at-fault front-end crash.

Incentive for taxi owners to adopt FCAT

ICBC will work with the taxi industry to reduce crashes. Taxi operators would realize an immediate benefit of installing the FCAT units. They would no longer incur as many deductible and down-time costs, as the number of crashes experienced would be significantly reduced. In addition, having fewer crashes would result in a higher Fleetplan discount and lower premiums over time.

The premium impact would begin to materialize in Year Two with full benefit realization in Year Four of technology installation. While fleet discounts will vary across the industry, taxi owners who install FCAT can expect to see an increased discount of 1-5 per cent for Basic and Optional coverages with fewer crashes.

As an additional incentive to expedite adoption, ICBC would provide a manually calculated return of a portion of the Optional collision premium paid. s.13,s.17

s.13,s.17

s.13,s.17

This is an average, and the amount may vary between taxi fleets.

Critical path

ICBC has commenced communicating with taxi industry associations and individual taxi fleet operators with the goal of garnering their commitment for installation of FCAT technology in all vehicles used as a taxi. ICBC will be ready to implement this initiative in the Fall, 2016.

A) Optional premium refund:

Through voluntary installation of FCAT units by the taxi industry, and a manual refund at the end of the policy term of the Optional premium paid to ICBC, early adoption of FCAT in taxis and the resulting reduction in front-end crashes could begin as early as Fall, 2016. No regulatory or legislative amendments would be required.

It is ICBC's understanding that ongoing communication is occurring on a number of issues between Government and representatives of the taxi industry. It would be of benefit if Government would use these interactions as an opportunity to encourage the industry to work with ICBC on this initiative.

s.13,s.17

s.12

s.12

Proposed timeline for implementation of FCAT technology in taxis

Item	Action	Date
Design program requirements and policy	ICBC to outline specifics of program eligibility and governance policy	Aug 11, 2016
Stakeholder engagement	ICBC to continue discussions with taxi associations, taxi fleets, and independent owners	Aug 11-Oct 1
Board endorsement of plan	ICBC to present details of program criteria, policy, compliance rules, scope, and plan to achieve 100% adoption of FCAT in taxis fleets	Oct Board meeting
External communication	Announcement to media	Nov 28 (TBC)
Implementation	Implementation of FCAT can begin this Fall. Installation will be incremental as new fleets voluntarily adopt technology. s.13,s.17 s.13,s.17	Fall, with desired level of adoption achieved by June, 2017

'One Free Crash'

Allow maximum of one 'free crash' on Basic rates for lower-risk (-13 or higher CRS level) drivers

Overview

ICBC would like to improve fairness of Basic and Optional vehicle insurance rates amongst drivers of differing risk levels. As such, ICBC proposes revising the Claims Rated Scale (CRS) to limit the number of free claims that drivers can receive. Currently, drivers move one step down on the CRS for every year they do not have a crash, earning a five per cent discount for each step. As well, drivers move up the CRS three-to-six steps for each at-fault crash, depending on their initial position on the CRS (see Diagram 1.0). This change applies to Basic and Optional personal vehicle discounts, not to Commercial Fleetplan discounts.

As an example, at step -13 a driver who causes a crash moves up the CRS scale to step -9, but still receives the maximum 43 per cent discount on Basic rates – this is referred to as a 'free crash.' At step -16, a driver can cause two crashes yet still receive the maximum 43 per cent discount, and at step -19, a driver can be at-fault for three crashes and will continue to receive the maximum 43 per cent discount.

Although customers with a -13 CRS or higher do not lose their maximum discount on Basic rates, they do lose a portion of their discount on Optional rates. As such, it is not a 'free' claim but a claim with a modest increase in Optional rates, through loss of Optional discount.

Background

ICBC's Claims Rated Scale was introduced in 1982, as a bonus-malus system. CRS was updated in 2001 to slow discount growth and provide variable sanctions for at-fault crashes, depending on driver experience. CRS is now outdated and does not offer an effective disincentive for drivers who cause multiple crashes.

The majority of B.C. motorists (81 per cent) benefit from the maximum 43 per cent discount. Today, a driver can have up to three at-fault crashes and still receive the highest discount – the

same as a driver with 20 years of *no* at-fault crashes. The current CRS model does not enforce the financial consequences of a crash on the liable motorist and instead places it on all rate payers who must then pay added costs in order to maintain the system. Without financial consequences for causing repeated crashes, there is a lack of incentive for higher risk drivers to change their behaviour and reduce crashes.

Diagram 1.0 – Current CRS discount, Basic and Optional

	CRS Level	Basic Insurance Surcharges and Discounts	Chargeable claim? Move up:
Surcharge levels	+10	205%	6 steps
	+9	165%	6 steps
	+8	130%	6 steps
	+7	100%	6 steps
	+6	75%	6 steps
	+5	55%	6 steps
	+4	40%	6 steps
	+3	30%	6 steps
	+2	20%	6 steps
	+1	10%	6 steps
	0	Base Rate	6 steps
Discount levels	-1	5%	6 steps
	-2	10%	6 steps
	-3	15%	6 steps
	-4	20%	5 steps
	-5	25%	5 steps
	-6	30%	5 steps
	-7	35%	5 steps
	-8	40%	5 steps
	-9	43%	4 steps
	-10	43%	4 steps
	-11	43%	4 steps
	-12	43%	4 steps
	-13	43%	4 steps
	-14	43%	4 steps
	-15	43%	3 steps
	-16	43%	3 steps
	-17	43%	3 steps
	-18	43%	3 steps
	-19	43%	3 steps

CRS Level	Basic Discount	Average Optional Discount
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-9	43%	45%
-10	43%	46%
-11	43%	47%
-12	43%	47%
-13	43%	49%
-14	43%	50%
-15	43%	52%
-16	43%	53%
-17	43%	53%
-18	43%	54%
-19	43%	54%
-20	43%	57%

Anticipated benefits

ICBC estimates that implementing tougher financial consequences will increase Basic revenue by approximately \$8M annually, after six years.

Anticipated risks

Regulatory authority:

ICBC has regulatory authority to apply to the BC Utilities Commission (BCUC) for rate changes to the CRS under the *Insurance (Vehicle) Act* sec. 35(a).

In introducing rate design changes, there are various risks to a satisfactory outcome and the proposed timelines when applying through the BCUC regulatory process. s.12,s.13,s.17
s.12,s.13,s.17

System impacts:

With the implementation of ICBC's new insurance system, PolicyCenter, in September 2016, a transition phase for both system stabilization and the system's thousands of users is expected.

By layering multiple system enhancements, ICBC has created an added level of complexity and risk to the system upgrades required to support these initiatives, as well as creating risk and instability to PolicyCenter system implementation.

s.13,s.17

The changes to CRS mean that customers will see increased consequences on Basic and Optional rates if they cause more than one crash (see Table 1.0 below). s.13,s.17

s.13,s.17

Customer impacts

Customers who cause their first crash will notice a more moderate increase in their Optional insurance rates (see Table 1.0). Approximately 4,185 customers per year will see a loss of a 'free' claim and an increase in Basic and Optional rates after a *second* crash. As well, a small number of customers (208 per year) will see a loss of a 'free' claim and an increase in Basic and Optional Rate following their *third* at-fault crash in three years.

For the majority of customers, it is anticipated this will be seen as a step towards creating a system of fairness and equality, whereby those who cause crashes will pay more.

During the transition period, ICBC expects to see increased operational demand on broker and ICBC staff through additional customer enquiries and staff training.

Table 1.0 below isolates those customers with a CRS level of -16 or better, who will be affected if they have a second or third crash.

Table 1.0 – Financial impact of CRS changes

s.13,s.17

Number of Customers	Basic	
	CRS level -16 to -20	1,937,690
	First Crash	88,256
	Second Crash	4,185
	Third Crash	208
Financial Impact	Per Customer	
	First Crash	\$ -
	Second Crash	\$179
	Third Crash	\$522
	Total Annual Revenue	
	First Crash	\$ -

Second Crash	\$747,066
Third Crash	\$108,608

**Optional discount varies by coverage (Collision, Comprehensive, and Extension Liability)*

Number of customers is based on number of personal vehicle policies written (Basic). s.13,s.17
s.13,s.17

Critical path

As stated in the overview section, only customers at step -16 or better receive a second or third free crash. These customers will be affected by this change, only if they have a second or third crash (see table 1.0).

ICBC proposes revising the CRS so that customers move up an increased number of steps than as set out in the current system, following an at-fault crash. This can be accomplished with a system change, while maintaining the structure and rules of the current CRS system. ICBC has put forward a plan which includes special direction to BCUC to implement the CRS changes ICBC undertakes pursuant to a separate government directive to ICBC. An Application to the BCUC for approval is still required. ICBC will deliver broker and staff training and a customer communication plan to implement the 'one free crash' initiative for lower risk customers.

ICBC recommends an implementation March 31, 2017 for the CRS 'one free crash' initiative. The date reflects the time required to stabilize PolicyCenter and the complexity involved in the technical systems work required to enable changes to the CRS (i.e., the extensive business logic and code across many different insurance systems to support CRS rules). The implementation date comes with a high degree of risk and could be affected by system complexity issues. However, there is opportunity for public communication in advance of implementation of the CRS initiative.

Proposed timeline for implementation of "one free crash"

Item	Action	Date
Draft OICs including IC2 content to Leg Co	s.13,s.17	Sept 12, 2016
Cabinet approval of OICs		Nov. Cabinet meeting
LGIC to deposit OICs		Week of Nov 26 (TBC)

Application to BCUC	s.13,s.17	Nov 28 (TBC)
External communication		Nov 28 (TBC)
Broker Associations Communication		Nov 28 (TBC)
BCUC approval and Tariff changes		Week of Dec 19
Customer communication		Week of Dec 19
Broker and internal training		Week of Dec 19
System readiness complete		Week of Dec 19
Implementation		Mar 31, 2017

Increase Rates on High Value Vehicles

- *Introduce 100 per cent charge on Basic premiums for vehicles valued \$150,000+ (endorsed)*
- s.12,s.13,s.17

Overview

ICBC has received endorsement to proceed with a Basic insurance rate increase for high value vehicles in order to achieve greater fairness in rates, recognizing the extra costs these vehicles afflict on the insurance system. ICBC was also asked to provide additional information s.12 s.13 s.12,s.13,s.17

A high value vehicle, as defined by ICBC's updated high value vehicle list, is any private passenger vehicle valued over \$150,000 The charge does not apply on the premiums for pick-up trucks, motorhomes, commercial vehicles (except taxis and limos which are considered commercial vehicles only by virtue that they carry passengers for compensation) or collector vehicles.

Basic charge:

Apply a 100 per cent charge on Basic rates for high value vehicles. This initiative would solely affect owners of high value vehicles: approximately 2,000 customers per year at an estimated average additional cost of \$1,000.

s.12,s.13,s.17

Background

The average cost to repair or replace a high value vehicle is six times greater than the typical private vehicle. Currently, ICBC does not factor this added system cost in when setting Basic rates. As a result, extra costs are being imposed on the Basic insurance system by owners, even those not causing at-fault crashes, who choose to put an expensive vehicle on the road.

s.12,s.13,s.17

Table 1.0 – Current state: high value vehicles on Basic s.12,s.13,s.17

Basic Policy Statistics For Cars	Basic Insurance	
	< \$150,000 (PERSONAL)	> \$150,000 (HIGH VALUE)
Average Premiums	\$900	\$1,000
Total Premium Paid	\$409.0M	\$0.3M
Total Claims Cost	\$380.0M	\$1.1M
2015 Average Cost Severity on Vehicle	\$2,500	\$15,000

*Loss data not available

Anticipated benefits

Basic charge:

In addition to the issue of creating fair and equitable rates as mentioned above, it's estimated that Basic revenues would increase by approximately \$2 million annually.

s.12,s.13,s.17

Anticipated risks

s.12,s.13,s.17

Table 2.0 – High value vehicle owner demographics by customer age

Vehicle Owner Age Group	Number of Policies
18 to 19	14
20 to 29	579
30 to 39	331
40 to 49	592
50 to 59	590
60 to 69	300
70 to 79	124
80 to 89	12
90 to 99	3
100 to 109	1

Table 2.1 – High value vehicle owner demographics by residence

Rating Territory	Number of Policies
Lower Mainland	2,264
Maple Ridge, Pitt Meadows	15
Squamish, NV, Whistler Area	5
Fraser Valley	35
Thompson, Okanagan Area	102
Kootenays	3
Prince George Area	11
Peace River Area	2
Southern Vancouver Island and Other Islands off the West Coast of The Mainland	76
Middle Vancouver Island, Sunshine Coast Areas	24
Northern Vancouver Island	3
Territory Outside The Province Of British Columbia	6

Critical path

With the implementation of ICBC's new insurance system, PolicyCenter, in September 2016, a transition phase for both system stabilization and the system's thousands of users is expected. Multiple system changes are required to support changes to high value vehicle Basic rate increases. By layering multiple system enhancements, ICBC has created an added level of complexity and risk to the system upgrades required to support this Government initiative, as well as creating risk and instability to PolicyCenter system implementation.

ICBC recommends an implementation of November, 2016 for the luxury vehicle initiative(s). This date reflects the time required to stabilize PolicyCenter and the complexity involved in the technical systems work required to enable changes. This date comes with a high degree of risk and could be affected by system complexity issues. However, there is opportunity for public communication in advance of implementation of the high value vehicle initiative(s).

Basic charge:

The high value vehicle charge recognizes the extra costs being imposed on the Basic insurance system by expensive vehicles, whether involved in at-fault crashes or not, which are currently being paid by all ICBC policyholders. Placing high value vehicles on the road contributes to overall system costs in a manner that is not reflective in the current rate structure. The overall costs of service of Basic insurance are being recovered on a break-even basis; only the allocation amongst customers is changing.

Based on legal analysis, the proposed changes to the allocation of Basic insurance rates represent regulatory rate making, with legal authority found under the Insurance (Vehicle) Act, sec. 34(1), 35(c), and 46.2(3).

s.13,s.17

s.12,s.13,s.17

Proposed timelines

Basic charge:

Item	Action	Date
Draft OICs including IC2 content to Leg Co	s.12,s.13,s.17	Sep 1, 2016
Cabinet approval of OICs		Nov Cabinet meeting
LGIC to deposit OICs		Early-to-mid Nov
Application to BCUC		Nov (TBC) aligned with LGIC deposit
Broker Associations Communication		
External communication		November, aligned with LGIC deposit
Stakeholder communication and rollout		November, aligned with LGIC deposit
BCUC approval and Tariff changes		Nov 28 (TBC) (20 days post OIC deposit)
Broker and Internal training		Month end, Nov
System readiness completed		Month end, Nov
Implementation		Jan 1, 2017

s.12,s.13,s.17

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Withheld pursuant to/removed as

s.12;s.13;s.17

Mitchell, Lisa TRAN:EX

From: Smith, Josh <Josh.Smith@icbc.com>
Sent: Friday, November 18, 2016 4:10 PM
To: Van Schaik, Connie TRAN:EX
Subject: FW: s.13,s.17

Hi Connie – answer regarding s.13,
e 17

Have a good weekend.

Josh

From: Horrocks, Ben
Sent: Friday, November 18, 2016 3:59 PM
To: Smith, Josh
Cc: Chan, Michael
Subject: s.13,s.17

Hi Josh,

s.13,s.17

Cheers
Ben

.....
Ben Horrocks

**Manager Product Strategy, Pricing
& Risk Underwriting**
Personal Insurance

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.....
BC Rail - 2nd Floor | #210 - 221 W. Esplanade
North Vancouver | British Columbia | V7M 3J9

direct: 604-982-2886

facsimile: 604-982-6122 | **mobile:** 604-813-0345

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Page 043 to/à Page 044

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s.14

Mitchell, Lisa TRAN:EX

From: Mercer, Andrea TRAN:EX
Sent: Monday, November 28, 2016 1:22 PM
To: Brownsey, Silas TRAN:EX
Cc: Writing Services, Transportation TRAN:EX; Van Schaik, Connie TRAN:EX
Subject: High Value Vehicle - Direction Letter for MTS Signature
Attachments: 262565.docx; DBN_OIC Package for HVV (FINAL).docx

Silas –

Will send the OFC as soon as it is on letterhead (happening now).

Both HVV and OFC Directive letters will need to be signed by MTS, so they can be attached to the respective OICs (which would come back to MTS for signature)

Our drafter is updating the OICs today now that we have confirmation on implementation dates.

As it might be of use, also attaching a draft DN that helps explain the HVV OIC package of materials.

Andrea Mercer, Manager Crown Agency Policy

Transit & Crown Agency Programs Branch | Ministry of Transportation and Infrastructure

5D – 940 Blanshard Street | Victoria BC | V8W 9T5

Website: www.gov.bc.ca/iran

Email: Andrea.Mercer@gov.bc.ca

Phone: 250.387.6024 | Mobile: 250.812.5486



Where ideas work

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

Reference: 262565

Dear Chair Penner:

Re: Letter of Direction - Luxury Vehicle Changes

I am writing to provide direction to the Insurance Corporation of British Columbia (ICBC) regarding a new charge, as part of a suite of initiatives to introduce greater levels of fairness to B.C.'s insurance system.

ICBC is hereby directed to implement a high-value vehicle charge in the amount and with the particulars set out in the amended pages to the ICBC Basic Insurance Tariff attached to this letter.

There are two sets of attached pages. One set does not indicate a charge with respect to fleets and garage vehicle certificates. It is to be implemented effective January 8, 2017. A second set indicates a charge with respect to fleets and garage vehicle certificates. It is to be implemented once certificates for vehicles insured in a fleet and vehicles insured as owned vehicles under a garage vehicle certificate are administered in ICBC's new policy administration system. Both sets are to be implemented with any necessary consequential amendments to the attached pages, and any other Tariff pages, to reflect dates of implementation and any changes to the Tariff approved before the attached pages are implemented.

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,

Todd G. Stone
Minister

Enclosure



BRIEFING NOTE FOR DECISION

DATE: November 24, 2016
PREPARED FOR: Honourable Todd Stone, Minister of Transportation and Infrastructure
ISSUE: OIC for new surcharge on high value (luxury) vehicles

RECOMMENDED OPTION:

- **Approve the Order.**

BACKGROUND:

Implementing a new surcharge for Basic insurance for high value (luxury) vehicles (with a Manufacturer's Suggested Retail Price (MSRP) of greater than or equal to \$150,000) was endorsed by Cabinet on July 20, 2016. This new surcharge was announced by Minister Stone on November 23rd, where it was characterized as an interim measure while Government works towards legislative amendments that remove the ability for high value vehicle owners to purchase Basic (public) auto insurance.

DISCUSSION:

ICBC continues to experience significant claims costs pressures due to a number of factors, including higher crash frequency, higher injury costs, and higher vehicle repair costs. Implementing a surcharge equivalent to a 100% increase on Basic insurance for vehicles with an MSRP at over \$150,000 is just one of a number of measures aimed at reducing these pressures. The cost to repair a high value vehicle is typically six times that of a traditional passenger vehicle, yet today, both vehicle classes pay virtually the same amount for Basic insurance.

s.12,s.13,s.17

FINANCIAL IMPLICATIONS:



- Would result in an annual increase in ICBC Basic premiums of approximately \$2.2 million.

OPTIONS:

OPTION 1: Approve the Order

s.12,s.13,s.17

OPTION 2: Do not approve the Order

s.12,s.13,s.17

RECOMMENDATION:

- Option 1.

APPROVED / NOT APPROVED

Honourable Todd Stone
Minister

Date

PREPARED BY:

Andrea Mercer, Manager, Crown Agency Policy
Transit & Crown Agency Policy Branch
(250) 387-6024

REVIEWED BY:

Lindsay Kislock, ADM
Partnerships
Nancy Bain, ADM & EFO
Finance and Management Services Department

INITIALS

Mitchell, Lisa TRAN:EX

From: Mercer, Andrea TRAN:EX
Sent: Thursday, November 24, 2016 11:40 AM
To: Tupper, Chris
Cc: Van Schaik, Connie TRAN:EX
Subject: HVV Surcharge

As discussed – Some points that have been raised -

1. We have to consider ICBC's comments on Log 878. Has ICBC reviewed the other two drafts?
2. I assume we would no longer be proceeding with the HVV charge "part 2" (implementing the charge once the fleet and garage policies are administered in ICBC's new system around March/April) s.12,s.13,s.17
So we may have to amend the HVV direction letter and Tariff pages to remove part 2.
3. s.12,s.13,s.17
4. We would then have to provide the revised draft direction letter(s) and new Tariff pages to Leg Co.
5. Leg Co would need to incorporate any necessary changes to the drafts, and then get them edited and tagged.
6. I am not sure how far along ICBC is on their rate design application to BCUC but presumably they will need to get that going as well.

Andrea Mercer, Manager Crown Agency Policy
Transit & Crown Agency Programs Branch| Ministry of Transportation and Infrastructure
5D – 940 Blanshard Street | Victoria BC | V8W 9T5
Website: www.gov.bc.ca/tran
Email: Andrea.Mercer@gov.bc.ca
Phone: 250.387.6024 | Mobile: 250.812.5486



Where ideas work

March 31, 2017

Date

→ can write to fairness commissioner.

→ IR's - TB Comments - revised language

- Timing - OLC this fall; implement March 31.
- Name - OFC/RCF
- 90,000 impact
- Announce? GCPE to confirm (fall).
- ↳ Bigger strategy ←
- ↳ Fairness Measures?

- HW - Book Value - 150
(MSRP) 2,200 impact.

- GCPE - Strategy for suite of measures
ICBC related...

→ Agenda

- Membership
- Meeting date
- SP Logistics
- Dec 9th Mtg.
- Exploratory - BI Fatalities

→ #s of organizations available @ one time.

✓ → Direction letters → Josh Smith + then

s.13, s.17

BC Parks -

→ Hinging on Parks Vision - Production - 2 weeks

* before Parks vision strategy.

↳ 8 weeks to get Plates in Brokers.

↳ Early December plates for sale.

* ↳ Effective December 1/17.

→ Best Case Scenario for timeline.

Announce - Oct 31.

s.13, s.17

HIGH-VALUE VEHICLE CHARGE

TARIFF PAGES

(Includes charge with respect to fleets and garage vehicle certificates)

Subject to Sections 2.D.7 (Special Rating for Fleetplan), 2.I (Minimum and Retained Premium), 2.M (Short Term Premium Surcharge), the premium payable for each new or renewal owner's certificate for each vehicle in a fleet will be calculated by:

1. determining the base rate premium for the vehicle to which the owner's certificate applies, then
2. applying a fleet discount or fleet surcharge determined in accordance with sections 2.D.3 or 2.D.4 of this Basic Insurance Tariff to the premium calculated in subparagraph 1 above.

If the premium payable is financed, Section 3A of this Basic Insurance Tariff applies.

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies.

|N

For some fleets a portion of the premium may be refundable in accordance with a Fleet Premium Adjustment Agreement – see Section 2.D.5.

2.D.3 Fleet Discount

The fleet discount for a new or renewal owner's certificate for each vehicle in a fleet is the applicable percentage, if any, set out in Schedule I (Fleet Discounts and Fleet Surcharges) that is deducted from the base rate premium.

2.D.4 Fleet Surcharge

The fleet surcharge for a new or renewal owner's certificate for each vehicle in a fleet is the applicable percentage, if any, set out in Schedule I (Fleet Discounts and Fleet Surcharges) that is added to the base rate premium.

2.D.5 Fleet Premium Adjustment Agreement (Retrospective Rating)

For a fleet with more than 200 vehicles or an annual paid premium of \$100,000 or more, the fleet operator may elect to enter into a Fleet Premium Adjustment Agreement in the form set out in Schedule K with ICBC. A Fleet Premium Adjustment Agreement allows for a premium adjustment in addition to the applicable fleet discount or fleet surcharge. The premium adjustment is made at specific times outlined in the Agreement after the losses have had time to develop.

2.D.6 Fleet Reporting Certificate

A fleet operator applying for renewal of an owner's certificate may, if the fleet operator currently holds a Fleet Reporting Certificate, elect to insure under a Fleet Reporting Certificate if the fleet consists of

- (a) 5 or more motor vehicles licensed under section 10 of the *Commercial Transport Act*, or

- (b) 500 or more vehicles during the insurance year.

A Fleet Reporting Certificate allows the premium payable calculated in accordance with Section 2.D.2 of this Basic Insurance Tariff to be paid monthly using one of the following formulas to calculate the monthly payment (which must be selected at the time of application):

(a) Monthly payment = (premium payable ÷ estimated aggregate distance to be driven by all of the revenue generating vehicles in the fleet during the policy term (expressed in thousands of miles or thousands of kilometers)) x actual distance (expressed in miles or kilometers) driven in the month

(b) Monthly payment = (premium payable ÷ estimated gross receipts of the revenue generating vehicles in the fleet during the policy term (expressed in hundreds of dollars)) x actual gross receipts of the revenue generating vehicles in the fleet for the month

(c) For each unique combination of rate class, territory and high-value vehicles that applies to one or more vehicles in the fleet, calculate: |C

((the annual premium payable for one vehicle in that unique combination calculated in accordance with Section 2.D.2.2 of this Basic Insurance Tariff) ÷ 12) x [the number of vehicles in the fleet at the end of each month to which that unique combination applies] |C

and then take the aggregate of the results of each calculation for the fleet to obtain the amount of the monthly payment.

2.D.7 Special Rating for Fleetplan

2.D.7.1 Shock Loss Rating Consideration

Where a fleet experiences a shock loss which would, but for this Section 2.D.7.1, have the effect of moving the fleet from an actual loss ratio (as defined in Schedule I - Fleet Discounts and Fleet Surcharges) of less than 80% to an actual loss ratio of 80% or more, the amount of the shock loss and any payment including reserves in respect of any other claims taken into account in calculating the loss ratio will be capped at \$7,500 for the purpose of calculating the fleet discount or fleet surcharge pursuant to Section 2.D.3 or 2.D.4 of this Basic Insurance Tariff.

2.D.7.2 Credit for Prior Good Loss Experience

If a fleet has an actual loss ratio of 80% or higher in the current scan period, but did not have an actual loss ratio of 80% (as defined in Schedule I - Fleet Discounts and Fleet Surcharges) or higher in the immediately preceding scan period (as defined in Schedule I), the fleet discount or fleet surcharge will be calculated as if the amount in Column 2 of the table in section 2(c) of Schedule I was the average of the amount found in Column 2 of the table in section 2(c) of

Schedule I based on the actual loss ratio in the current scan period and \$7,500 based on the actual loss ratio for the immediately preceding scan period rounded up to the nearest amount appearing in Column 2 of the table in section 2(c) of Schedule I.

2.D.7.3 Temporary Capping Due to Standardization of Trailer Basic Insurance Premiums

Effective January 1, 2011

- a) Basic insurance rates for trailers set out in Schedule C changed, and
- b) Schedule I changed to provide that trailers comprising part of a fleet are no longer eligible for fleet discounts or surcharges

(these changes are referred to as the "standardized trailer rate changes").

If the total Basic premium payable for all vehicles in a fleet as set out in the renewal notices sent by ICBC to a fleet operator before the fleet's effective date of renewal in 2011 is higher by more than \$300 and by more than 20% compared to what it would have been had the standardized trailer rate changes not been made, then

- c) the fleet's total Basic premium payable at time of renewal for 2011 is reduced by the amount by which the Basic premium set out in the renewal notices exceeds the greater of \$300 and 120% of what the total Basic premium set out in the notices would have been had the standardized trailer rate changes not been made,
- d) in 2012, if the total Basic premium set out in the renewal notices for that year is higher by more than \$600 and by more than 40% compared to what it would have been had the standardized trailer rate changes not been made, the fleet's total Basic premium payable at time of renewal for 2012 is reduced by the amount by which the Basic premium set out in the notices exceeds the greater of \$600 and 140% of what the Basic premium set out in the notices would have been had the standardized trailer rate changes not been made, and
- e) in 2013, 2014 and 2015, the same reduction as set out in the preceding paragraph d) shall be made, but the stated percentages and dollar amounts shall increase by 20% and \$300 each year (i.e., 60%, 160% and \$900 for 2013; 80%, 180% and \$1,200 for 2014; and 100%, 200% and \$1,500 for 2015).

2.D.8 U-Drive Vehicles Used in Place of Courtesy Cars

Vehicles that are:

- (a) insured under Fleetplan, and
- (b) rated in Rate Class 008, 018 or 901

may be entitled to a partial rebate or reduction of premium in accordance with Schedule W.

2.D.9 New Fleets and Fleet Transfers

2.D.9.1 Transfer of a Fleet to a New Fleetplan Account

Despite Sections 2.D.3 and 2.D.4, if

- (a) a fleet or a portion of a fleet is transferred from one person or entity to another,
- (b) the transferor is insured under Fleetplan prior to the transfer but the transferee is not,
- (c) the transferee insures under Fleetplan upon transfer, and
- (d) the personnel of the transferee responsible for the operation of the fleet or the portion of the fleet being transferred are substantially the same individuals who were responsible for the operation of the fleet or portion of the fleet immediately before the transfer

ICBC will calculate the Fleet Discount or Fleet Surcharge of the Transferee based on the loss experience of the transferor, provided that if only a portion of a fleet is transferred the Fleet Discount or Fleet Surcharge so calculated will only be applied for the first two Fleetplan policy terms following the transfer.

2.D.9.2 Transfer of a Fleet to an Existing Fleetplan Account

Despite Sections 2.D.3 and 2.D.4, if

- (a) a fleet is transferred from one person or entity to another,
- (b) both the transferor and the transferee are insured under Fleetplan prior to the transfer,
- (c) the transferee continues to insure under Fleetplan upon transfer, and
- (d) the personnel of the transferee responsible for the operation of the fleet being transferred are substantially the same individuals who were responsible for the operation of the fleet immediately before the transfer

ICBC will calculate the Fleet Discount or Fleet Surcharge of the Transferee based on the combined loss experience of the transferor and the transferee for the subsequent fleet renewals.

2.D.9.3 Parent and Subsidiary

Despite Sections 2.D.3 and 2.D.4, if a parent company and one or more subsidiaries of that company, at least one of which is insured under Fleetplan, elect to insure the vehicles owned or leased by both the parent and the subsidiaries under a single existing Fleetplan account, ICBC will calculate the Fleet Discount or Fleet Surcharge of the Fleetplan Account based on the combined loss experience of the parent and the subsidiaries for subsequent fleet renewals.

2.E. Premium Payable for Garage Policies

2.E.1 General

Garage policies have three separate types of coverage divided into different sections and subsections:

- Section 1) Third party liability for owned and customers' vehicles:
- Subsection 1A – Owned Vehicles ("1A" coverage)
 - Subsection 1B – Customers' Vehicles ("1B" coverage)
- Section 2) Own damage coverage for owned vehicles, and
- Section 3) Legal liability for own damage to customers' vehicles:
- Subsection 3A – Collision to Customers' Vehicles ("3A" coverage)
 - Subsection 3B – Comprehensive ("3B" coverage)
 - Subsection 3C – Specified Perils ("3C" coverage)

2.E.2 Section 1 - Third Party Liability, Accident Benefits, Underinsured Motorist Protection

Subsection 1A - Owned Vehicles

Premiums for 1A coverage are based on three factors:

1. the "garage rate" based on the territory in which the garage is located, the limit of liability, and the applicable business code, calculated in accordance with Table 1A-1 or 1A-2 of Schedule L
2. the number of licence plates issued to the garage, and
3. the type of licence plates issued to the garage. Each type of licence plate is assigned a number of plate points in accordance with Schedule M, and the number of plate points for a particular garage is the aggregate of all plate points for the licence plates issued to the garage.

Subject to Section 2.E.5 of this Basic Insurance Tariff, the premium payable for 1A coverage is calculated by the following formula:

$$[\text{garage rate}] \times [\# \text{ of plate points} / 100] = \text{premium payable}$$

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies.

|N

Subsection 1B – Customers' Vehicles

Premiums for 1B coverage are based on

1. the "garage rate" based on the territory in which the garage is located, the limit of liability, and the applicable business code, calculated in accordance with Table 1B-1 or 1B-2 of Schedule L, and

2.F. Premium Payable for Additional Product Certificates

ICBC may issue various additional product certificates pursuant to Part 11 of the IVR. This Section 2.F sets out how the premium for the Basic insurance portion of the additional product certificates is calculated.

2.F.1 APV16 Temporary Operation Permit and Owner's Certificate of Insurance.

2.F.1.1 Calculation of Premium – General

The premium payable for each Temporary Operation Permit and Owner's Certificate of Insurance (TOP), except those referred to in Sections 2.F.1.2 and 2.F.1.3, will be calculated in accordance with Table 1 of Schedule R with reference to the rate class shown on the face of the TOP for the vehicle that is to be insured and the number of days for which coverage under the TOP is required (subject to a maximum of 15 days coverage).

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies.

|C

2.F.1.2 Calculation of Premium for Commercial Vehicles Over 5,000 kg or Trailers Transporting Dangerous Goods Insured in a Fleet or as an Owned Vehicle Under a Garage Policy

For vehicles described in section 1(5)(d) of Schedule 3 to the IVR and insured in a fleet or as an owned vehicle under a garage policy the premium payable will be the premium calculated in accordance with Section 2.F.1.1 together with an additional premium calculated in accordance with Table 2 of Schedule R.

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies.

|N

2.F.1.3 System-Wide Outage Temporary Operation Permit and Owner's Certificate of Insurance (APV 16S)

The premium payable for a System-Wide Outage Temporary Operation Permit and Owner's Certificate of Insurance is \$6. Coverage is for a period of three days.

3.B.3 THIS SECTION IS NO LONGER IN EFFECT

3.C High-value Vehicle Charge

If another section of this Basic Insurance Tariff indicates that this Section 3.C applies, a high-value vehicle charge is payable for the issue of a certificate.

The amount of the high-value vehicle charge is the amount equal to the difference between the premium that would be payable if the vehicle were not a high-value vehicle and the result of calculating premium in accordance with this Basic Insurance Tariff with the following changes:

(a) for a vehicle to be insured under an owner's certificate (APV250):

(i) if not insured in a fleet or as an owned vehicle under a garage policy, by doubling the amount of base rate premium payable prior to applying any discounts or surcharges,

(ii) if insured in a fleet, by doubling the amount of base rate premium payable prior to applying the fleet discount or fleet surcharge, or

(iii) if insured as an owned vehicle under a garage policy, by doubling the number of plate points used in calculating the premium payable,

(b) for a vehicle to be insured under a temporary operation permit and owner's certificate of insurance (APV16), other than a system-wide outage temporary operation permit and certificate of insurance (APV16S), or a manuscript certificate (APV284) for a limited access island certificate or special event certificate, by doubling the amount of premium payable, and

(c) for a vehicle to be insured under a manuscript certificate (APV284) for an unusual vehicle certificate, by doubling the amount of base rate premium payable prior to applying any discounts or surcharges.

C

N

HIGH-VALUE VEHICLE CHARGE

TARIFF PAGES

(No charge with respect to fleets and garage vehicle certificates)

3. OTHER RATES

3.A. ICBC Payment Plan

3.B. Insurance Fees

3.B.1 Uniform Financial Responsibility (Form SR-22)

3.B.2 THIS SECTION IS NO LONGER IN EFFECT

3.B.3 THIS SECTION IS NO LONGER IN EFFECT

3.C. High-value Vehicle Charge

IN

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

1. DEFINITIONS

Note: Unless otherwise noted in this Basic Insurance Tariff, terms defined in the *Insurance (Vehicle) Act* or the *Insurance (Vehicle) Regulation* have the same meaning when used in this Basic Insurance Tariff.

base rate premium	means the premium for a vehicle determined in accordance with Schedule C before applying discounts and surcharges.
Basic insurance	means universal compulsory vehicle insurance coverage as defined in section 1 of the <i>Insurance (Vehicle) Act</i> .
business code	means the number corresponding to a garage operator's business determined in accordance with Schedule O.
certificate	unless otherwise specified, includes an owner's certificate, a garage policy, coverage under a temporary operation permit and an additional product certificate.
Commission	means the British Columbia Utilities Commission.
disability discount	means a discount applied to a base rate premium in accordance with Schedule G.
driver risk premium	means a premium calculated in accordance with Section 3 of Schedule E.
Fleetplan	means the method of calculation of the premium payable for coverage provided for a fleet.
fleet discount	means the discount described in Section 2.D.3 of this Basic Insurance Tariff.
fleet surcharge	means the surcharge described in Section 2.D.4 of this Basic Insurance Tariff.
garage policy	means a garage vehicle certificate established under section 149(1)(k) of the <i>Insurance (Vehicle) Regulation</i> .
high-value vehicle	means a vehicle registered in British Columbia a) that is i) a private passenger vehicle, or ii) registered, but not licensed as a private passenger motor vehicle, and

N

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

- b) the vehicle either
- i) has a manufacturer's suggested retail price greater than \$150,000, or does not have a manufacturer's suggested retail price but at the time the vehicle was first available for sale, the price was greater than \$150,000 or
 - ii) has a manufacturer's suggested retail price greater than \$400,000, or does not have a manufacturer's suggested retail price but at the time the vehicle was first available for sale, the price was greater than \$400,000, and
- c) the difference between the calendar year at the time of an application for a certificate and the model year of the vehicle assigned by the vehicle's manufacturer is not greater than seven for vehicles described in paragraph b) i) and not greater than fourteen for vehicles described in paragraph b) ii).

N

ICA	means the <i>Insurance Corporation Act</i> as amended from time to time.
ICBC	means the corporation defined in section 1 of the <i>Insurance (Vehicle) Act</i> .
IVA	means the <i>Insurance (Vehicle) Act</i> as amended from time to time.
IVR	means the <i>Insurance (Vehicle) Regulation</i> as amended from time to time.
light commercial vehicle	means a commercial vehicle with a GVW of 5,000kg or less.
limited access island	means an island that is not accessible by scheduled vehicle ferry service or by bridge
motor vehicle	means a motor vehicle as defined in the <i>Motor Vehicle Act</i> .
multiple crash premium	means a premium calculated in accordance with Schedule F.
point penalties	means point penalties that may be recorded against the driving record of a driver under the <i>Motor Vehicle Act</i> and <i>Motor Vehicle Act Regulations</i> .
point penalty premium	means a premium calculated in accordance with Section 2 of Schedule E.
premium payable	means the premium determined in accordance with Section 2.C., 2.D, 2.E, 2.F, 2.G or 2.N of this Basic Insurance Tariff.
private passenger vehicle	means a vehicle that is registered and licensed under the <i>Motor Vehicle Act</i> as a private passenger motor vehicle.

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

rate class	means the rate class for a vehicle determined in accordance with Schedule B.
shock loss	means a claim payment including reserves for a vehicle that is part of a fleet in an amount that is (a) greater than \$7,500, and (b) at least double the amount of the next largest claim payment including reserves for any vehicle in the same fleet within the applicable scan period
short term certificate	means (a) a certificate, except an additional product certificate that is issued for a term of less than 11 months plus one day but does not include a certificate issued (i) for a vehicle rated in vehicle rate class 800, 900, 901, 902, 903, 904, 905 or 906, or (ii) in conjunction with a quarterly licence under section 5.02 of the <i>Commercial Transport Regulations</i> (2005) under the <i>Commercial Transport Act</i> (b) a certificate in respect of a vehicle in a fleet under Part 12 of the IVR and under 2.D. of this Basic Insurance Tariff, the term of which is determined under section 162(1.1) of the IVR.
trailer	means a trailer as defined in the <i>Motor Vehicle Act</i> .
vehicle	means a motor vehicle or trailer.

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

2.C. Premium Payable for an Owner's Certificate for a Vehicle (Other Than Fleetplan)

2.C.1 Calculation of Base Rate Premium

The base rate premium for a new or renewal owner's certificate for a vehicle will, unless the vehicle is insured under Fleetplan (see Section 2.D), or unless another provision of the Basic Insurance Tariff applies, be calculated in accordance with Schedule C (Schedule of Basic Insurance Premiums) with reference to the rate class and territory declared in the application for that owner's certificate.

2.C.2 Calculation of Premium Payable

Subject to Sections 2.I (Minimum and Retained Premium), 2.M (Short Term Premium Surcharge) of this Basic Insurance Tariff, the premium payable for each owner's certificate will be calculated by:

1. determining the base rate premium for that vehicle, then
2. applying the disability discount calculated in accordance with Schedule G (Disability Discount), if any, to the base rate premium determined in accordance with subparagraph 1 above, then
3. applying the discount or surcharge determined in accordance with Schedule D (Claim-Rated Scale), if any, to the premium calculated in subparagraph 2 above.

If the premium payable is financed, Section 3A of this Basic Insurance Tariff applies,

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies.

| N

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

2.F. Premium Payable for Additional Product Certificates

ICBC may issue various additional product certificates pursuant to Part 11 of the IVR. This Section 2.F sets out how the premium for the Basic insurance portion of the additional product certificates is calculated.

2.F.1 APV16 Temporary Operation Permit and Owner's Certificate of Insurance.

2.F.1.1 Calculation of Premium – General

The premium payable for each Temporary Operation Permit and Owner's Certificate of Insurance (TOP), except those referred to in Sections 2.F.1.2 and 2.F.1.3, will be calculated in accordance with Table 1 of Schedule R with reference to the rate class shown on the face of the TOP for the vehicle that is to be insured and the number of days for which coverage under the TOP is required (subject to a maximum of 15 days coverage).

If the vehicle is a high-value vehicle that if insured on an owner's certificate would not be insured in a fleet or as an owned vehicle under a garage policy, Section 3.C of this Basic Insurance Tariff applies.

N

2.F.1.2 Calculation of Premium for Commercial Vehicles Over 5,000 kg or Trailers Transporting Dangerous Goods Insured in a Fleet or as an Owned Vehicle Under a Garage Policy

For vehicles described in section 1(5)(d) of Schedule 3 to the IVR and insured in a fleet or as an owned vehicle under a garage policy the premium payable will be the premium calculated in accordance with Section 2.F.1.1 together with an additional premium calculated in accordance with Table 2 of Schedule R.

2.F.1.3 System-Wide Outage Temporary Operation Permit and Owner's Certificate of Insurance (APV 16S)

The premium payable for a System-Wide Outage Temporary Operation Permit and Owner's Certificate of Insurance is \$6. Coverage is for a period of three days.

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

2.F.12 Limited Access Island Certificate

This certificate is issued on a Manuscript Certificate (APV284). It may be issued annually or for a short term period, but the minimum short term period is 3 months.

2.F.12.1 Calculation of Premium

The premium payable will be calculated by:

- 1) Determining the base rate premium in accordance with section 2.C.1, but not 2.C.2 of this Basic Insurance Tariff, with respect to the rate class declared and Territory "W" (regardless of the territory actually applicable).
- 2) Taking 30% of the base rate premium determined in step 1).

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies.

[N

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

2.F.14 Special Event Certificate

This coverage is issued on a Manuscript Certificate form (APV 284). It provides Basic insurance for vehicles that will be operated for a limited period of time in connection with a short term community event such as a music festival or air show.

2.F.14.1 Calculation of Premium

The premium payable is the base rate premium for the vehicle prorated in accordance with Section 2.K.3 of this Basic Insurance Tariff.

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies. |N

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

2.F.15 Unusual Vehicle Certificate

This coverage is issued on a Manuscript Certificate form (APV 284). It provides Basic insurance for vehicles that, due to unique characteristics of size, configuration or use, do not fit within any of the rate classes or additional product certificates described in this Basic Insurance Tariff.

2.F.15.1 Calculation of Premium

The premium payable will be calculated by determining which rate class within Schedule B (Vehicle Rate Classes) most closely resembles the type and use of the vehicle being insured and calculating a premium in accordance with section 2.C of this Basic Insurance Tariff using that rate class.

If the vehicle is being insured for less than 1 year the premium payable may be prorated in accordance with section 2.K.3 of this Basic Insurance Tariff.

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies. |N

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

3.B.3 THIS SECTION IS NO LONGER IN EFFECT

3.C High-value Vehicle Charge

If another section of this Basic Insurance Tariff indicates that this Section 3.C applies, a high-value vehicle charge is payable for the issue of a certificate.

The amount of the high-value vehicle charge is the amount equal to the difference between the premium that would be payable if the vehicle were not a high-value vehicle and the result of calculating premium in accordance with this Basic Insurance Tariff with the following changes:

- (a) for a vehicle to be insured under an owner's certificate (APV250), if not insured in a fleet or as an owned vehicle under a garage policy, by doubling the amount of base rate premium payable prior to applying any discounts or surcharges,
- (b) for a vehicle to be insured under a temporary operation permit and owner's certificate of insurance (APV16), other than a system-wide outage temporary operation permit and certificate of insurance (APV16S), or a manuscript certificate (APV284) for a limited access island certificate or special event certificate, by doubling the amount of premium payable, and
- (c) for a vehicle to be insured under a manuscript certificate (APV284) for an unusual vehicle certificate, by doubling the amount of base rate premium payable prior to applying any discounts or surcharges.

N

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

Transportation, ADM Partnerships TRAN:EX

From: Kislock, Lindsay M TRAN:EX
Sent: Thursday, January 5, 2017 2:34 PM
To: Predham, Elizabeth TRAN:EX
Subject: FW: Luxury vehicles messaging

From: Jabs, Ryan GCPE:EX
Sent: Thursday, November 24, 2016 4:06 PM
To: Brownsey, Silas TRAN:EX; Kislock, Lindsay M TRAN:EX; Main, Grant TRAN:EX
Cc: Rorison, Trish GCPE:EX
Subject: FW: Luxury vehicles messaging

Here are ICBC's messages. High level but consistent.

From: Grossman, Adam [<mailto:Adam.Grossman@icbc.com>]
Sent: Thursday, November 24, 2016 3:36 PM
To: Jabs, Ryan GCPE:EX
Cc: XT:Matthews, Lindsay ICBC:IN; Henderson, Doug
Subject: Luxury vehicles messaging

Hi Ryan,

As discussed with Lindsay, here is the messaging we've drafted to respond to any further detailed media questions about the luxury vehicle changes.

Thanks,

Adam

Luxury Vehicles – Holding Messages

- Government has announced policies focused on ensuring that high-end luxury vehicles, a specific segment of the market, are not being subsidized by our average customer.
- In the near term, ICBC will work with government to increase basic insurance premiums so that high-end luxury vehicle owners will pay more than double for basic insurance.
- Over the longer term, ICBC will no longer insure this specific segment of the market. ICBC will work through the policy details of this change with government over the coming weeks and months, leading to any required legislative changes.
- The intent of the change is focused only on this specific segment of the market and not the for the average ICBC customer. There are no changes for the average ICBC customer, other than reducing the cost burden.

- As details are determined, government and ICBC will provide more specific information on the impacts to high-end luxury vehicle owners.

Q: If these vehicles do not need ICBC insurance, what about the rest of the vehicle population, can they avoid ICBC insurance? Are these vehicle owners going to get insurance from the private market? Does this mean the beginning of the end of ICBC? Won't this cost the average premium payer more – ICBC loses the revenue from their premiums but still pays the cost of the claim if the average customer is responsible for the crash?

- The intent of the change is focused only on this specific segment of the market and not the for the average ICBC customer. There are no changes for the average ICBC customer, other than reducing the cost burden.
- ICBC will work through the policy details of this change with government over the coming weeks and months, leading to any required legislative changes. As details are determined, government and ICBC will provide more specific information on the impacts to high-end luxury vehicle owners.

.....
Adam Grossman
Communications Delivery Lead
ICBC

.....
 505 - 151 W. Esplanade
 North Vancouver | British Columbia | V7M 3H9
direct: 604-982-1332
cell: 604-786-2579
fax: 604-982-2491
email: adam.grossman@icbc.com

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Insurance Corporation of British Columbia | 151 W. Esplanade | North Vancouver | V7M 3H9
[Contact Us](#)



November 29, 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: 262565

Dear Chair Penner:

Re: Letter of Direction - Luxury Vehicle Changes

I am writing to provide direction to the Insurance Corporation of British Columbia (ICBC) regarding a new charge, as part of a suite of initiatives to introduce greater levels of fairness to B.C.'s insurance system.

ICBC is hereby directed to implement a high-value vehicle charge in the amount and with the particulars set out in the amended pages to the ICBC Basic Insurance Tariff attached to this letter.

There are two sets of attached pages. One set does not indicate a charge with respect to fleets and garage vehicle certificates. It is to be implemented effective January 8, 2017. A second set indicates a charge with respect to fleets and garage vehicle certificates. It is to be implemented once certificates for vehicles insured in a fleet and vehicles insured as owned vehicles under a garage vehicle certificate are administered in ICBC's new policy administration system. Both sets are to be implemented with any necessary consequential amendments to the attached pages, and any other Tariff pages, to reflect dates of implementation and any changes to the Tariff approved before the attached pages are implemented.

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,

Todd G. Stone
Minister

Enclosure

HIGH-VALUE VEHICLE CHARGE

TARIFF PAGES

(No charge with respect to fleets and garage vehicle certificates)

3. OTHER RATES

3.A. ICBC Payment Plan

3.B. Insurance Fees

3.B.1 Uniform Financial Responsibility (Form SR-22)

3.B.2 THIS SECTION IS NO LONGER IN EFFECT

3.B.3 THIS SECTION IS NO LONGER IN EFFECT

3.C. High-value Vehicle Charge

[N

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

1. DEFINITIONS

Note: Unless otherwise noted in this Basic Insurance Tariff, terms defined in the *Insurance (Vehicle) Act* or the *Insurance (Vehicle) Regulation* have the same meaning when used in this Basic Insurance Tariff.

base rate premium	means the premium for a vehicle determined in accordance with Schedule C before applying discounts and surcharges.
Basic insurance	means universal compulsory vehicle insurance coverage as defined in section 1 of the <i>Insurance (Vehicle) Act</i> .
business code	means the number corresponding to a garage operator's business determined in accordance with Schedule O.
certificate	unless otherwise specified, includes an owner's certificate, a garage policy, coverage under a temporary operation permit and an additional product certificate.
Commission	means the British Columbia Utilities Commission.
disability discount	means a discount applied to a base rate premium in accordance with Schedule G.
driver risk premium	means a premium calculated in accordance with Section 3 of Schedule E.
Fleetplan	means the method of calculation of the premium payable for coverage provided for a fleet.
fleet discount	means the discount described in Section 2.D.3 of this Basic Insurance Tariff.
fleet surcharge	means the surcharge described in Section 2.D.4 of this Basic Insurance Tariff.
garage policy	means a garage vehicle certificate established under section 149(1)(k) of the <i>Insurance (Vehicle) Regulation</i> .
high-value vehicle	means a vehicle registered in British Columbia a) that is i) a private passenger vehicle, or ii) registered, but not licensed as a private passenger motor vehicle, and

N

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

- b) the vehicle either
- i) has a manufacturer's suggested retail price greater than \$150,000, or does not have a manufacturer's suggested retail price but at the time the vehicle was first available for sale, the price was greater than \$150,000 or
 - ii) has a manufacturer's suggested retail price greater than \$400,000, or does not have a manufacturer's suggested retail price but at the time the vehicle was first available for sale, the price was greater than \$400,000, and

c) the difference between the calendar year at the time of an application for a certificate and the model year of the vehicle assigned by the vehicle's manufacturer is not greater than seven for vehicles described in paragraph b) i) and not greater than fourteen for vehicles described in paragraph b) ii).

ICA	means the <i>Insurance Corporation Act</i> as amended from time to time.
ICBC	means the corporation defined in section 1 of the <i>Insurance (Vehicle) Act</i> .
IVA	means the <i>Insurance (Vehicle) Act</i> as amended from time to time.
IVR	means the <i>Insurance (Vehicle) Regulation</i> as amended from time to time.
light commercial vehicle	means a commercial vehicle with a GVW of 5,000kg or less.
limited access island	means an island that is not accessible by scheduled vehicle ferry service or by bridge
motor vehicle	means a motor vehicle as defined in the <i>Motor Vehicle Act</i> .
multiple crash premium	means a premium calculated in accordance with Schedule F.
point penalties	means point penalties that may be recorded against the driving record of a driver under the <i>Motor Vehicle Act</i> and <i>Motor Vehicle Act Regulations</i> .
point penalty premium	means a premium calculated in accordance with Section 2 of Schedule E.
premium payable	means the premium determined in accordance with Section 2.C., 2.D, 2.E, 2.F, 2.G or 2.N of this Basic Insurance Tariff.
private passenger vehicle	means a vehicle that is registered and licensed under the <i>Motor Vehicle Act</i> as a private passenger motor vehicle.

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

rate class	means the rate class for a vehicle determined in accordance with Schedule B.
shock loss	means a claim payment including reserves for a vehicle that is part of a fleet in an amount that is <ul style="list-style-type: none">(a) greater than \$7,500, and(b) at least double the amount of the next largest claim payment including reserves for any vehicle in the same fleet within the applicable scan period
short term certificate	means <ul style="list-style-type: none">(a) a certificate, except an additional product certificate that is issued for a term of less than 11 months plus one day but does not include a certificate issued<ul style="list-style-type: none">(i) for a vehicle rated in vehicle rate class 800, 900, 901, 902, 903, 904, 905 or 906, or(ii) in conjunction with a quarterly licence under section 5.02 of the <i>Commercial Transport Regulations</i> (2005) under the <i>Commercial Transport Act</i>(b) a certificate in respect of a vehicle in a fleet under Part 12 of the IVR and under 2.D. of this Basic Insurance Tariff, the term of which is determined under section 162(1.1) of the IVR.
trailer	means a trailer as defined in the <i>Motor Vehicle Act</i> .
vehicle	means a motor vehicle or trailer.

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

2.C. Premium Payable for an Owner's Certificate for a Vehicle (Other Than Fleetplan)

2.C.1 Calculation of Base Rate Premium

The base rate premium for a new or renewal owner's certificate for a vehicle will, unless the vehicle is insured under Fleetplan (see Section 2.D), or unless another provision of the Basic Insurance Tariff applies, be calculated in accordance with Schedule C (Schedule of Basic Insurance Premiums) with reference to the rate class and territory declared in the application for that owner's certificate.

2.C.2 Calculation of Premium Payable

Subject to Sections 2.I (Minimum and Retained Premium), 2.M (Short Term Premium Surcharge) of this Basic Insurance Tariff, the premium payable for each owner's certificate will be calculated by:

1. determining the base rate premium for that vehicle, then
2. applying the disability discount calculated in accordance with Schedule G (Disability Discount), if any, to the base rate premium determined in accordance with subparagraph 1 above, then
3. applying the discount or surcharge determined in accordance with Schedule D (Claim-Rated Scale), if any, to the premium calculated in subparagraph 2 above.

If the premium payable is financed, Section 3A of this Basic Insurance Tariff applies,

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies.

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Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

2.F. Premium Payable for Additional Product Certificates

ICBC may issue various additional product certificates pursuant to Part 11 of the IVR. This Section 2.F sets out how the premium for the Basic insurance portion of the additional product certificates is calculated.

2.F.1 APV16 Temporary Operation Permit and Owner's Certificate of Insurance.

2.F.1.1 Calculation of Premium – General

The premium payable for each Temporary Operation Permit and Owner's Certificate of Insurance (TOP), except those referred to in Sections 2.F.1.2 and 2.F.1.3, will be calculated in accordance with Table 1 of Schedule R with reference to the rate class shown on the face of the TOP for the vehicle that is to be insured and the number of days for which coverage under the TOP is required (subject to a maximum of 15 days coverage).

If the vehicle is a high-value vehicle that if insured on an owner's certificate would not be insured in a fleet or as an owned vehicle under a garage policy, Section 3.C of this Basic Insurance Tariff applies.

N

2.F.1.2 Calculation of Premium for Commercial Vehicles Over 5,000 kg or Trailers Transporting Dangerous Goods Insured in a Fleet or as an Owned Vehicle Under a Garage Policy

For vehicles described in section 1(5)(d) of Schedule 3 to the IVR and insured in a fleet or as an owned vehicle under a garage policy the premium payable will be the premium calculated in accordance with Section 2.F.1.1 together with an additional premium calculated in accordance with Table 2 of Schedule R.

2.F.1.3 System-Wide Outage Temporary Operation Permit and Owner's Certificate of Insurance (APV 16S)

The premium payable for a System-Wide Outage Temporary Operation Permit and Owner's Certificate of Insurance is \$6. Coverage is for a period of three days.

Amended effective: January 8, 2017

Accepted: _____

Order: _____

Commission Secretary: _____

2.F.12 Limited Access Island Certificate

This certificate is issued on a Manuscript Certificate (APV284). It may be issued annually or for a short term period, but the minimum short term period is 3 months.

2.F.12.1 Calculation of Premium

The premium payable will be calculated by:

- 1) Determining the base rate premium in accordance with section 2.C.1, but not 2.C.2 of this Basic Insurance Tariff, with respect to the rate class declared and Territory "W" (regardless of the territory actually applicable).
- 2) Taking 30% of the base rate premium determined in step 1).

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies.

|N

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

2.F.14 Special Event Certificate

This coverage is issued on a Manuscript Certificate form (APV 284). It provides Basic insurance for vehicles that will be operated for a limited period of time in connection with a short term community event such as a music festival or air show.

2.F.14.1 Calculation of Premium

The premium payable is the base rate premium for the vehicle prorated in accordance with Section 2.K.3 of this Basic Insurance Tariff.

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies. [N

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

2.F.15 Unusual Vehicle Certificate

This coverage is issued on a Manuscript Certificate form (APV 284). It provides Basic insurance for vehicles that, due to unique characteristics of size, configuration or use, do not fit within any of the rate classes or additional product certificates described in this Basic Insurance Tariff.

2.F.15.1 Calculation of Premium

The premium payable will be calculated by determining which rate class within Schedule B (Vehicle Rate Classes) most closely resembles the type and use of the vehicle being insured and calculating a premium in accordance with section 2.C of this Basic Insurance Tariff using that rate class.

If the vehicle is being insured for less than 1 year the premium payable may be prorated in accordance with section 2.K.3 of this Basic Insurance Tariff.

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies. |N

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

3.B.3 THIS SECTION IS NO LONGER IN EFFECT

3.C High-value Vehicle Charge

If another section of this Basic Insurance Tariff indicates that this Section 3.C applies, a high-value vehicle charge is payable for the issue of a certificate.

The amount of the high-value vehicle charge is the amount equal to the difference between the premium that would be payable if the vehicle were not a high-value vehicle and the result of calculating premium in accordance with this Basic Insurance Tariff with the following changes:

- (a) for a vehicle to be insured under an owner's certificate (APV250), if not insured in a fleet or as an owned vehicle under a garage policy, by doubling the amount of base rate premium payable prior to applying any discounts or surcharges,
- (b) for a vehicle to be insured under a temporary operation permit and owner's certificate of insurance (APV16), other than a system-wide outage temporary operation permit and certificate of insurance (APV16S), or a manuscript certificate (APV284) for a limited access island certificate or special event certificate, by doubling the amount of premium payable, and
- (c) for a vehicle to be insured under a manuscript certificate (APV284) for an unusual vehicle certificate, by doubling the amount of base rate premium payable prior to applying any discounts or surcharges.

N

Amended effective: January 8, 2017

Accepted: _____

Order _____

Commission Secretary: _____

HIGH-VALUE VEHICLE CHARGE

TARIFF PAGES

(Includes charge with respect to fleets and garage vehicle certificates)

Subject to Sections 2.D.7 (Special Rating for Fleetplan), 2.I (Minimum and Retained Premium), 2.M (Short Term Premium Surcharge), the premium payable for each new or renewal owner's certificate for each vehicle in a fleet will be calculated by:

1. determining the base rate premium for the vehicle to which the owner's certificate applies, then
2. applying a fleet discount or fleet surcharge determined in accordance with sections 2.D.3 or 2.D.4 of this Basic Insurance Tariff to the premium calculated in subparagraph 1 above.

If the premium payable is financed, Section 3A of this Basic Insurance Tariff applies.

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies.

|N

For some fleets a portion of the premium may be refundable in accordance with a Fleet Premium Adjustment Agreement – see Section 2.D.5.

2.D.3 Fleet Discount

The fleet discount for a new or renewal owner's certificate for each vehicle in a fleet is the applicable percentage, if any, set out in Schedule I (Fleet Discounts and Fleet Surcharges) that is deducted from the base rate premium.

2.D.4 Fleet Surcharge

The fleet surcharge for a new or renewal owner's certificate for each vehicle in a fleet is the applicable percentage, if any, set out in Schedule I (Fleet Discounts and Fleet Surcharges) that is added to the base rate premium.

2.D.5 Fleet Premium Adjustment Agreement (Retrospective Rating)

For a fleet with more than 200 vehicles or an annual paid premium of \$100,000 or more, the fleet operator may elect to enter into a Fleet Premium Adjustment Agreement in the form set out in Schedule K with ICBC. A Fleet Premium Adjustment Agreement allows for a premium adjustment in addition to the applicable fleet discount or fleet surcharge. The premium adjustment is made at specific times outlined in the Agreement after the losses have had time to develop.

2.D.6 Fleet Reporting Certificate

A fleet operator applying for renewal of an owner's certificate may, if the fleet operator currently holds a Fleet Reporting Certificate, elect to insure under a Fleet Reporting Certificate if the fleet consists of

- (a) 5 or more motor vehicles licensed under section 10 of the *Commercial Transport Act*, or

- (b) 500 or more vehicles during the insurance year.

A Fleet Reporting Certificate allows the premium payable calculated in accordance with Section 2.D.2 of this Basic Insurance Tariff to be paid monthly using one of the following formulas to calculate the monthly payment (which must be selected at the time of application):

(a) Monthly payment = (premium payable ÷ estimated aggregate distance to be driven by all of the revenue generating vehicles in the fleet during the policy term (expressed in thousands of miles or thousands of kilometers)) x actual distance (expressed in miles or kilometers) driven in the month

(b) Monthly payment = (premium payable ÷ estimated gross receipts of the revenue generating vehicles in the fleet during the policy term (expressed in hundreds of dollars)) x actual gross receipts of the revenue generating vehicles in the fleet for the month

(c) For each unique combination of rate class, territory and high-value vehicles that applies to one or more vehicles in the fleet, calculate: |C

((the annual premium payable for one vehicle in that unique combination calculated in accordance with Section 2.D.2.2 of this Basic Insurance Tariff) ÷ 12) x [the number of vehicles in the fleet at the end of each month to which that unique combination applies] |C

and then take the aggregate of the results of each calculation for the fleet to obtain the amount of the monthly payment.

2.D.7 Special Rating for Fleetplan

2.D.7.1 Shock Loss Rating Consideration

Where a fleet experiences a shock loss which would, but for this Section 2.D.7.1, have the effect of moving the fleet from an actual loss ratio (as defined in Schedule I - Fleet Discounts and Fleet Surcharges) of less than 80% to an actual loss ratio of 80% or more, the amount of the shock loss and any payment including reserves in respect of any other claims taken into account in calculating the loss ratio will be capped at \$7,500 for the purpose of calculating the fleet discount or fleet surcharge pursuant to Section 2.D.3 or 2.D.4 of this Basic Insurance Tariff.

2.D.7.2 Credit for Prior Good Loss Experience

If a fleet has an actual loss ratio of 80% or higher in the current scan period, but did not have an actual loss ratio of 80% (as defined in Schedule I - Fleet Discounts and Fleet Surcharges) or higher in the immediately preceding scan period (as defined in Schedule I), the fleet discount or fleet surcharge will be calculated as if the amount in Column 2 of the table in section 2(c) of Schedule I was the average of the amount found in Column 2 of the table in section 2(c) of

Schedule I based on the actual loss ratio in the current scan period and \$7,500 based on the actual loss ratio for the immediately preceding scan period rounded up to the nearest amount appearing in Column 2 of the table in section 2(c) of Schedule I.

2.D.7.3 Temporary Capping Due to Standardization of Trailer Basic Insurance Premiums

Effective January 1, 2011

- a) Basic insurance rates for trailers set out in Schedule C changed, and
- b) Schedule I changed to provide that trailers comprising part of a fleet are no longer eligible for fleet discounts or surcharges

(these changes are referred to as the "standardized trailer rate changes").

If the total Basic premium payable for all vehicles in a fleet as set out in the renewal notices sent by ICBC to a fleet operator before the fleet's effective date of renewal in 2011 is higher by more than \$300 and by more than 20% compared to what it would have been had the standardized trailer rate changes not been made, then

- c) the fleet's total Basic premium payable at time of renewal for 2011 is reduced by the amount by which the Basic premium set out in the renewal notices exceeds the greater of \$300 and 120% of what the total Basic premium set out in the notices would have been had the standardized trailer rate changes not been made,
- d) in 2012, if the total Basic premium set out in the renewal notices for that year is higher by more than \$600 and by more than 40% compared to what it would have been had the standardized trailer rate changes not been made, the fleet's total Basic premium payable at time of renewal for 2012 is reduced by the amount by which the Basic premium set out in the notices exceeds the greater of \$600 and 140% of what the Basic premium set out in the notices would have been had the standardized trailer rate changes not been made, and
- e) in 2013, 2014 and 2015, the same reduction as set out in the preceding paragraph d) shall be made, but the stated percentages and dollar amounts shall increase by 20% and \$300 each year (i.e., 60%, 160% and \$900 for 2013; 80%, 180% and \$1,200 for 2014; and 100%, 200% and \$1,500 for 2015).

2.D.8 U-Drive Vehicles Used in Place of Courtesy Cars

Vehicles that are:

- (a) insured under Fleetplan, and
- (b) rated in Rate Class 008, 018 or 901

may be entitled to a partial rebate or reduction of premium in accordance with Schedule W.

2.D.9 New Fleets and Fleet Transfers

2.D.9.1 Transfer of a Fleet to a New Fleetplan Account

Despite Sections 2.D.3 and 2.D.4, if

- (a) a fleet or a portion of a fleet is transferred from one person or entity to another,
- (b) the transferor is insured under Fleetplan prior to the transfer but the transferee is not,
- (c) the transferee insures under Fleetplan upon transfer, and
- (d) the personnel of the transferee responsible for the operation of the fleet or the portion of the fleet being transferred are substantially the same individuals who were responsible for the operation of the fleet or portion of the fleet immediately before the transfer

ICBC will calculate the Fleet Discount or Fleet Surcharge of the Transferee based on the loss experience of the transferor, provided that if only a portion of a fleet is transferred the Fleet Discount or Fleet Surcharge so calculated will only be applied for the first two Fleetplan policy terms following the transfer.

2.D.9.2 Transfer of a Fleet to an Existing Fleetplan Account

Despite Sections 2.D.3 and 2.D.4, if

- (a) a fleet is transferred from one person or entity to another,
- (b) both the transferor and the transferee are insured under Fleetplan prior to the transfer,
- (c) the transferee continues to insure under Fleetplan upon transfer, and
- (d) the personnel of the transferee responsible for the operation of the fleet being transferred are substantially the same individuals who were responsible for the operation of the fleet immediately before the transfer

ICBC will calculate the Fleet Discount or Fleet Surcharge of the Transferee based on the combined loss experience of the transferor and the transferee for the subsequent fleet renewals.

2.D.9.3 Parent and Subsidiary

Despite Sections 2.D.3 and 2.D.4, if a parent company and one or more subsidiaries of that company, at least one of which is insured under Fleetplan, elect to insure the vehicles owned or leased by both the parent and the subsidiaries under a single existing Fleetplan account, ICBC will calculate the Fleet Discount or Fleet Surcharge of the Fleetplan Account based on the combined loss experience of the parent and the subsidiaries for subsequent fleet renewals.

2.E. Premium Payable for Garage Policies

2.E.1 General

Garage policies have three separate types of coverage divided into different sections and subsections:

- Section 1) Third party liability for owned and customers' vehicles:
- Subsection 1A – Owned Vehicles ("1A" coverage)
 - Subsection 1B – Customers' Vehicles ("1B" coverage)
- Section 2) Own damage coverage for owned vehicles, and
- Section 3) Legal liability for own damage to customers' vehicles:
- Subsection 3A – Collision to Customers' Vehicles ("3A" coverage)
 - Subsection 3B – Comprehensive ("3B" coverage)
 - Subsection 3C – Specified Perils ("3C" coverage)

2.E.2 Section 1 - Third Party Liability, Accident Benefits, Underinsured Motorist Protection

Subsection 1A - Owned Vehicles

Premiums for 1A coverage are based on three factors:

1. the "garage rate" based on the territory in which the garage is located, the limit of liability, and the applicable business code, calculated in accordance with Table 1A-1 or 1A-2 of Schedule L
2. the number of licence plates issued to the garage, and
3. the type of licence plates issued to the garage. Each type of licence plate is assigned a number of plate points in accordance with Schedule M, and the number of plate points for a particular garage is the aggregate of all plate points for the licence plates issued to the garage.

Subject to Section 2.E.5 of this Basic Insurance Tariff, the premium payable for 1A coverage is calculated by the following formula:

$$[\text{garage rate}] \times [\# \text{ of plate points } / 100] = \text{premium payable}$$

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies.

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Subsection 1B – Customers' Vehicles

Premiums for 1B coverage are based on

1. the "garage rate" based on the territory in which the garage is located, the limit of liability, and the applicable business code, calculated in accordance with Table 1B-1 or 1B-2 of Schedule L, and

2.F. Premium Payable for Additional Product Certificates

ICBC may issue various additional product certificates pursuant to Part 11 of the IVR. This Section 2.F sets out how the premium for the Basic insurance portion of the additional product certificates is calculated.

2.F.1 APV16 Temporary Operation Permit and Owner's Certificate of Insurance.

2.F.1.1 Calculation of Premium – General

The premium payable for each Temporary Operation Permit and Owner's Certificate of Insurance (TOP), except those referred to in Sections 2.F.1.2 and 2.F.1.3, will be calculated in accordance with Table 1 of Schedule R with reference to the rate class shown on the face of the TOP for the vehicle that is to be insured and the number of days for which coverage under the TOP is required (subject to a maximum of 15 days coverage).

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies.

|C

2.F.1.2 Calculation of Premium for Commercial Vehicles Over 5,000 kg or Trailers Transporting Dangerous Goods Insured in a Fleet or as an Owned Vehicle Under a Garage Policy

For vehicles described in section 1(5)(d) of Schedule 3 to the IVR and insured in a fleet or as an owned vehicle under a garage policy the premium payable will be the premium calculated in accordance with Section 2.F.1.1 together with an additional premium calculated in accordance with Table 2 of Schedule R.

If the vehicle is a high-value vehicle, Section 3.C of this Basic Insurance Tariff applies.

|N

2.F.1.3 System-Wide Outage Temporary Operation Permit and Owner's Certificate of Insurance (APV 16S)

The premium payable for a System-Wide Outage Temporary Operation Permit and Owner's Certificate of Insurance is \$6. Coverage is for a period of three days.

3.B.3 THIS SECTION IS NO LONGER IN EFFECT

3.C High-value Vehicle Charge

If another section of this Basic Insurance Tariff indicates that this Section 3.C applies, a high-value vehicle charge is payable for the issue of a certificate.

The amount of the high-value vehicle charge is the amount equal to the difference between the premium that would be payable if the vehicle were not a high-value vehicle and the result of calculating premium in accordance with this Basic Insurance Tariff with the following changes:

(a) for a vehicle to be insured under an owner's certificate (APV250):

(i) if not insured in a fleet or as an owned vehicle under a garage policy, by doubling the amount of base rate premium payable prior to applying any discounts or surcharges,

(ii) if insured in a fleet, by doubling the amount of base rate premium payable prior to applying the fleet discount or fleet surcharge, or

(iii) if insured as an owned vehicle under a garage policy, by doubling the number of plate points used in calculating the premium payable,

(b) for a vehicle to be insured under a temporary operation permit and owner's certificate of insurance (APV16), other than a system-wide outage temporary operation permit and certificate of insurance (APV16S), or a manuscript certificate (APV284) for a limited access island certificate or special event certificate, by doubling the amount of premium payable, and

(c) for a vehicle to be insured under a manuscript certificate (APV284) for an unusual vehicle certificate, by doubling the amount of base rate premium payable prior to applying any discounts or surcharges.

Main, Grant TRAN:EX

From: Brownsey, Silas TRAN:EX
Sent: Monday, November 28, 2016 1:50 PM
To: Bell, Jordan TRAN:EX
Cc: Main, Grant TRAN:EX; Kislock, Lindsay M TRAN:EX; Mercer, Andrea TRAN:EX
Subject: Fwd: High Value Vehicle - Direction Letter for MTS Signature
Attachments: image003.png; ATT00001.htm; 262565.docx; ATT00002.htm; DBN_OIC Package for HVV (FINAL).docx; ATT00003.htm

Jordan as discussed - will need MTS to approve/sign this letter.

Grant/Lindsay FYI.

Sent from my iPhone

Begin forwarded message:

From: "Mercer, Andrea TRAN:EX" <Andrea.Mercer@gov.bc.ca>
Date: November 28, 2016 at 1:22:17 PM PST
To: "Brownsey, Silas TRAN:EX" <Silas.Brownsey@gov.bc.ca>
Cc: "Writing Services, Transportation TRAN:EX" <Transportation.WritingServices@gov.bc.ca>, "Van Schaik, Connie TRAN:EX" <Connie.VanSchaik@gov.bc.ca>
Subject: High Value Vehicle - Direction Letter for MTS Signature

Silas –

Will send the OFC as soon as it is on letterhead (happening now).

Both HVV and OFC Directive letters will need to be signed by MTS, so they can be attached to the respective OICs (which would come back to MTS for signature)

Our drafter is updating the OICs today now that we have confirmation on implementation dates.

As it might be of use, also attaching a draft DN that helps explain the HVV OIC package of materials.

Andrea Mercer, Manager Crown Agency Policy
Transit & Crown Agency Programs Branch | Ministry of Transportation and Infrastructure
5D – 940 Blanshard Street | Victoria BC | V8W 9T5
Website: www.gov.bc.ca/tran
Email: Andrea.Mercer@gov.bc.ca
Phone: 250.387.6024 | Mobile: 250.812.5486



BRIEFING NOTE FOR DECISION

DATE: November 24, 2016
PREPARED FOR: Honourable Todd Stone, Minister of Transportation and Infrastructure
ISSUE: OIC for new surcharge on high value (luxury) vehicles

RECOMMENDED OPTION:

- Approve the Order.

BACKGROUND:

Implementing a new surcharge for Basic insurance for high value (luxury) vehicles (with a Manufacturer's Suggested Retail Price (MSRP) of greater than or equal to \$150,000) was endorsed by Cabinet on July 20, 2016. This new surcharge was announced by Minister Stone on November 23rd, where it was characterized as an interim measure while Government works towards legislative amendments that remove the ability for high value vehicle owners to purchase Basic (public) auto insurance.

DISCUSSION:

ICBC continues to experience significant claims costs pressures due to a number of factors, including higher crash frequency, higher injury costs, and higher vehicle repair costs. Implementing a surcharge equivalent to a 100% increase on Basic insurance for vehicles with an MSRP at over \$150,000 is just one of a number of measures aimed at reducing these pressures. The cost to repair a high value vehicle is typically six times that of a traditional passenger vehicle, yet today, both vehicle classes pay virtually the same amount for Basic insurance.

s.12,s.13,s.17

FINANCIAL IMPLICATIONS:



- Would result in an annual increase in ICBC Basic premiums of approximately \$2.2 million.

OPTIONS:

OPTION 1: Approve the Order

s.12,s.13,s.17

OPTION 2: Do not approve the Order

s.12,s.13,s.17

RECOMMENDATION:

- Option 1.

APPROVED / NOT APPROVED

Honourable Todd Stone
Minister

Date

PREPARED BY:

Andrea Mercer, Manager, Crown Agency Policy
Transit & Crown Agency Policy Branch
(250) 387-6024

REVIEWED BY:

Lindsay Kislock, ADM
Partnerships
Nancy Bain, ADM & EFO
Finance and Management Services Department

INITIALS

Main, Grant TRAN:EX

From: Bowness, Lianne GCPE:EX
Sent: Wednesday, November 23, 2016 3:10 PM
To: TRAN ALL Comm News Releases
Subject: Final - NR/BG - Government getting out of the business of insuring high-end luxury cars
Attachments: FINAL_NR BG_Luxury Vehicles.pdf

The following news release/ backgrounder went out province-wide to media at 2:45 pm today

*Lianne Bowness
Senior Public Affairs Officer
Ministry of Transportation and Infrastructure
Desk: 250-387-5710
Mobile: 250-889-1336*

NEWS RELEASE

For Immediate Release
2016TRAN0368-002487
Nov. 23, 2016

Ministry of Transportation and Infrastructure

Government getting out of the business of insuring high-end luxury cars

VANCOUVER – Government is moving forward to no longer insure the high-end luxury car rate class (cars worth \$150,000 and over) so that the broader ratepayer is not subsidizing these cars. The owners of these cars will have to go to private insurance instead, Minister of Transportation and Infrastructure Todd Stone announced today.

The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago. Government is acting now to address the rising costs to repair these cars and to eliminate any pressures they cause on basic rates.

The government will get to work on the necessary legislative changes to have ICBC no longer insure these high-end luxury cars. This means that in the future, private owners of these cars will have to purchase their insurance through private insurance. Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.

While this work is underway, government will immediately take steps so high-end luxury car owners will pay more than double for their basic insurance and ensure their premiums fully cover all costs of any repairs. These interim changes will be formally implemented as soon as possible.

"Right now, whether a person drives a \$15,000 Honda Civic or a \$300,000 Ferrari – their basic insurance premiums are similar. If owners of high-end luxury cars can afford a high-priced car, they certainly can afford to pay higher premiums to cover the real cost for their repairs," said Stone. "This policy needs to be fair for all British Columbian ratepayers, and we want to ensure that the regular everyday driver is not paying for the additional repair costs of these cars through their insurance rate."

The average private passenger car in B.C. is worth approximately \$15,000, which is 10 times less than the growing number of luxury high-end cars on the road (cars worth above \$150,000). When these more expensive cars get into a crash, it costs approximately six times more to fix them because they are rare, and they are built using high-end technologies and more expensive materials. However, until now, the owner has paid similar rates for their basic insurance.

Last year, for example, the average repair cost for a high-value luxury car was approximately \$13,000, compared to the average repair cost of approximately \$2,500 for a typical private vehicle. For example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone. While the cost to repair this car is substantially more than the everyday car, the basic insurance rates of about \$1,000 per

car are about the same.

The new rates will apply to private passenger cars only, and not commercial trucks, pick-up trucks, collector cars or limousines. The new rule also will not apply to RVs.

The B.C. government and ICBC will start working on necessary framework and policy changes immediately.

This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the following:

- Rate smoothing model – which restricts basic rate increases to plus/minus 1.5% of the prior rate adjustment.
- Tougher enforcement for distracted drivers – with significantly higher fines, more penalty points, higher levels of enforcement and more education.
- Mitigating fraudulent claims – working to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will target fraudulent claims and ultimately lower ICBC rates for all drivers.

This is one of a number of actions that government and ICBC will be rolling out over the coming weeks and months to continue to address cost pressures on rates.

A backgrounder follows.

Media Contact:

Media Relations
Government Communications and Public
Engagement Ministry of Transportation and
Infrastructure
250 356-8241

Connect with the Province of B.C. at: www.gov.bc.ca/connect

BACKGROUNDER

For Immediate Release
2016TRAN0368-002487
Nov. 23, 2016

Ministry of Transportation and Infrastructure

Top five highest repair costs (year-to-date 2016)

Vehicle year: 2015
Vehicle make: McLaren
Vehicle model: 650S
Total repair costs: \$93,574
Actual cash value (ACV / Declared value (DV): DV of \$405,697

Vehicle year: 2011
Vehicle make: Ferrari
Vehicle model: 458 Italia
Total repair costs: \$88,481
Actual cash value (ACV / Declared value (DV): DV of \$299,700

Vehicle year: 2016
Vehicle make: Maserati
Vehicle model: Gran Turismo
Total repair costs: \$78,999
Actual cash value (ACV / Declared value (DV): DV of \$215,654

Vehicle year: 2015
Vehicle make: Mercedes-Benz
Vehicle model: CLS63 AMG
Total repair costs: \$76,796
Actual cash value (ACV / Declared value (DV): ACV of \$120,952

Vehicle year: 2015
Vehicle make: Porsche
Vehicle model: 911
Total repair costs: \$76,617
Actual cash value (ACV / Declared value (DV): ACV of \$158,785

Vehicle year: 2011
Vehicle make: Rolls Royce
Vehicle model: Phantom
Total repair costs: \$76,474
Actual cash value (ACV / Declared value (DV): DV of \$246,500

Media Contact:

Media Relations

Government Communications and Public
Engagement Ministry of Transportation and
Infrastructure

250 356-8241

Connect with the Province of B.C. at: www.gov.bc.ca/connect

Main, Grant TRAN:EX

From: Crombie, Steve <Steve.Crombie@icbc.com>
Sent: Wednesday, November 23, 2016 10:39 AM
To: Main, Grant TRAN:EX
Subject: FW: 5 examples s.13,s.17

Grant:

Just sending this over in the event it may be helpful with the Luxury Vehicle discussion. s.13,s.17
s.13,s.17

Steve

From: Cooper, Doug
Sent: Wednesday, November 23, 2016 10:30 AM
To: McDaniel, Jason <Jason.McDaniel@icbc.com>
Cc: Henderson, Doug <Doug.Henderson@icbc.com>; Matthews, Lindsay <Lindsay.Matthews@icbc.com>; Crombie, Steve <Steve.Crombie@icbc.com>
Subject: 5 examples s.13,s.17

s.13,s.17

Doug Cooper

Communication Advisor

Corporate & Stakeholder Governance

ICBC building trust. driving confidence.

#505 - 151 W. Esplanade | North Vancouver | British Columbia | V7M 3H9

direct: 604-982-6590 | cell: 604-999-8012

fax: 604-982-2491 | email: doug.cooper@icbc.com

This e-mail is intended only for the named recipient and may contain confidential and/or privileged material. Any unauthorized copying, dissemination or other use by a person other than the named recipient of this communication is prohibited. If you received this in error or are not named as a recipient, please notify the sender and destroy all copies of this e-mail immediately.

This email and any attachments are intended only for the named recipient and may contain confidential and/or privileged material. Any unauthorized copying, dissemination or other use by a person other than the named recipient of this communication is prohibited. If you received this in error or are not named as a recipient, please notify the sender and destroy all copies of this email immediately.

Insurance Corporation of British Columbia | 151 W. Esplanade | North Vancouver | V7M 3H9

[Contact Us](#)

Main, Grant TRAN:EX

From: Brownsey, Silas TRAN:EX
Sent: Tuesday, November 22, 2016 9:50 PM
To: Main, Grant TRAN:EX
Subject: FW: HHV - s.13,s.17
Attachments: s.13,s.17 High Value Vehicle surcharge - FINAL - 10....docx



BRIEFING NOTE

I. Prepared for: **The Honourable Todd Stone**, Minister responsible for ICBC, for **INFORMATION/DECISION/ACTION** etc.

II. Subject: s.13,s.17 **High Value Vehicle surcharge**

III. Background:

- Cabinet has approved a high value vehicle (HVV) BASIC surcharge of 100% on vehicles with an MSRP over \$150,000 to achieve greater fairness in rates, recognizing the extra costs being imposed on the insurance system by expensive luxury vehicles.
- s.13
- The HVV surcharge recognizes the extra costs imposed on the Basic insurance system by expensive vehicles, whether involved in at-fault crashes or not, which are currently being shared by all ICBC policyholders. Placing high value vehicles on the road contributes to overall system costs in a way that is not reflective in the current rate structure.
- However, when high value vehicles become a few years old, and worth less than new, the high repair costs do not diminish. High average cost of repairs for these vehicles continue to put an extra burden on Basic rates. After a number of years these high value vehicles depreciate to the point that they may be written off after a crash, and avoid the high cost of repairs.
- s.13,s.17
-
- The Cabinet approved Basic surcharge of 100% on vehicles with an MSRP over \$150,000 would affect an estimated 2,000 customers per year at an average additional cost of \$1,100. Basic revenues would increase by approximately \$2.2M annually.

IV. Discussion:

- s.13,s.17

ICBC BRIEFING NOTE

s.13,s.17

- OIC and Tariff changes have been drafted and agreed to by ICBC and LegCo, under the current plan for a 100% BASIC surcharge on vehicles over \$150,000 to take effect March 31, 2017. A second Tariff amendment has been drafted to address a sliding scale approach, for the Minister's consideration. Both Tariff's and OIC have been updated to reflect an implementation date of November 1, 2017.

Contact: Chris Tupper
Manager, Government
Partnerships and Programs
604-328-4271

Business Area Contact: Rob Wilson
Sr. Director Personal Insurance,
Broker Governance & Customer
Strategy, ICBC
(604) 982-6122

Date: October 29, 2016

Main, Grant TRAN:EX

From: Mercer, Andrea TRAN:EX
Sent: Thursday, November 17, 2016 3:48 PM
To: Main, Grant TRAN:EX; Brownsey, Silas TRAN:EX; Kislock, Lindsay M TRAN:EX
Cc: Jabs, Ryan GCPE:EX
Subject: RE: HHV - s.13,s.1

s.13,s.17

From: Main, Grant TRAN:EX
Sent: Thursday, November 17, 2016 1:03 PM
To: Brownsey, Silas TRAN:EX; Kislock, Lindsay M TRAN:EX
Cc: Mercer, Andrea TRAN:EX; Jabs, Ryan GCPE:EX
Subject: RE: HHV - s.13,s.

s.13,s.17

From: Brownsey, Silas TRAN:EX
Sent: Thursday, November 17, 2016 9:01 AM
To: Kislock, Lindsay M TRAN:EX
Cc: Mercer, Andrea TRAN:EX; Jabs, Ryan GCPE:EX; Main, Grant TRAN:EX
Subject: FW: HHV - s.13,s.
Importance: High¹⁷

s.13,s.17

Can you canvass with him today?

From: Mercer, Andrea TRAN:EX
Sent: Wednesday, November 16, 2016 11:26 AM
To: Brownsey, Silas TRAN:EX
Subject: HHV - s.13,s.1⁷

Andrea Mercer, Manager Crown Agency Policy
Transit & Crown Agency Programs Branch| Ministry of Transportation and Infrastructure
5D – 940 Blanshard Street | Victoria BC | V8W 9T5

Website: www.gov.bc.ca/tran
Email: Andrea.Mercer@gov.bc.ca
Phone: 250.387.6024 | Mobile: 250.812.5486



Where ideas work

Cabinet Submission – Request for Decision

s.12,s.13

Page 110 to/à Page 128

Withheld pursuant to/removed as

s.12;s.13



BRIEFING NOTE FOR DECISION

DATE: November 24, 2016
PREPARED FOR: Honourable Todd Stone, Minister of Transportation and Infrastructure
ISSUE: OIC for new surcharge on high value (luxury) vehicles

RECOMMENDED OPTION:

- **Approve the Order.**

BACKGROUND:

Implementing a new surcharge for Basic insurance for high value (luxury) vehicles (with a Manufacturer's Suggested Retail Price (MSRP) of greater than or equal to \$150,000) was endorsed by Cabinet on July 20, 2016. This new surcharge was announced by Minister Stone on November 23rd, where it was characterized as an interim measure while Government works towards legislative amendments that remove the ability for high value vehicle owners to purchase Basic (public) auto insurance.

DISCUSSION:

ICBC continues to experience significant claims costs pressures due to a number of factors, including higher crash frequency, higher injury costs, and higher vehicle repair costs. Implementing a surcharge equivalent to a 100% increase on Basic insurance for vehicles with an MSRP at over \$150,000 is just one of a number of measures aimed at reducing these pressures. The cost to repair a high value vehicle is typically six times that of a traditional passenger vehicle, yet today, both vehicle classes pay virtually the same amount for Basic insurance.

s.12,s.13,s.17

FINANCIAL IMPLICATIONS:



- Would result in an annual increase in ICBC Basic premiums of approximately \$2.2 million.

OPTIONS:

OPTION 1: Approve the Order

s.12,s.13,s.17

OPTION 2: Do not approve the Order

s.12,s.13,s.17

RECOMMENDATION:

- Option 1.

APPROVED / NOT APPROVED

Honourable Todd Stone
Minister

November 29, 2016

Date

PREPARED BY:

Andrea Mercer, Manager, Crown Agency Policy
Transit & Crown Agency Policy Branch
(250) 387-6024

REVIEWED BY:

Lindsay Kislock, ADM
Partnerships
Nancy Bain, ADM & EFO
Finance and Management Services Department

INITIALS

LK



The purpose of the Regulatory Impact Checklist Exemption is to demonstrate that a regulatory impact assessment does not need to be completed for the proposed statutory or regulatory changes. A regulatory count is not required for changes that qualify for an exemption.

Questions? Contact RegulatoryReformBC@gov.bc.ca

OIC# (add when available)

Effective Date (DD / MM / YYYY)

Contact and Regulation Information

Name of Contact	Phone Number of Contact
Connie Van Schaik	250-387-3847
Name of Ministry	
Ministry of Transportation and Infrastructure	
Name of Legislation	
Insurance (Vehicle) Act	
Name of Regulation (including B.C. Reg. #), Policy or Form, if applicable	
Insurance Vehicle Regulation, B.C. Reg. 447/83.	

Proposed Changes

The proposed changes are (check all boxes that apply):

<input type="checkbox"/>	Type of OIC is "not a regulation," as identified on the OIC summary sheet.
<input type="checkbox"/>	Changes to existing fees or fines approved by Treasury Board.
<input type="checkbox"/>	Related only to the procedures or practices of a court or tribunal.
<input checked="" type="checkbox"/>	Declaratory or housekeeping changes that clarify or correct a provision without changing regulatory requirements. For example, revised under the revision powers in Part 2 of the Regulations Regulation under the <i>Regulations Act</i> .
<input type="checkbox"/>	Transitional in nature (e.g., Statutes for the 2010 Olympics in Vancouver).
<input type="checkbox"/>	Confirmed by the responsible minister or authority that, due to special circumstances, the regulatory criteria do not apply to the legislative or regulatory change.

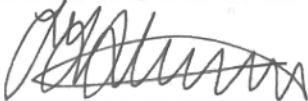
Special Circumstances

Please explain special circumstances:

N/A

Authorization

Signature of Minister Responsible or Head of Regulatory Authority



Date (DD/MM/YYYY)

29/11/2016

Ministry File Manager Use Only

☐ Exemption form uploaded to Regulatory Reform Sharepoint site

Signature of Regulatory Reform File Manager

Date (DD/MM/YYYY)



The purpose of the Regulatory Impact Checklist Exemption is to demonstrate that a regulatory impact assessment does not need to be completed for the proposed statutory or regulatory changes. A regulatory count is not required for changes that qualify for an exemption.

Questions? Contact RegulatoryReformBC@gov.bc.ca

OIC# (add when available)

Effective Date (DD / MM / YYYY)

Contact and Regulation Information

Name of Contact	Phone Number of Contact
Connie Van Schaik	250-387-3847
Name of Ministry	
Ministry of Transportation and Infrastructure	
Name of Legislation	
Insurance Corporation Act s.47	
Name of Regulation (including B.C. Reg. #), Policy or Form, if applicable	
Special Direction IC2 to the British Columbia Utilities Commission, B.C. Reg. 307/2004.	

Proposed Changes

The proposed changes are (check all boxes that apply):

<input type="checkbox"/>	Type of OIC is "not a regulation," as identified on the OIC summary sheet.
<input type="checkbox"/>	Changes to existing fees or fines approved by Treasury Board.
<input type="checkbox"/>	Related only to the procedures or practices of a court or tribunal.
<input checked="" type="checkbox"/>	Declaratory or housekeeping changes that clarify or correct a provision without changing regulatory requirements. For example, revised under the revision powers in Part 2 of the Regulations Regulation under the <i>Regulations Act</i> .
<input type="checkbox"/>	Transitional in nature (e.g., Statutes for the 2010 Olympics in Vancouver).
<input type="checkbox"/>	Confirmed by the responsible minister or authority that, due to special circumstances, the regulatory criteria do not apply to the legislative or regulatory change.

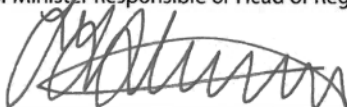
Special Circumstances

Please explain special circumstances:

N/A

Authorization

Signature of Minister Responsible or Head of Regulatory Authority



Date (DD/MM/YYYY)

29/11/2016

Ministry File Manager Use Only☐ Exemption form uploaded to Regulatory Reform Sharepoint site

Signature of Regulatory Reform File Manager

Date (DD/MM/YYYY)

70

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

, Approved and Ordered

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 Division 2 of Part 3 of the Insurance (Vehicle) Regulation, B.C. Reg. 447/83, is amended by adding the following section:

High-value vehicle charge

- 15.9** The corporation may set the amount of the charge payable to the corporation for the issue of the types of certificates respecting coverage for the types of high-value vehicles designated by the corporation for this purpose.



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 (Vehicle) Act*, R.S.B.C. 1996, c. 231, s. 45 (2) (b) and (q.1)

Other: OIC 1897/83

November 29, 2016

R/878/2016/27

Page 137

Withheld pursuant to/removed as

s.12;s.14

72

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

, Approved and Ordered

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 section 3 (1) of Special Direction IC2 to the British Columbia Utilities Commission, B.C. Reg. 307/2004, is amended

(a) *in paragraph (c) by striking out* “paragraphs (g) and (j),” *and substituting* “paragraphs (g), (j) and (k),”

(b) *in paragraph (j) by striking out* “predictable.” *and substituting* “predictable;”, *and*

(c) *by adding the following paragraph:*

(k) despite paragraph (j), within 20 days of the corporation applying for approval of a high-value vehicle charge in accordance with a government directive, approve and set the rates for the charge; .



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: *OIC 647/2004*

November 29, 2016

R/815/2016/27

Page 139

Withheld pursuant to/removed as

s.12;s.14

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

, Approved and Ordered

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 approval is given to the attached directive issued by the Minister of Transportation and Infrastructure to the corporation dated November 29, 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)

November 29, 2016






page 1 of 21

O/816/2016/27

Final package - luxury vehicle announcement

Thursday, January 5, 2017

10:11 AM

Subject	Final package - luxury vehicle announcement
From	Jabs, Ryan GCPE:EX
To	Clark, Nathan TRAN:EX
Cc	Bell, Jordan TRAN:EX; Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX
Sent	Wednesday, November 23, 2016 2:20 PM
Attachments	<div>  <p>Key Messages...</p> </div> <div>  <p>NR_Luxury Vehicles_...</p> </div> <div>  <p>QA_Luxury vehicles_...</p> </div> <div>  <p>SP_Min Todd Ston...</p> </div> <div>  <p>BCUC request m...</p> </div>

Hi Nathan,

Here's the final package for today's announcement on luxury vehicles.

Take care,

Ryan Jabs

Communications Director | Ministry of Transportation and Infrastructure
Government Communications & Public Engagement

Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

RE: Final package - luxury vehicle announcement

Thursday, January 5, 2017
10:11 AM

Subject	RE: Final package - luxury vehicle announcement
From	Clark, Nathan TRAN:EX
To	Jabs, Ryan GCPE:EX
Cc	Bell, Jordan TRAN:EX; Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX
Sent	Wednesday, November 23, 2016 2:37 PM

Note spelling mistake,

The average private passenger cars in B.C. is worth approximately \$15,000, which is 10 times less than the growing number of luxury high-end cars on the road (cars worth above \$150,000). When these more expensive cars get into a crash, it costs approximately six times more to fix them because they are rare, and they are built using high-end technologies and more expensive materials. However, until now, the owner has paid similar rates for their basic insurance.

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 2:21 PM
To: Clark, Nathan TRAN:EX
Cc: Bell, Jordan TRAN:EX; Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX
Subject: Final package - luxury vehicle announcement

Hi Nathan,

Here's the final package for today's announcement on luxury vehicles.

Take care,

Ryan Jabs
Communications Director | Ministry of Transportation and Infrastructure
Government Communications & Public Engagement
Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

MEDIA REQUEST: Rob Shaw - Vancouver Sun

Thursday, January 5, 2017
10:11 AM

Subject	MEDIA REQUEST: Rob Shaw - Vancouver Sun
From	Jabs, Ryan GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	Rorison, Trish GCPE:EX; Wolford, Jessica GCPE:EX; Chambers, Craig GCPE:EX; Bowness, Lianne GCPE:EX
Sent	Wednesday, November 23, 2016 3:15 PM

Rob's sent through the follow up requests below and is looking to speak to the minister. Would you like us to send the information below or have the minister call and provide the info and comment?

Answers:

Can the ministry provide an example of what the current insurance is for a person who has a luxury high end car in BC (assuming perhaps modest optional coverage) and how that would double as an interim measure?

For an Aston Martin, basic insurance costs \$1100 and optional costs \$3736, for a total of \$4800. Once the new rate is in place, the driver will be paying at least \$2,200 for basic and \$4,483 for optional, for a total of nearly \$6,700.

And is there any estimate for what private insurers will charge a luxury owner for insurance once ICBC drops high end cars?

We do not have an estimate for what private insurers will charge, but it will certainly be more on the basic insurance side than we currently charge, as the basic insurance premiums does not currently cover ICBC's costs.

And how much does ICBC expect to save with this move?

ICBC paid out about \$2.3 million in claims costs for these vehicles last year alone. With the future changes, ICBC potentially could save the majority of these costs. As the minister mentioned, this is one of a number of measures already announced and coming to help reduce the rising pressures on rates.

From: Shaw, Rob [<mailto:rshaw@postmedia.com>]

Sent: Wednesday, November 23, 2016 3:09 PM

To: Jabs, Ryan GCPE:EX; Adam Grossman

Subject: Re: Government getting out of the business of insuring high-end luxury cars

Can the ministry provide an example of what the current insurance is for a person who has a luxury high end car in BC (assuming perhaps modest optional coverage) and how that would double as an interim measure?

And is there any estimate for what private insurers will charge a luxury owner for insurance once ICBC drops high end cars?

And how much does ICBC expect to save with this move?

I'm still interested in speaking to the minister and someone from ICBC.

From: Government of British Columbia <GCPE.News@gov.bc.ca>

Date: Wednesday, November 23, 2016 at 2:50 PM
To: Rob Shaw <rshaw@postmedia.com>
Subject: Government getting out of the business of insuring high-end luxury cars

For Immediate Release
2016TRAN0368-002487
Nov. 23, 2016

Ministry of Transportation and Infrastructure

NEWS RELEASE

Government getting out of the business of insuring high-end luxury cars

VANCOUVER - Government is moving forward to no longer insure the high-end luxury car rate class (cars worth \$150,000 and over) so that the broader ratepayer is not subsidizing these cars. The owners of these cars will have to go to private insurance instead, Minister of Transportation and Infrastructure Todd Stone announced today.

The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago. Government is acting now to address the rising costs to repair these cars and to eliminate any pressures they cause on basic rates.

The government will get to work on the necessary legislative changes to have ICBC no longer insure these high-end luxury cars. This means that in the future, private owners of these cars will have to purchase their insurance through private insurance. Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.

While this work is underway, government will immediately take steps so high-end luxury car owners will pay more than double for their basic insurance and ensure their premiums fully cover all costs of any repairs. These interim changes will be formally implemented as soon as possible.

"Right now, whether a person drives a \$15,000 Honda Civic or a \$300,000 Ferrari - their basic insurance premiums are similar. If owners of high-end luxury cars can afford a high-priced car, they certainly can afford to pay higher premiums to cover the real cost for their repairs," said Stone. "This policy needs to be fair for all British Columbian ratepayers, and we want to ensure that the regular everyday driver is not paying for the additional repair costs of these cars through their insurance rate."

The average private passenger car in B.C. is worth approximately \$15,000, which is 10 times less than the growing number of luxury high-end cars on the road (cars worth above \$150,000). When these more expensive cars get into a crash, it costs approximately six times more to fix them because they are rare, and they are built using high-end technologies and more expensive materials. However, until now, the owner has paid similar rates for their basic insurance.

Last year, for example, the average repair cost for a high-value luxury car was approximately \$13,000, compared to the average repair cost of approximately \$2,500 for a typical private vehicle. For example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone. While the cost to repair this car is substantially more than the everyday car, the basic insurance rates of about \$1,000 per car are about the same.

The new rates will apply to private passenger cars only, and not commercial trucks, pick-up trucks, collector cars or limousines. The new rule also will not apply to RVs.

80

The B.C. government and ICBC will start working on necessary framework and policy changes immediately.

This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the following:

- * Rate smoothing model - which restricts basic rate increases to plus/minus 1.5% of the prior rate adjustment.

- * Tougher enforcement for distracted drivers - with significantly higher fines, more penalty points, higher levels of enforcement and more education.

- * Mitigating fraudulent claims - working to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will target fraudulent claims and ultimately lower ICBC rates for all drivers.

This is one of a number of actions that government and ICBC will be rolling out over the coming weeks and months to continue to address cost pressures on rates.

A backgrounder follows.

Media Contact:

Media Relations
Government Communications and Public Engagement
Ministry of Transportation and Infrastructure
250 356-8241

BACKGROUND

Top five highest repair costs (year-to-date 2016)

Vehicle year: 2015

Vehicle make: McLaren

Vehicle model: 650S

Total repair costs: \$93,574

Actual cash value (ACV / Declared value (DV): DV of \$405,697

Vehicle year: 2011

Vehicle make: Ferrari

Vehicle model: 458 Italia

Total repair costs: \$88,481

Actual cash value (ACV / Declared value (DV): DV of \$299,700

Vehicle year: 2016

Vehicle make: Maserati

Vehicle model: Gran Turismo

Total repair costs: \$78,999

Actual cash value (ACV / Declared value (DV): DV of \$215,654

Vehicle year: 2015

Vehicle year: 2015

Vehicle make: Mercedes-Benz

Vehicle model: CLS63 AMG

Total repair costs: \$76,796

Actual cash value (ACV / Declared value (DV): ACV of \$120,952

Vehicle year: 2015

Vehicle make: Porsche

Vehicle model: 911

Total repair costs: \$76,617

Actual cash value (ACV / Declared value (DV): ACV of \$158,785

Vehicle year: 2011

Vehicle make: Rolls Royce

Vehicle model: Phantom

Total repair costs: \$76,474

Actual cash value (ACV / Declared value (DV): DV of \$246,500

Media Contact:

Media Relations

Government Communications and Public Engagement

Ministry of Transportation and Infrastructure

250 356-8241

Connect with the Province of B.C. at: www.gov.bc.ca/connect

FW: TRAN Media Request: Basic insurance for luxury cars

Thursday, January 5, 2017
10:11 AM

Subject	FW: TRAN Media Request: Basic insurance for luxury cars
From	Rorison, Trish GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	Jabs, Ryan GCPE:EX; Bowness, Lianne GCPE:EX
Sent	Wednesday, November 23, 2016 3:47 PM

Hi There – questions from Mike coming out of today’s media avail. This is based on our existing info.

Reporter Mike Smyth,
PRESS GALLERY
msmyth@postmedia.com
250-812-6462

Deadline ASAP

Request Since ICBC will no longer insure these high-end vehicles valued over \$150,000, where will the owners of these vehicles get their basic insurance? I heard the minister say they will be required to get private insurance, but doesn't ICBC currently have a monopoly on basic insurance? Will there have to be legislative changes to allow private insurance companies to sell basic insurance for this class of car?

Background

Recommendation There will need to be legislative changes to remove this rate class of vehicle from the requirement to purchase basic insurance and we will need to create the legal framework for private insurers to provide this type of product. We recognise the drivers of these vehicles will still need to be able to protect themselves and others on the road. This will take some time. In the meantime, we are moving forward with high-end, luxury cars valued at \$150,000 or more paying significantly more for basic insurance rates.

RE: Luxury rate class

Thursday, January 5, 2017
10:11 AM

Subject	RE: Luxury rate class
From	Clark, Nathan TRAN:EX
To	Denney, Jay MIT:EX; Bell, Jordan TRAN:EX
Sent	Wednesday, November 23, 2016 3:50 PM

KMs below. No ethnic media requests as of yet.

Key Messages: Luxury Vehicles

- Government is moving forward to no longer insure high-end luxury cars (worth over \$150,000) so that the broader rate payer is not subsidizing these vehicles.
- While this work is underway, high-end luxury cars will pay significantly more for basic insurance to ensure their premiums cover the full costs to repair these vehicles.
- Interim changes will include doubling the basic insurance premiums for luxury high-end vehicles worth over \$150,000, as well as an increase to optional premiums.
- In the future, ICBC will be moving to no longer insure this rate class, and the owners of these vehicles will have to go to private insurance instead.
- Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.
- This is addressing basic fairness for the rest of ratepayers - who should not be covering the cost costly crashes for those who own expensive, luxury cars.
- The government realized there was an issue, and is acting to fix it.
- We will now start working on necessary legislative changes to introduce the new rules.
- This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the rate smoothing model – which restricts basic rate increases to plus/minus 1.5 percent of the prior rate adjustment – tougher enforcement for distracted drivers, and mitigating fraud.
- The luxury car measure is one of a number of actions that government and ICBC will be rolling out over the coming weeks and months to continue to address cost pressures on rates.

Key Messages: ICBC Rate Projections

- As you are aware, ICBC has been asked by the BCUC to publish some hypothetical projections for basic insurance rates.
- There have been some media reports and some rhetoric out there about

10 this, which could be causing some alarm for the public.

- To put this into context, the BCUC asked ICBC to do some rate modelling based on an extreme worst-case hypothetical situation, and these numbers have been made public.
- I want to reassure the public that these are extreme projections that do not consider the actions that the BC government and ICBC are taking to reduce the pressures on rates.
- So today, ICBC published two other hypothetical rate projections, just to show that these are shifting projections, using different sets of assumptions.
- One shows insurance rates remaining steady – and other shows rates going down.
- None of these speculative scenarios are a real forecast. They are all hypothetical.
- Today, as a government, we have announced a new insurance measure we are taking, to help increase fairness for all rate payers, and to help address cost pressures.
- Government is moving forward to no longer insure the high-end luxury vehicle rate class (vehicles worth \$150,000 and over) so that the broader rate payer is not subsidizing these vehicles, and the owners of these vehicles will have to go to private insurance instead.
- While this work is underway, high-end luxury car owners will pay more than double for basic insurance to ensure their premiums within this rate class fully cover all costs of any repairs.
- In addition, we are already taking a number of steps to help address the cost pressures, including:
- Cracking down on distracted driving – with significantly higher fines, more penalty points, higher levels of enforcement and more education. (Second time distracted driving offenders will pay a total of \$888 in financial penalties, which escalates further for any additional offence).
- Additional steps to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will help to more quickly target claims with the highest risk of fraud – and ultimately lower ICBC rates for all drivers.

From: Denney, Jay MIT:EX

Sent: Wednesday, November 23, 2016 3:50 PM

To: Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX

Subject: Luxury rate class

Have you any messaging you can share? Also, have you received any ethnic media requests on this?

Jay Denney

Chief of Staff

Office of *Hon. Teresa Wat*

⁸⁷
Minister of International Trade
and Minister Responsible for the
Asia Pacific Strategy and Multiculturalism
T: 250-953-0910

TRAN Proactive - Wednesday, Nov. 23, 2016

Thursday, January 5, 2017
10:11 AM

Subject	TRAN Proactive - Wednesday, Nov. 23, 2016
From	Chambers, Craig GCPE:EX
To	GCPE TRAN Proactive
Sent	Wednesday, November 23, 2016 4:19 PM

Hello – here is today's TRAN Proactive report for Wednesday, November 23, 2016.

Announcements for Wednesday, Nov. 23:

- **Event & NR – ICBC high-end luxury vehicle insurance – 2:30 p.m.** – ICBC event with Minister Stone announcing insurance policy changes for high-end luxury vehicles.
- **Media Advisory – Traditional blessing for First Nations art at Evergreen station – 2:45 p.m.** – Media advisory notifying media of the traditional blessing for First Nations art at Evergreen station at 9 a.m. on Thursday, Nov. 24.

Announcements for Thursday, Nov. 24:

- **Event & NR – Traditional blessing for First Nations art at Evergreen station – 9 a.m.** – news release announcing that elders and members of the Kwikwetlem First Nation and special guests revealed a First Nations art collection today at Coquitlam Central Station.
- **NR – Province moves forward with safety improvements at Highway 97 and Boucherie Road in West Kelowna – 10:30 a.m.** - Following extensive public and stakeholder consultation, the Ministry of Transportation and Infrastructure is proceeding with interim safety improvements on Highway 97 as well as the design of a new underpass at Boucherie Road. Quotes included for MTS and PCC.

Announcements for Friday, Nov. 25:

- **NR - Results of Motor Coach Industry Review - 7 a.m.** - The Motor Coach Bus Safety Review includes a review of safety statistics and performance for the industry including a comparison with other jurisdictions, current regulatory framework and procedures, best practices in neighbouring jurisdictions and around North America.
- **NR - Ministry launches new pilot car guidelines manual - 7:15 a.m.** - The Ministry of Transportation and Infrastructure has launched a new manual online for pilot car operators, who help support the safe and efficient movement of oversized loads on B.C.'s highways.
- **Teleconference - Minister Stone hosts teleconference for media on Motor Coach Industry Review and Pilot Car guidelines - 9 a.m.** - Minister will speak to both the Motor Coach Industry Review and the new pilot car guidelines.
- **NR - Highway 97 and DGR intersection improvements completed - 9 a.m.** - This project to improve the intersection and add traffic signals was done to accommodate the increase in commercial traffic using the Dangerous Goods Route through Dawson Creek.
- **NR - BC Ferries releases Q2 financial results - 11:30 a.m.** - BC Ferries will release its financial results from Q2, ending Sept. 30, 2016.
- **Briefing - Evergreen Line under budget; financial details released - 2 p.m.** - The Evergreen Line will open under its \$1.43 billion budget. Project team will provide media with a technical briefing on project finances.
- **Statement - Minister's Statement on Evergreen Line - time tbc** - Minister Stone responds to Evergreen Line's financials release.

TRAN – MEDIA REQUESTS

Global Okanagan

ISSUE: non-functioning emergency vehicle signal pre-emption in Kelowna

STATUS: Completed

Vancouver Sun – Rob Shaw

ISSUE: BCUC rate filing projections

STATUS: In progress

Valley Voice New Denver

ISSUE: Upper Arrow Lake Ferry – retirement of Galena

STATUS: In progress

CBC On the Coast

ISSUE: Basic insurance for luxury cars

STATUS: Completed

Alaska Highway News

ISSUE: Chetwynd civil claims from flooding

STATUS: In progress

CFAX 1070

ISSUE: Basic insurance for luxury cars

STATUS: Completed

Mike Smyth – Press Gallery

ISSUE: Basic insurance for luxury cars

STATUS: In progress

Roundhouse Radio

ISSUE: does luxury car announcement signal privatization of ICBC

STATUS: In progress

EMBC – MEDIA REQUESTS

N/A

OPEN GOVERNMENT

N/A

Craig Chambers | Senior Public Affairs Officer

Government Communications and Public Engagement

Ministry of Transportation and Infrastructure

Office: 250 387-5798 | Mobile: 250 213-3953 | E: craig.chambers@gov.bc.ca

RE: ICBC luxury cars

Thursday, January 5, 2017
10:12 AM

Subject	RE: ICBC luxury cars
From	Clark, Nathan TRAN:EX
To	Wizinsky, Jennifer LASS:EX
Sent	Wednesday, November 23, 2016 4:41 PM

And here are examples of full coverage, basic and optional, insurance costs for the following vehicles in Vancouver:

2015 Toyota Corolla L 4 door: \$1,731
2015 BMW 335i 4 door: \$2,177
2015 Bentley Continental GT Speed 2 door: \$4,879

From: Clark, Nathan TRAN:EX
Sent: Wednesday, November 23, 2016 4:23 PM
To: Wizinsky, Jennifer LASS:EX
Subject: RE: ICBC luxury cars

Staff are looking into something more specific but this should be helpful.

How much would a higher priced vehicle (worth over \$150,000) typically cost to fix?

- Last year the average repair cost for a high-value exotic vehicle was approximately \$13,000 compared to the average repair cost of approximately \$2,500 for a typical private vehicle.
- As another example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone.

	Basic Insurance	
Basic Policy Statistics For Cars	< \$150,000 (Personal)	> \$150,000 (Luxury)
Average Premiums	\$900	\$1,000
Total Premium Paid	\$409.0M	\$0.3M
Total Claims Cost	\$380.0M	\$1.1M
2015 Average Cost Severity on Vehicle	\$2,500	\$15,000

From: Clark, Nathan TRAN:EX
Sent: Wednesday, November 23, 2016 3:52 PM
To: Wizinsky, Jennifer LASS:EX
Subject: RE: ICBC luxury cars

<https://news.gov.bc.ca/releases/2016TRAN0368-002487>

From: Wizinsky, Jennifer [<mailto:Jennifer.Wizinsky@leg.bc.ca>]
Sent: Wednesday, November 23, 2016 3:51 PM
To: Clark, Nathan TRAN:EX
Subject: RE: ICBC luxury cars

Was there an NR I can link to?

From: Clark, Nathan TRAN:EX [<mailto:Nathan.Clark@gov.bc.ca>]
Sent: Wednesday, November 23, 2016 3:42 PM
To: Wizinsky, Jennifer <Jennifer.Wizinsky@leg.bc.ca>
Subject: ICBC luxury cars

Today, Minister Stone announced further action to address pressures on ICBC basic rates.

Key Messages: Luxury Vehicles

- Government is moving forward to no longer insure high-end luxury cars (worth over \$150,000) so that the broader rate payer is not subsidizing these vehicles.
- While this work is underway, high-end luxury cars will pay significantly more for basic insurance to ensure their premiums cover the full costs to repair these vehicles.
- Interim changes will include doubling the basic insurance premiums for luxury high-end vehicles worth over \$150,000, as well as an increase to optional premiums.
- In the future, ICBC will be moving to no longer insure this rate class, and the owners of these vehicles will have to go to private insurance instead.
- Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.
- This is addressing basic fairness for the rest of ratepayers - who should not be covering the cost costly crashes for those who own expensive, luxury cars.
- This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the rate smoothing model – which restricts basic rate increases to plus/ minus 1.5 percent of the prior rate adjustment – tougher enforcement for distracted drivers, and mitigating fraud.

Key Messages: ICBC Rate Projections

- As you are aware, ICBC has been asked by the BCUC to publish some

hypothetical projections for basic insurance rates.

- There have been some media reports and some rhetoric out there about this, which could be causing some alarm for the public.
- To put this into context, the BCUC asked ICBC to do some rate modelling based on an extreme worst-case hypothetical situation, and these numbers have been made public.
- I want to reassure the public that these are extreme projections that do not consider the actions that the BC government and ICBC are taking to reduce the pressures on rates.
- So today, ICBC published two other hypothetical rate projections, just to show that these are shifting projections, using different sets of assumptions.
- One shows insurance rates remaining steady – and other shows rates going down.
- None of these speculative scenarios are a real forecast. They are all hypothetical.

Nathan Clark

Executive Assistant to the Honourable Todd Stone

Minister of Transportation & Infrastructure and Deputy House Leader

News You Can Use: Addressing Pressures on ICBC Basic Rates

Thursday, January 5, 2017

10:12 AM

Subject	News You Can Use: Addressing Pressures on ICBC Basic Rates
From	Wizinsky, Jennifer
To	
Sent	Wednesday, November 23, 2016 4:45 PM

News You Can Use: Addressing Pressures on ICBC Basic Rates

- Today, Minister Stone announced further action to address pressures on ICBC basic rates.

- **Key Messages: Luxury Vehicles**








- Government is moving forward to no longer insure high-end luxury cars (worth over \$150,000) so that the broader rate payer is not subsidizing these vehicles.
- Last year the average repair cost for a high-value exotic vehicle was approximately \$13,000 compared to the average repair cost of approximately \$2,500 for a typical private vehicle.
- As another example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone.
- Interim changes will include doubling the basic insurance premiums for luxury high-end vehicles worth over \$150,000, as well as an increase to optional premiums.
- In the future, ICBC will be moving to no longer insure this rate class, and the owners of these vehicles will have to go to private insurance instead.
- Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.
- This is addressing basic fairness for the rest of ratepayers - who should not be covering the cost costly crashes for those who own expensive, luxury cars.
- This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the rate smoothing model – which restricts basic rate increases to plus/ minus 1.5 percent of the prior rate adjustment – tougher enforcement for distracted drivers, and mitigating fraud.

Link to news release: <https://news.gov.bc.ca/releases/2016TRAN0368-002487>

Daily Issues Report - Wednesday, November 23, 2016

Thursday, January 5, 2017

10:12 AM

Subject	Daily Issues Report - Wednesday, November 23, 2016
From	Rorison, Trish GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	GCPE Communications - Transportation; Lewthwaite, Jennifer TRAN:EX; Haskett, Sara TRAN:EX; McLean, Matt GCPE:EX; TRAN HQ EXECUTIVE; Valle, Gloria J TRAN:EX; Gilmour, Lori TRAN:EX; Lolacher, Russel TRAN:EX; Crighton, Jessica TRAN:EX; Reimer, Kristen TRAN:EX
Sent	Wednesday, November 23, 2016 5:14 PM
Attachments	 FINAL_NR BG_Luxur...  MA-Kwikwe tlem FN A...  NR_Boucher ie_Westlake  DRAFT  NR_BG_Mo tor Coach ...  NR_Pilot Car Guidelines  NR Hwy 97 & DGR pr...

Here is today's Daily report along with supporting communications materials for Wednesday, November 23, 2016.

Announcements for Wednesday, Nov. 23:

- **Event & NR – ICBC high-end luxury vehicle insurance – 2:30 p.m.** – ICBC event with Minister Stone announcing insurance policy changes for high-end luxury vehicles.
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- **NR – Province moves forward with safety improvements at Highway 97 and Boucherie Road in West Kelowna – 10:30 a.m.** - Following extensive public and stakeholder consultation, the Ministry of Transportation and Infrastructure is proceeding with interim safety improvements on Highway 97 as well as the design of a new underpass at Boucherie Road. Quotes included for MTS and PCC.
 - Tweet: Design work starting for new interchange on #BCHwy97 at Boucherie Rd to improve safety and meet future traffic demands

Announcements for Friday, Nov. 25:

- **NR - Results of Motor Coach Industry Review - 7 a.m.** - The Motor Coach Bus Safety Review includes a review of safety statistics and performance for the industry including a comparison with other jurisdictions, current regulatory framework and procedures, best practices in neighbouring jurisdictions and around North America.
- **NR - Ministry launches new pilot car guidelines manual - 7:15 a.m.** - The Ministry of Transportation and Infrastructure has launched a new manual online for pilot car operators, who help support the safe and efficient movement of oversized loads on B.C.'s highways.
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- **Statement - Minister's Statement on Evergreen Line - time tbc** - Minister Stone responds to Evergreen Line's financials release.

Best,

Trish

Trish Rorison | Communications Manager
Government Communications & Public Engagement
B.C. Ministry of Transportation and Infrastructure

Telephone: 250.356.7707 | Mobile: 250.580.6723 | email: trish.rorison@gov.bc.ca

Re: FOR APPROVAL: TRAN Media Request: ICBC luxury car announcement

Thursday, January 5, 2017
10:12 AM

Subject	Re: FOR APPROVAL: TRAN Media Request: ICBC luxury car announcement
From	Bell, Jordan TRAN:EX
To	Chambers, Craig GCPE:EX
Cc	Clark, Nathan TRAN:EX; Jabs, Ryan GCPE:EX; Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX
Sent	Wednesday, November 23, 2016 5:24 PM

Good. Thanks.

Sent from my mobile device.

On Nov 23, 2016, at 4:31 PM, Chambers, Craig GCPE:EX <Craig.Chambers@gov.bc.ca> wrote:

For approval. Reporter is looking for voice clip – does MTS have time to do this one?

Reporter Melissa Shaw, Reporter
Roundhouse Radio 98.3 FM
melissa@roundhouseradio.com
604-449-7983

Deadline ASAP

Request Is today's announcement the first step toward privatization of ICBC?

Background

Recommendation

Response:

No. This is not moving ahead with privatization. This is purely a fairness measure that helps ensure that all rate payers don't continue to subsidize insurance for owners of luxury high end vehicles.

Government is moving forward to no longer insure high-end luxury vehicles (vehicles worth approximately \$150,000 and over) so that the broader rate payer is not subsidizing these vehicles.


Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.

While this work is underway, high-end luxury cars will pay significantly more for basic insurance to ensure their premiums cover the full costs to repair these vehicles. Interim changes, which will roll out as soon as possible, will include at least doubling the basic rate for luxury high-end vehicles, as well as an increase to optional rates. These changes will help increase fairness for everyone, and will help address some of the cost pressures on insurance rates.

TNO Media Overview

Thursday, January 5, 2017

10:12 AM

Subject	TNO Media Overview
From	Scott.Ryckman@gov.bc.ca
To	
Sent	Wednesday, November 23, 2016 9:15 PM
Attachments	 overview_2 0161123

Daily Today's News Online Media Overview

Wednesday, November 23, 2016

CHAN - Global BC Early News with Chris Gailus 17:00 hr		
Placement	Time	Story
Intro		Equipment malfunction prompts advisory for Lions Gate Hospital patients Officials prepare for anticipated rise in drug overdoses in Vancouver's DTES
Top Story	1700	Equipment malfunction prompts advisory for Lions Gate Hospital patients
2/9	1702	BC health officials dismissing results of latest Fraser Institute report
3/9	1703	Officials prepare for anticipated rise in drug overdoses in Vancouver's DTES
4/9	1705	Mayors approve first phase of Metro Vancouver transit plan
5/9	1707	Todd Stone downplaying reports of substantial ICBC rate hikes
6/9	1710	Victoria's iconic Spinnakers pub damaged by fire
7/9	1710	Two people in police custody after an armed standoff in Abbotsford
8/9	1711	UBC marine research facility in need of government funding
9/9	1713	Traffic report
	1713	First commercial break

CHAN - Global BC News Hour with Chris Gailus & Sophie Lui 18:00 hr		
Placement	Time	Story
Intro		Equipment malfunction prompts advisory for Lions Gate Hospital patients Two people in police custody after an armed standoff in Abbotsford Todd Stone says ICBC will no longer insure high-end luxury vehicles
Top Story	1800	Equipment malfunction prompts advisory for Lions Gate Hospital patients
2/13	1802	Crash disrupts flow of traffic along Highway 99 near George Massey Tunnel
3/13	1802	Officials prepare for anticipated rise in drug overdoses in Vancouver's DTES
4/13	1805	Two people in police custody after an armed standoff in Abbotsford
5/13	1806	Mayors approve first phase of Metro Vancouver transit plan

6/13	1808	Todd Stone says ICBC will no longer insure high-end luxury vehicles
7/13	1810	BC health officials dismissing results of latest Fraser Institute report
8/13	1813	Mary Polak defends changes to BC's contaminated soil regulations
	1815	First commercial break
9/13	1817	Whistler Mountain ski season begins one day early
10/13	1817	Survey suggests Canadians could be more productive at work
11/13	1820	Traffic report
	1820	Second commercial break
12/13	1823	Global BC consumer reporter helps viewers find Black Friday deals
13/13	1827	Weather report
	1828	Third commercial break

CHEK - CHEK News at Five with Ben O'Hara-Byrne 1700 hr		
Placement	Time	Story
Intro		Victoria's iconic Spinnakers pub damaged by fire Victoria father of three killed in a house fire Eviction notices served to all tenants at Victoria apartment complex
Top Story	1700	Victoria's iconic Spinnakers pub damaged by fire
2/12	1704	Victoria father of three killed in a house fire
3/12	1706	Car crash in Shawnigan Lake sends two people to hospital
4/12	1706	Eviction notices served to all tenants at Victoria apartment complex
5/12	1708	Locked out Texada mine workers rally in Lafarge Park
6/12	1709	Leonard Krog concerned about dysfunctional Nanaimo City Council
7/12	1711	John Horgan critical of Premier's refusal to call a fall Legislature sitting
8/12	1712	CHEK asks viewers how often MLA's should sit in BC Legislature
9/12	1712	Avalanche warning issued for parts of Vancouver Island
10/12	1715	Whistler Mountain ski season begins today
11/12	1716	Weather report
12/12	1716	Road conditions report
	1717	First commercial break

CIVT - CTV News at Five with Scott Roberts 1700 hr		
Placement	Time	Story
Intro		Canada Post worker accused of stealing a parcel from a Coquitlam home Two people in police custody after an armed standoff in Abbotsford Canadian pop star accused of assaulting fan in Barcelona
Top Story	1700	Police investigating a serious motor vehicle crash in Delta
2/11	1701	Todd Stone says ICBC will no longer insure high-end luxury vehicles
3/11	1703	Two people in police custody after an armed standoff in Abbotsford
4/11	1703	Canada Post worker accused of stealing a parcel from a Coquitlam home
5/11	1704	Officials prepare for anticipated rise in drug overdoses in Vancouver's DTES
6/11	1705	Killer in random attack in New Westminster pleads guilty to manslaughter
7/11	1706	Vancouver police taser an armed masked man

8/11	1706	Victoria house fire kills one person
9/11	1707	Fraser Institute report warns of long surgical wait times in BC
10/11	1707	VPD officers & at-risk youth prepare for Seattle Marathon
11/11	1708	

CIVT - CTV News at Six with Mike Killeen & Mi-Jung Lee 1800 hr		
Placement	Time	Story
Intro		Todd Stone downplaying reports of substantial ICBC rate hikes Canada Post worker accused of stealing a parcel from a Coquitlam home Packing material left inside patient after surgery at Nanaimo hospital
Top Story	1800	<u>Todd Stone downplaying reports of substantial ICBC rate hikes</u>
2/7	1802	Police investigating a serious motor vehicle crash in Delta
3/7	1803	Two people in police custody after an armed standoff in Abbotsford
4/7	1805	<u>Officials prepare for anticipated rise in drug overdoses in Vancouver's DTES</u>
5/7	1807	Beluga whale still seriously ill at Vancouver Aquarium
6/7	1809	Mayors approve first phase of Metro Vancouver transit plan
7/7	1811	Fraser Institute report warns of long surgical wait times in BC
	1812	First commercial break

CBUT - CBC News Vancouver with Andrew Chang 1800 hr		
Placement	Time	Story
Intro		Mayors approve first phase of Metro Vancouver transit plan Opioid overdose crisis having a dramatic impact on BC paramedics Painting by Vancouver artist sells at auction
Top Story	1800	<u>Equipment malfunction prompts advisory for Lions Gate Hospital patients</u>
2/6	1802	<u>Labour dispute could disrupt flights at YVR</u>
3/6	1805	<u>Mayors approve first phase of Metro Vancouver transit plan</u>
4/6	1809	<u>Officials prepare for anticipated rise in drug overdoses in Vancouver's DTES</u>
5/6	1811	<u>Opioid overdose crisis having a dramatic impact on BC paramedics</u>
6/6	1817	Weather report
	1818	First commercial break

CIVI - CTV News Live @ 5 with Joe Perkins 1700 hr		
Placement	Time	Story
Intro		Victoria's iconic Spinnakers pub damaged by fire Victoria father of three killed in a house fire Packing material left inside patient after surgery at Nanaimo hospital
Top Story	1700	Victoria's iconic Spinnakers pub damaged by fire
2/10	1704	Victoria father of three killed in a house fire
3/10	1705	Victoria man accused of killing his friend remains in police custody in Mexico
4/10	1705	<u>Packing material left inside patient after surgery at Nanaimo hospital</u>
5/10	1708	Victoria residents frustrated by fighter jet noise from US Naval base
6/10	1709	Industrial equipment mistaken for missing bomb off coast

		of Haida Gwaii
7/10	1709	Helijet offering weekend flights between Nanaimo & Vancouver
8/10	1710	City of Victoria taking steps to increase garden suites
9/10	1711	<u>Feral rabbits causing damage at VIU & across Nanaimo</u>
10/10	1714	Weather report
	1714	First commercial break

Story summaries appearing in blue feature a transcript. Summaries appearing in green feature a video. Click story summary to access.

This TNO product is intended only for the use of the person to whom it is addressed. Please do not forward or redistribute.

Re: MEDIA REQUEST: Gabriola Sounder - Collector ferrari

Thursday, January 5, 2017
10:12 AM

Subject	Re: MEDIA REQUEST: Gabriola Sounder - Collector ferrari
From	Bell, Jordan TRAN:EX
To	Jabs, Ryan GCPE:EX
Cc	Clark, Nathan TRAN:EX; Rorison, Trish GCPE:EX; Chambers, Craig GCPE:EX
Sent	Thursday, November 24, 2016 11:21 AM

Approved.

Sent from my mobile device.

On Nov 24, 2016, at 11:11 AM, Jabs, Ryan GCPE:EX <Ryan.Jabs@gov.bc.ca> wrote:

Okay to respond?

Reporter with the Gabriola Sounder has asked the following:

Will these new 'luxury' car requirements also apply to luxury cars which are considered 'collectible' under the ICBC definitions?

Example: if someone has a 25-year-old Ferrari, which still carries a fairly high replacement cost if damaged, will that owner also be required to carry private insurance, or will they be able to qualify under the collectible vehicle program?

Response:

A luxury vehicle, as defined by ICBC, is any private passenger vehicle valued over \$150,000, not including pick-up trucks, motorhomes, commercial fleets or collector vehicles.

From: Derek Kilbourn [<mailto:derek@soundernews.com>]

Sent: Thursday, November 24, 2016 10:32 AM

To: Rorison, Trish GCPE:EX

Subject: Re: Government getting out of the business of insuring high-end luxury cars

This afternoon if possible, tomorrow morning if not.

Thank you,

Derek Kilbourn

Editor

Gabriola Sounder

Phone: 250-247-9337

Tweet: @News4Gabriola

Web: www.soundernews.com

On 24-Nov-16, at 9:28 AM, Rorison, Trish GCPE:EX wrote:

Hi Derek – will get that info for you. What is your deadline?

Trish

- - - - -

From: Derek Kilbourn [<mailto:derek@soundernews.com>]
Sent: Thursday, November 24, 2016 9:26 AM
To: Rorison, Trish GCPE:EX
Subject: RE: Government getting out of the business of insuring high-end luxury cars

Hi Trish - I sent this to Sonia, her email informs me^{s.22} and to contact you instead.

Thank you,

Derek Kilbourn
Editor
Gabriola Sounder
Phone: 250-247-9337
Tweet: @News4Gabriola
Web: www.soundernews.com

Begin forwarded message:

From: Derek Kilbourn <Derek@soundernews.com>
Date: November 24, 2016 9:11:18 AM PST (CA)
To: "Sonia GCPE:EX Low e" <Sonia.Low e@gov.bc.ca>
Subject: **Re: Government getting out of the business of insuring high-end luxury cars**

Hi Sonia,

Will these new 'luxury' car requirements also apply to luxury cars which are considered 'collectible' under the ICBC definitions?

Example: if someone has a 25-year-old Ferrari, which still carries a fairly high replacement cost if damaged, will that owner also be required to carry private insurance, or will they be able to qualify under the collectible vehicle program?

Derek Kilbourn
Editor
Gabriola Sounder
Phone: 250-247-9337
Tweet: @News4Gabriola
Web: www.soundernews.com

On 23-Nov-16, at 2:50 PM, Government of British Columbia wrote:

For Immediate Release
2016TRAN0368-002487
Nov. 23, 2016

Ministry of Transportation and Infrastructure

NEWS RELEASE

Government getting out of the business of insuring high-end luxury cars

VANCOUVER - Government is moving forward to no longer insure the high-end luxury car rate class (cars worth \$150,000 and over) so that the broader ratepayer is not subsidizing these cars. The owners of these cars will have to go to private insurance instead, Minister of Transportation and Infrastructure Todd Stone announced today.

The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago. Government is acting now to address the rising costs to repair these

cars and to eliminate any pressures they cause on basic rates.

The government will get to work on the necessary legislative changes to have ICBC no longer insure these high-end luxury cars. This means that in the future, private owners of these cars will have to purchase their insurance through private insurance. Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.

While this work is underway, government will immediately take steps so high-end luxury car owners will pay more than double for their basic insurance and ensure their premiums fully cover all costs of any repairs. These interim changes will be formally implemented as soon as possible.

"Right now, whether a person drives a \$15,000 Honda Civic or a \$300,000 Ferrari - their basic insurance premiums are similar. If owners of high-end luxury cars can afford a high-priced car, they certainly can afford to pay higher premiums to cover the real cost for their repairs," said Stone. "This policy needs to be fair for all British Columbian ratepayers, and we want to ensure that the regular everyday driver is not paying for the additional repair costs of these cars through their insurance rate."

The average private passenger car in B.C. is worth approximately \$15,000, which is 10 times less than the growing number of luxury high-end cars on the road (cars worth above \$150,000). When these more expensive cars get into a crash, it costs approximately six times more to fix them because they are rare, and they are built using high-end technologies and more expensive materials. However, until now, the owner has paid similar rates for their basic insurance.

Last year, for example, the average repair cost for a high-value luxury car was approximately \$13,000, compared to the average repair cost of approximately \$2,500 for a typical private vehicle. For example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone. While the cost to repair this car is substantially more than the everyday car, the basic insurance rates of about \$1,000 per car are about the same.

The new rates will apply to private passenger cars only, and not commercial trucks, pick-up trucks, collector cars or limousines. The new rule also will not apply to RVs.

The B.C. government and ICBC will start working on necessary framework and policy changes immediately.

This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the following:

- * Rate smoothing model - which restricts basic rate increases to plus/minus 1.5% of the prior rate adjustment.

- * Tougher enforcement for distracted drivers - with significantly higher fines, more penalty points, higher levels of enforcement and more education.

- * Mitigating fraudulent claims - working to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will target fraudulent claims and ultimately

lower ICBC rates for all drivers.

This is one of a number of actions that government and ICBC will be rolling out over the coming weeks and months to continue to address cost pressures on rates.

A backgrounder follows.

Media Contact:

Media Relations
Government Communications and Public Engagement
Ministry of Transportation and Infrastructure
250 356-8241

BACKGROUNDER

Top five highest repair costs (year-to-date 2016)

Vehicle year: 2015

Vehicle make: McLaren

Vehicle model: 650S

Total repair costs: \$93,574

Actual cash value (ACV / Declared value (DV) : DV of \$405,697

Vehicle year: 2011

Vehicle make: Ferrari

Vehicle model: 458 Italia

Total repair costs: \$88,481

Actual cash value (ACV / Declared value (DV) : DV of \$299,700

Vehicle year: 2016

Vehicle make: Maserati

Vehicle model: Gran Turismo

Total repair costs: \$78,999

Actual cash value (ACV / Declared value (DV) : DV of \$215,654

Vehicle year: 2015

Vehicle make: Mercedes-Benz

Vehicle model: CLS63 AMG

Total repair costs: \$76,796

Actual cash value (ACV / Declared value (DV) : ACV of \$120,952

Vehicle year: 2015

Vehicle make: Porsche

Vehicle model: 911

Total repair costs: \$76,617

Actual cash value (ACV / Declared value (DV) : ACV of \$150,805

Actual cash value (ACV / Declared value (DV) : ACV of \$158,785

Vehicle year: 2011

Vehicle make: Rolls Royce

Vehicle model: Phantom

Total repair costs: \$76,474

Actual cash value (ACV / Declared value (DV) : DV of \$246,500

Media Contact:

Media Relations

Government Communications and Public Engagement

Ministry of Transportation and Infrastructure

250 356-8241

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Insurance Corporation of British Columbia | 151 W. Esplanade | North Vancouver | V7M 3H9

[Contact Us](#)

Re: FOR APPROVAL: responses to Justine Hunter request - ICBC luxury vehicles

Thursday, January 5, 2017
10:12 AM

Subject	Re: FOR APPROVAL: responses to Justine Hunter request - ICBC luxury vehicles
From	Bell, Jordan TRAN:EX
To	Chambers, Craig GCPE:EX
Cc	Clark, Nathan TRAN:EX; Jabs, Ryan GCPE:EX; Rorison, Trish GCPE:EX
Sent	Thursday, November 24, 2016 3:41 PM

Approved.

Sent from my mobile device.

On Nov 24, 2016, at 3:00 PM, Chambers, Craig GCPE:EX <Craig.Chambers@gov.bc.ca> wrote:

For approval, please. Justine is prepping for radio tomorrow and is just looking for facts, not a polished statement.

Reporter Justine Hunter, Reporter
Globe and Mail (BC Bureau)
jhunter@globeandmail.com
250-220-2718 c: 250-857-4779

Deadline Thursday, November 24, 2016 4:00 PM

Request How much money does Minister Stone estimate implementing this policy will save government/ICBC? How many of these types of vehicles are on the road. She is prepping for radio tomorrow and is just looking for facts, not a polished statement.

Background

Recommendation

Responses:











In the interim, ICBC would expect to bring in an additional \$2 to \$4 million per year in premiums based on the increased rates for these vehicles. ICBC paid out about \$2.3 million in claims costs for these vehicles last year alone. With the future changes, ICBC potentially could save the majority of these costs.

The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago. Government is acting now to address the rising costs to repair these cars and to eliminate any pressures they cause on basic rates.

Daily Issues Report - Thursday, November 24, 2016

Thursday, January 5, 2017

10:12 AM

Subject	Daily Issues Report - Thursday, November 24, 2016
From	Rorison, Trish GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	GCPE Communications - Transportation; Lewthwaite, Jennifer TRAN:EX; Haskett, Sara TRAN:EX; McLean, Matt GCPE:EX; TRAN HQ EXECUTIVE; Valle, Gloria J TRAN:EX; Gilmour, Lori TRAN:EX; Lolacher, Russel TRAN:EX; Crighton, Jessica TRAN:EX; Reimer, Kristen TRAN:EX
Sent	Thursday, November 24, 2016 5:06 PM
Attachments	<div>  <p>FINAL NR - Kwikwetle...</p> </div> <div>  <p>NR-Highway 97 Bouche...</p> </div> <div>  <p>NR Hwy 97 & DGR pr...</p> </div> <div>  <p>NR - Fur Gold and ...</p> </div> <div>  <p>MA_Motor Coach Rev...</p> </div> <div>  <p>NR_Sicamou s roundab...</p> </div> <div>  <p>MA - Evergreen...</p> </div> <div>  <p>FINAL_NR_Motor Co...</p> </div> <div>  <p>FINAL_NR_Pilot Car Gu...</p> </div> <div>  </div>



Here is today's Daily report along with supporting communications materials for Thursday, November 24, 2016.

Announcements for Thursday, Nov. 24:

- **Event & NR – Traditional blessing for First Nations art at Evergreen station – 9 a.m.** – news release announcing that elders and members of the Kwikwetlem First Nation and special guests revealed a First Nations art collection today at Coquitlam Central Station.
- **NR – Province moves forward with safety improvements at Highway 97 and Boucherie Road in West Kelowna – 10:30 a.m.** - Following extensive public and stakeholder consultation, the Ministry of Transportation and Infrastructure is proceeding with interim safety improvements on Highway 97 as well as the design of a new underpass at Boucherie Road. Quotes included for MTS and PCC.

Announcements for Friday, Nov. 25:

- **NR - Results of Motor Coach Industry Review - 7 a.m.** - The Motor Coach Bus Safety Review includes a review of safety statistics and performance for the industry including a comparison with other jurisdictions, current regulatory framework and procedures, best practices in neighbouring jurisdictions and around North America.
- **NR - Ministry launches new pilot car guidelines manual - 7:15 a.m.** - The Ministry of Transportation and Infrastructure has launched a new manual online for pilot car operators, who help support the safe and efficient movement of oversized loads on B.C.'s highways.
- **Media Advisory/Teleconference - Minister Stone hosts teleconference for media on Motor Coach Industry Review and Pilot Car guidelines - 9 a.m.** - Minister will speak to both the Motor Coach Industry Review and the new pilot car guidelines. Media advisory out approximately 7:30 a.m. following releases.
- **NR - Highway 97 and DGR intersection improvements completed - 9 a.m.** - This project to improve the intersection and add traffic signals was done to accommodate the increase in commercial traffic using the Dangerous Goods Route through Dawson Creek.
 - Tweet: Done! Safety improvements at the #BCHwy97 and Dangerous Goods Route intersection in #dawsoncreek
- **Media Advisory – 11:00 a.m.** Amanda Farrell to deliver technical briefing on Evergreen Project financials
- **NR - BC Ferries releases Q2 financial results - 11:30 a.m.** - C Ferries will release its financial results from Q2, ending Sept. 30, 2016.
- **Media Advisory/Briefing - Evergreen Line under budget; financial details released - 2 p.m.** - The Evergreen Line will open under its \$1.43 billion budget. Project team will provide media with a technical briefing on project finances. Media advisory to go at 10 a.m.

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 - Tweet: DYK first Fort #Kamloops founded in 1812? The story is on our Stop of Interest sign. Nominate your own. bit.ly/2eIUepM
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federal NR. The project is located on Highway 3 between Hope and Princeton. The project involves relocating and straightening the highway to remove two sharp curves, and adding a passing lane in each direction.

- **Event & NR – Sicamous roundabout completion – 10 a.m.** - Event to announce completion of a roundabout at the intersection of Main Street and Highway 97A in Sicamous. MTS quote with MLA Kylo lead.
- **FYI – TransLink launches new bus integration plan – info bulletin, 10 a.m.** - Bus scheduling changes will feed into the new Evergreen Line schedule

Best,

Trish

Trish Rorison | Communications Manager
Government Communications & Public Engagement
B.C. Ministry of Transportation and Infrastructure

Telephone: 250.356.7707 | Mobile: 250.580.6723 | email: trish.rorison@gov.bc.ca

RE: s.22

- query luxury vehicle

private insurance - Case file 1611-C-2303

Thursday, January 5, 2017
10:12 AM

Subject	RE: s.22 Case file 1611-C-2303	- query luxury vehicle private insurance -
From	Clark, Nathan TRAN:EX	
To	Button, Judy LASS:EX	
Cc	Sidhu, Min K LASS:EX	
Sent	Friday, November 25, 2016 12:16 PM	

The bullets sent by caucus were not in a media scan rather sent as an issue alert and news you can use. I have asked the ministry to prepare bullets.

From: Button, Judy [<mailto:Judy.Button@leg.bc.ca>]

Sent: Friday, November 25, 2016 12:14 PM

To: Clark, Nathan TRAN:EX

Cc: Sidhu, Min K LASS:EX

Subject: RE: s.22

file 1611-C-2303

- query luxury vehicle private insurance - Case

Nathan:

I did read Vernon Media Scan yesterday, Provincial Media Scan – Luxury-car owners – ICBC #16 & # 17. Not quite what requested – Media News – not Ministry response. Please request Ministry response and bullets would be much appreciated, as per Min Sidhu, EA MLA Foster request ‘ if this information is correct? ’

Tx/jb

From: Clark, Nathan TRAN:EX [<mailto:Nathan.Clark@gov.bc.ca>]

Sent: November 25, 2016 11:47 AM

To: Button, Judy <Judy.Button@leg.bc.ca>

Subject: RE s.22

file 1611-C-2303

query luxury vehicle private insurance - Case

I will ask for specific bullets however this will take some time. In the meantime, I understand caucus sent around bullets the other day regarding the rate changes at ICBC. Those may be helpful when drafting a response.

Nathan

From: Button, Judy [<mailto:Judy.Button@leg.bc.ca>]

Sent: Friday, November 25, 2016 11:40 AM

To: Clark, Nathan TRAN:EX

Subject: RE s.22

file 1611-C-2303

query luxury vehicle private insurance - Case

Hello Nathan:

Thank you for your quick response to request. MLA Eric Foster does prefer to respond to his constituent's directly with Ministry response, as original email was directed to MLA Foster. Looking forward to receiving response at your earliest convenience.

Thanks,
Judy Button
Office Assistant

From: Clark, Nathan TRAN:EX [mailto:Nathan.Clark@gov.bc.ca]
Sent: November 25, 2016 11:09 AM
To: Button, Judy <Judy.Button@leg.bc.ca>
Subject: Re: s.22 query luxury vehicle private insurance - Case file 1611-C-2303

Hi Judy,

If you would like, we can create a mts response and cc' your office. Please advise.

Nathan

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: Button, Judy
Sent: Friday, November 25, 2016 11:06 AM
To: Clark, Nathan TRAN:EX
Subject: s.22 - query luxury vehicle private insurance - Case file 1611-C-2303

Good morning Nathan:

Below email received from MLA Eric Foster constituent with reference to above subject and details in email. Please may we have clarification of remarks and Ministry response for MLA response to his constituent.

Thanks,
Judy Button
Office Assistant
Eric Foster
Government Caucus Whip
MLA Vernon Monashee

From: Foster.MLA, Eric
Sent: November 24, 2016 10:27 AM
To: Button, Judy <Judy.Button@leg.bc.ca>
Subject: FW: New submission from Contact Your Constituency

Please find out if this information is correct, thanks

M

From: eric.foster.mla@leg.bc.ca [mailto:eric.foster.mla@leg.bc.ca]
Sent: Thursday, November 24, 2016 9:18 AM
To: Foster.MLA, Eric <Eric.Foster.MLA@leg.bc.ca>
Subject: New submission from Contact Your Constituency

Name

s.22

Email

Riding

Comments & Feedback

Dear mr foster, are you aware of what Todd Stone is proposing to do with ICBC rates in regards to luxury vehicles? He wants the owners of these luxury vehicles to purchase private insurance and not insure with ICBC. This makes no sense at all. Has he thought this through? If another driver smashes into said luxury vehicle, and is insured by ICBC, then is ICBC still having to pay for repairs? Also, if the owners of these luxury vehicles can now buy basic liability insurance from a private insurer, why can't I? Every British Columbian is fed up with how this crown corporation is run and so am I! From skimming off profits to provincial coffers, to over paid executives, and insurance rate increases every year to cover imaginary increases of claims. ICBC is supposed to have cash on hand to cover such unexpected increases, but that cash was used to invest in commercial real estate. Again, this does not sit well with British Columbian tax payers and ICBC customers. ICBC is supposed to be in the insurance business for the people of BC, and not in the commercial real estate/landlord business. Please pass this on to Stone for his comments.

Messages - privatization of ICBC

Thursday, January 5, 2017

10:12 AM

Subject	Messages - privatization of ICBC
From	Jabs, Ryan GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX
Sent	Friday, November 25, 2016 8:17 AM

Morning,

In case this comes up today... okay if we use the following to go to media who might ask (It's basically the same messages that the premier used as noted below)?

- No. This this is not a move toward privatization of ICBC.
- This is purely a fairness measure that helps ensure that all ratepayers don't continue to subsidize insurance for owners of luxury high end vehicles.
- Right now, whether a person drives a \$15,000 Honda Civic or whether a person drives a \$200,000 Lamborghini – their basic insurance rates are similar, while the costs of repair are substantially different.
- The policy as it stands is unfair to the majority of British Columbians, and we are moving forward with changes to ensure that the ever day rate payer no longer pays to repair these high value, luxury vehicles.

Thanks,

Ryan Jabs

Communications Director | Ministry of Transportation and Infrastructure


Government Communications & Public Engagement

Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

s.3

Lux Cars

Thursday, January 5, 2017
10:12 AM

Subject	Lux Cars
From	Clark, Nathan TRAN:EX
To	Haince, Micah LASS:EX
Sent	Friday, November 25, 2016 12:25 PM
Attachments	 Key Messages...

Nathan Clark

*Executive Assistant to the Honourable Todd Stone
Minister of Transportation & Infrastructure and Deputy House Leader*

Please Retweet!

Thursday, January 5, 2017
10:12 AM

Subject	Please Retweet!
From	BC Liberal Caucus Communications
To	
Sent	Friday, November 25, 2016 1:15 PM

Good afternoon,

Today, the NDP said they support middle class families continuing to pay for expensive repairs to luxury vehicles.

Please retweet our response: <https://twitter.com/BCLiberalCaucus/status/802255429631766528>



BC Liberal Caucus 
@BCLiberalCaucus



 **Follow**

We disagree. Middle class families shouldn't be forced to pay for expensive repairs to luxury cars they could never afford to own themselves

Adrian Dix @adriandix

"If it's legal to drive a Ferrari in BC, ICBC should...figure out how to insure it. ICBC should be that competent." [theprovince.com/news/politics/...](http://theprovince.com/news/politics/)

RE: For Approval - Media Request - ICBC - luxury vehicles

Thursday, January 5, 2017
10:12 AM

Subject	RE: For Approval - Media Request - ICBC - luxury vehicles
From	Bell, Jordan TRAN:EX
To	Korinowsky, Alexandra GCPE:EX; Clark, Nathan TRAN:EX
Cc	Jabs, Ryan GCPE:EX; Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX
Sent	Friday, November 25, 2016 3:22 PM

Approved.

From: Korinowsky, Alexandra GCPE:EX

Sent: Friday, November 25, 2016 3:22 PM

To: Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX

Cc: Jabs, Ryan GCPE:EX; Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX

Subject: For Approval - Media Request - ICBC - luxury vehicles

Hi Jordan,

For approval please. This one has been approved by ICBC.

Thanks,

Alex

Suggested response:

Government is moving forward to no longer insure high-end luxury vehicles (vehicles worth approximately \$150,000 and over) so that the broader rate payer is not subsidizing these vehicles. Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.

Right now, whether a person drives a \$25,000 Honda Civic or whether a person drives a \$200,000 Lamborghini – their basic insurance rates are similar, while the costs of repair are substantially different.

When these more expensive vehicles get into a crash, it costs approximately six times more to fix them, because these vehicles are rare, and they are built using high-end technologies and more expensive materials. This means that the average middle-class rate payer is actually subsidizing basic insurance rates for luxury vehicles. This policy as it stands is unfair to the majority of British Columbians, and it should be changed. That's why government has asked ICBC to move forward with these changes, to help increase fairness for everyone, and help address some of the cost pressures on insurance rates.

We'll need to introduce legislative changes to remove this rate class of vehicle from being able to purchase ICBC insurance, and we'll need to create the legal framework for private insurers to provide this insurance – as drivers of these vehicles will still need to be able to protect themselves and other people on the road. Interim changes, which will roll out asap, will include at least doubling the basic rate for luxury high-end vehicles.

The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago.

The vehicle at the event was a 2012 Ferrari FF – four seater.

In 2015, high end luxury vehicles cost ICBC \$2.3 million in claims. For specific data requests, such as claims numbers, you will have to go through ICBC communications (Adam Grossman at Adam.Grossman@icbc.com). Adam has advised that ICBC does not have this information ready to hand but they could look at whether a data report is possible.

Reporter Greg Layson, Editor
Automotive News Canada
GLayson@autonews.com
519-567-8877

Deadline Friday, November 25, 2016 5:00 PM

Request How many claims are filed each year by drivers of cars valued at \$150,000 or more?

How many collisions each year involve cars worth \$150,000 or more on B.C. roads?

We know there are 3,000 \$150,000 vehicles registered. Do we know how many owners of the 3,000 there are? I assume one person could own two or three if they're collectors, for example.

Background
d

Recommendation











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Insurance Corporation of British Columbia | 151 W. Esplanade | North Vancouver | V7M 3H9
[Contact Us](#)

Daily Issues Report - Friday, November 25, 2016

Thursday, January 5, 2017

10:12 AM

Subject	Daily Issues Report - Friday, November 25, 2016
From	Rorison, Trish GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	GCPE Communications - Transportation; Lewthwaite, Jennifer TRAN:EX; Haskett, Sara TRAN:EX; McLean, Matt GCPE:EX; TRAN HQ EXECUTIVE; Valle, Gloria J TRAN:EX; Gilmour, Lori TRAN:EX; Lolacher, Russel TRAN:EX; Crighton, Jessica TRAN:EX; Reimer, Kristen TRAN:EX
Sent	Friday, November 25, 2016 4:58 PM
Attachments	<div>  <p>DIR MOTI November...</p> </div> <div>  <p>FINAL_NR_ Motor Co...</p> </div> <div>  <p>FINAL_NR_P ilot Car Gu...</p> </div> <div>  <p>MA_Motor Coach Rev...</p> </div> <div>  <p>16-058 BC Ferries Rel...</p> </div> <div>  <p>MA Sicamous ...</p> </div> <div>  <p>NR FINAL Kamloops ...</p> </div> <div>  <p>NR_Highwa y 3 Sunday...</p> </div> <div>  <p>NR_Sicamou s roundab...</p> </div> <div>  </div>



NR - Trans
Canada Hi...



IN McKenzie
Interchan...

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- **FYI - TransLink launches new bus integration plan - info bulletin, 10 a.m.** - Bus scheduling changes will feed into the new Evergreen Line schedule

Announcements for Tuesday, Nov. 29:

- **FYI only - Kamloops – Aboriginal Presentations on participation in the Canadian EAA process -**
Expert panel from Canadian Environmental Assessment Agency holds public hearings on Aboriginal participation in environmental review
- **NR – 4-laning finished at Hoffman’s Bluff** - Minister Stone announces the completion of the second phase of the Pritchard to Hoffman's Bluff project to four-lane the Trans-Canada Highway east of Kamloops. Minister Sohi and Chief Judy Wilson will be quoted in the NR.
- Tweet: 4-laning upgrades on #BCHwy1 at Hoffman’s Bluff near #ChaseBC now open to traffic #BContheMove
- **NR- Evergreen Line Update on Financials** - The Evergreen Line will open under its \$1.43 billion budget, as government provides a detailed account of the project's budget.

Issues Note – McKenzie Interchange water quality

Best,

Trish










Trish Rorison | Communications Manager
Government Communications & Public Engagement
B.C. Ministry of Transportation and Infrastructure

Telephone: 250.356.7707 | Mobile: 250.580.6723 | email: trish.rorison@gov.bc.ca

TRAN Proactive - Friday, November 25, 2016

Thursday, January 5, 2017

10:12 AM

Subject	TRAN Proactive - Friday, November 25, 2016
From	Korinowsky, Alexandra GCPE:EX
To	
Sent	Friday, November 25, 2016 5:04 PM
Attachments	<div>  <p>FINAL_NR_ Motor Co...</p> </div> <div>  <p>FINAL_NR_P ilot Car Gu...</p> </div> <div>  <p>MA_Motor Coach Rev...</p> </div> <div>  <p>16-058 BC Ferries Rel...</p> </div> <div>  <p>MA Sicamous ...</p> </div> <div>  <p>NR FINAL Kamloops ...</p> </div> <div>  <p>NR_Highwa y 3 Sunday...</p> </div> <div>  <p>NR_Sicamou s roundab...</p> </div> <div>  <p>NR - Trans Canada Hi...</p> </div>

Hello – here is today's TRAN Proactive report for Friday, November 25, 2016:

Announcements for Friday, Nov. 25:

- **NR - Results of Motor Coach Industry Review - 7 a.m.** - The Motor Coach Bus Safety Review includes a review of safety statistics and performance for the industry including a comparison with other jurisdictions, current regulatory framework and procedures, best practices in neighbouring jurisdictions and around North America.
- **NR - Ministry launches new pilot car guidelines manual - 7:15 a.m.** - The Ministry of Transportation and Infrastructure has launched a new manual online for pilot car operators, who help support the safe and efficient movement of oversized loads on B.C.'s highways.
- **Media Advisory/Teleconference - Minister Stone hosts teleconference for media on Motor Coach Industry Review and Pilot Car guidelines - 9 a.m.** - Minister spoke to the Motor Coach Industry Review and the new pilot car guidelines.
- **NR - Highway 97 and DGR intersection improvements completed - 9 a.m.** - This project to improve the intersection and add traffic signals was done to accommodate the increase in commercial traffic using the Dangerous Goods Route through Dawson Creek.
- **NR - BC Ferries releases Q2 financial results - 11:30 a.m.** - BCFerries will release its financial results from Q2, ending Sept. 30, 2016.
- **Media Advisory/Briefing - Evergreen Line under budget; financial details released – 2:30 p.m.** - The Evergreen Line will open under its \$1.43 billion budget. Project team will provide media with a technical briefing on project finances.

Announcements for Monday, Nov. 28:

- **Event & NR – “Fur, Gold and Cattle” Stop of Interest sign – 9 a.m.** – Minister Stone unveils a refurbished Stop of Interest sign highlighting Kamloops’ vibrant role as a hub for the mining, trapping and ranching industries.
 - Tweet: DYK first Fort #Kamloops founded in 1812? The story is on our Stop of Interest sign. Nominate your own. bit.ly/2eIUepM
- **NR – Highway 3 Sunday Summit/Sunday Creek completion – 9 a.m.** - This will be a provincial/federal NR. The project is located on Highway 3 between Hope and Princeton. The project involves relocating and straightening the highway to remove two sharp curves, and adding passing lanes.
- **Event & NR – Sicamous roundabout completion – 10 a.m.** - Event to announce completion of a roundabout at the intersection of Main Street and Highway 97A in Sicamous. MTS quote with MLA Kylo lead.
- **FYI – TransLink launches new bus integration plan – info bulletin, 10 a.m.** - Bus scheduling changes will feed into the new Evergreen Line schedule

Announcements for Tuesday, Nov. 29:

- **FYI only - Kamloops – Aboriginal Presentations on participation in the Canadian EAA process** - Expert panel from Canadian Environmental Assessment Agency holds public hearings on Aboriginal participation in environmental review
- **NR – 4-laning finished at Hoffman’s Bluff** - Minister Stone announces the completion of the second phase of the Pritchard to Hoffman's Bluff project to four-lane the Trans-Canada Highway east of Kamloops. Minister Sohi and Chief Judy Wilson will be quoted in the NR.
- Tweet: 4-laning upgrades on #BCHwy1 at Hoffman’s Bluff near #ChaseBC now open to traffic #BContheMove
- **NR- Evergreen Line Update on Financials** - The Evergreen Line will open under its \$1.43 billion budget, as government provides a detailed account of the project's budget.

TRAN – MEDIA REQUESTS

1. CTV Vancouver Island

ISSUE: Colquitz River - McKenzie Interchange Project

STATUS: Complete

2. CBC – Victoria

ISSUE: Taxi meters - changing to smart phones/tablets

STATUS: Complete

111

3. CBC – Victoria

ISSUE: Colquitz River - Mckenzie Interchange Project

STATUS: Complete

4. Automotive News Canada

ISSUE: ICBC luxury vehicle rates

STATUS: Complete

5. CBC TV

ISSUE: ICBC rates

STATUS: Complete

6. Valley Voice

ISSUE: Upper Arrow Lake ferry

STATUS: Complete

7. Arrow Lakes News

ISSUE: Upper Arrow Lake ferry

STATUS: In progress

8. Saanich News

ISSUE: Colquitz River - Mckenzie Interchange Project

STATUS: Complete

EMBC – MEDIA REQUESTS

N/A

OPEN GOVERNMENT

N/A

Alexandra Korinowsky

Public Affairs Officer | Ministry of Transportation and Infrastructure

Government Communications & Public Engagement

Tel: 250.387.7787 | Mobile: 250.886.8452 | Email: alexandra.korinowsky@gov.bc.ca

Messages - privatization of ICBC

Thursday, January 5, 2017

10:12 AM

Subject	Messages - privatization of ICBC
From	Jabs, Ryan GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	Bowness, Lianne GCPE:EX; Rorison, Trish GCPE:EX; Korinowsky, Alexandra GCPE:EX
Sent	Monday, November 28, 2016 12:25 PM

Hi Jordan,

As discussed, messaging on whether this is a move to privatize ICBC:

- No. B.C. has no intention of changing the model of insurance coverage in the province and we this is not a move toward privatizing ICBC.
- ICBC is and will continue to be the public provider for all basic insurance in B.C., outside of this very small class of high-end luxury vehicles.
- This is purely a fairness measure that will help make sure that all ratepayers don't continue to subsidize insurance for owners of luxury high end vehicles.
- Right now, whether a person drives a \$15,000 Honda Civic or whether a person drives a \$200,000 Lamborghini – their basic insurance rates are similar, while the costs of repair are substantially different.
- The policy as it stands is unfair to the majority of British Columbians, and we are moving forward with changes to ensure that the ever day rate payer no longer pays to repair these high value, luxury vehicles.

Thanks,

Ryan Jabs

Communications Director | Ministry of Transportation and Infrastructure








Government Communications & Public Engagement

Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

Daily Issues Report - Wednesday, November 30, 2016

Thursday, January 5, 2017

10:12 AM

Subject	Daily Issues Report - Wednesday, November 30, 2016
From	Rorison, Trish GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	GCPE Communications - Transportation; Lewthwaite, Jennifer TRAN:EX; Haskett, Sara TRAN:EX; McLean, Matt GCPE:EX; TRAN HQ EXECUTIVE; Valle, Gloria J TRAN:EX; Gilmour, Lori TRAN:EX; Lolacher, Russel TRAN:EX; Crighton, Jessica TRAN:EX; Reimer, Kristen TRAN:EX
Sent	Wednesday, November 30, 2016 5:30 PM
Attachments	 FINAL - Peterson ...  NR_FINAL_Transit Sign...  ib_Bruhn Bridge fee...  NR_Last Spike Rest...  ICBC NR_Winte...  NR_Evergreen Openin...  DIR MOTI November...

Here is today's Daily report along with supporting communications materials for Wednesday, November 30, 2016.

Announcements for Wednesday, Nov. 30:

- **NR – Peterson Creek Bridge improvements now complete – 8:30 a.m.** – Slope repair and drainage improvements are now complete at the Highway 1 Peterson Creek Bridge in Kamloops, improving the overall safety of the structure and reopening the trail network underneath the bridge to hikers.
- **NR – Smithers and Moricetown sign on for new transit services – 11:30 a.m.** - The first two

communities sign on for extended BC Transit services, as a part of the \$5-million Highway 16 Action Plan. MTS and MJR quotes included, BC Transit quote included.

Announcements for Thursday, Dec. 1:

- **NR - Cleaner, modern facilities coming to The 'Last Spike' – 8:30 a.m.** - One of B.C.'s most popular rest areas located along the Trans-Canada Highway near Craigellachie will undergo a series of improvements, bringing the washroom facilities and surrounding area up to a modern standard.

Tweet: #LastSpike rest area at #Craigellachie will undergo a makeover #bchistory #railroadhistory

- **FYI – Bear Mountain Parkway celebration – 9 a.m.** - Minister Stone to attend Langford's shovel turning ceremony for the Bear Mountain Parkway extension project that will connect the existing Parkway to the Leigh Road interchange. City of Langford NR.
- **Media Advisory – BC Ferries provides update on the voyage of Salish Orca – 9:30 a.m.** – BC Ferries' Salish Orca is leaving the Canary Islands for the Panama Canal. Update with photos.
- **ICBC NR - CounterAttack launch - ICBC releases annual NR for launch of winter CounterAttack campaign (don't drink & drive). 10 a.m.** - Joint campaign with PSSG and Liquor Distribution Branch. Minister Stone, Minister Morris, and Minister Oakes quoted.
- **IB – RW Bruhn Bridge feedback deadline extended– 10 a.m.** – Information bulletin to advise that the deadline for the public to provide input on the project to increase safety, improve access to local roads and replace the RW Bruhn Bridge on the Trans-Canada Highway in Sicamous has been extended to 4:00 p.m. on Thursday, December 15, 2016.

Tweet: Want to comment on plans for the RW Bruhn Bridge on #BCHwy1 in #SicamousBC? New deadline is Dec 15, form & info @ <http://ow.ly/HdVo306E4mc>

Announcements for Friday, Dec. 2:

- **FYI – Evergreen Line opening day – NR** - Premier Clark, Coquitlam-Port Coquitlam MP Ron McKinnon, Minister Fassbender, Port Moody-Coquitlam MLA Linda Reimer and project funding partners announce that the Evergreen Line project is complete and now open to customers.
Tweet: The #EvergreenLine is open! Go from Coquitlam to downtown Vancouver in 45 mins on what's now the world's longest fully automated rapid transit system!
Tweet: The #EvergreenLine means go! Come take a ride and see how the Tri-Cities communities are now a part of Metro Vancouver's SkyTrain system.
- **FYI - Haida Gwaii/Queen Charlotte Islands tsunami safety pole marker – EMBC event & NR - 11 a.m.** - NR announcing EMBC funding a project to help Queen Charlotte City and other local authorities and First Nations on the Island and Haida Gwaii communities (with support from Telus and BC Hydro) on an initiative to mark hydro poles with tsunami safety zone info to help with evacuations in the event of a tsunami warning, and it will improve local preparedness and public awareness.

Best,

Trish









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Government Communications & Public Engagement
B.C. Ministry of Transportation and Infrastructure

Telephone: 250.356.7707 | Mobile: 250.580.6723 | email: trish.rorison@gov.bc.ca

Daily Issues Report - Tuesday, November 29, 2016

Thursday, January 5, 2017

10:12 AM

Subject	Daily Issues Report - Tuesday, November 29, 2016
From	Rorison, Trish GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	GCPE Communications - Transportation; Lewthwaite, Jennifer TRAN:EX; Haskett, Sara TRAN:EX; McLean, Matt GCPE:EX; TRAN HQ EXECUTIVE; Valle, Gloria J TRAN:EX; Gilmour, Lori TRAN:EX; Lolacher, Russel TRAN:EX; Crighton, Jessica TRAN:EX; Reimer, Kristen TRAN:EX
Sent	Tuesday, November 29, 2016 5:06 PM
Attachments	 ib_Bruhn Bridge fee...  FINAL - Squilax An...  FINAL - Peterson ...  20161129_ MR_Whist...  News release - F...  ICBC NR_Winte...  NR_Ten Mile Slide ...  DIR MOTI November...

Here is today's Daily report along with supporting communications materials for Tuesday, November 29, 2016.

Announcements for today:

- **Media briefing - Evergreen Line update on financials – 1 p.m.** - The Evergreen Line will open under its \$1.43 billion budget, as government provides a detailed account of the project's budget. Media advisory on briefing to go at 9 a.m.
-
- **FYI – Philippines Consulate emergency preparedness speech – 5 p.m.** - Minister of State for Emergency Preparedness Naomi Yamamoto to speak for 10-15 minutes with Philippines consulate on emergency preparedness.
- **NR – Squilax-Anglemont road resurfacing now completed – 9:15 a.m.** – News release to announce the completion of side road improvements in the Shuswap. (no tweet needed, MTS has already tweeted)
- **FYI only – BC Transit NR – Whistler Transit System celebrates 25 years with free transit on December 1 – Celebrating 25 years of the Whistler Transit System, residents invited to participate in celebrations**

Announcements for Wednesday, Nov. 30:

- **NR – Peterson Creek Bridge improvements now complete – 8:30 a.m.** – Slope repair and drainage improvements are now complete at the Highway 1 Peterson Creek Bridge in Kamloops, improving the overall safety of the structure and reopening the trail network underneath the bridge to hikers.

Tweet: Repairs and improvements now complete on #Kamloops Hwy1 Peterson Creek Bridge, trail re-open to hikers #BContheMove

- **FYI - Haida Gwaii/Queen Charlotte Islands tsunami safety pole marker – EMBC event & NR - 9 a.m.** - NR announcing EMBC funding a project to help Queen Charlotte City and other local authorities and First Nations on the Island and Haida Gwaii communities (with support from Telus and BC Hydro) on an initiative to mark hydro poles with tsunami safety zone info to help with evacuations in the event of a tsunami warning, and it will improve local preparedness and public awareness.
- **IB – RW Bruhn Bridge feedback deadline extended – TIME TBC** – Information bulletin to advise that the deadline for the public to provide input on the project to increase safety, improve access to local roads and replace the RW Bruhn Bridge on the Trans-Canada Highway in Sicamous has been extended to 4:00 p.m. on Thursday, December 15, 2016.

Tweet: Want to comment on plans for the RW Bruhn Bridge on #BCHwy1 in #SicamousBC? New deadline is Dec 15, form & info @ <http://ow.ly/HdVo306E4mc>

- **Event & NR - New alert tool enhances ICBC's fight against insurance fraud – 1:30 p.m.** – Minister Stone and ICBC announce new fraud analytics tool and present findings from first test phase, data which demonstrates savings to contribute to keeping rates as low as possible

Announcements for Thursday, Dec. 1:

- **ICBC NR - CounterAttack launch - ICBC releases annual NR for launch of winter CounterAttack campaign (don't drink & drive). 10:00 a.m.** - Joint campaign with PSSG and Liquor Distribution Branch. Minister Stone, Minister Morris, and Minister Oakes quoted.

- **Long term solution coming for Highway 99, site of the Ten Mile Slide – DRAFT NR – 9:45 am** - Today in Lillooet on behalf of Minister of Transportation Todd Stone, MLA for Fraser-Nicola Jackie Tegart announced significant funding for long term stabilization of the technically complex Ten Mile Slide as well as improvements to Highway 99, approximately 17 kilometres northeast of Lillooet.
Tweet: Funding coming for a long-term fix to Ten Mile Slide, Hwy 99 #Lillooet

Best,

Trish





Trish Rorison | Communications Manager
Government Communications & Public Engagement
B.C. Ministry of Transportation and Infrastructure

Telephone: 250.356.7707 | **Mobile:** 250.580.6723 | **email:** trish.rorison@gov.bc.ca

For approval: ICBC fraud analytics event

Thursday, January 5, 2017

10:12 AM

Subject	For approval: ICBC fraud analytics event
From	Clark, Nathan TRAN:EX
To	'Stone, Todd'
Cc	Bell, Jordan TRAN:EX
Sent	Tuesday, November 29, 2016 2:53 PM
Attachments	 Event plan - Fraud anal...  Media Advisory - ...  News release - F...  SN_MTS_IC BC Fraud_...  Key messages...  Fraudsocial- content- ...

Minister,







Attached are the materials for tomorrow's fraud event.

NR quote for approval:

"This technology can help ICBC investigators and adjusters connect the dots earlier, faster and at a level previously not available, in cases where they think a claim may be false or exaggerated," said Todd Stone, Minister of Transportation and Infrastructure. "Fighting fraud is an important part of ICBC's efforts to keep rates as low as possible."

FW: Final approval and distribution: Media Advisory on fraud analytics

Thursday, January 5, 2017
10:12 AM

Subject	FW: Final approval and distribution: Media Advisory on fraud analytics
From	Jabs, Ryan GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	Rorison, Trish GCPE:EX; Korinowsky, Alexandra GCPE:EX
Sent	Tuesday, November 29, 2016 2:39 PM
Attachments	 Event plan - Fraud anal...  Media Advisory - ...  News release - F...  SN_MTS_IC BC Fraud_...  Key messages...  Fraudsocial- content- ...

Folks, here are the current materials for tomorrow's announcement. Note that Jill Blacklock will now be the emcee at the event, who will introduce the minister and their fraud expert, John Edwards.










The attached speaking notes are still draft and have not yet been reviewed or approved.

Ryan
250-413-7121

Daily Issues Report - Friday, December 2, 2016

Thursday, January 5, 2017

10:13 AM

Subject	Daily Issues Report - Friday, December 2, 2016
From	Rorison, Trish GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	GCPE Communications - Transportation; Lewthwaite, Jennifer TRAN:EX; Haskett, Sara TRAN:EX; McLean, Matt GCPE:EX; TRAN HQ EXECUTIVE; Valle, Gloria J TRAN:EX; Gilmour, Lori TRAN:EX; Lolacher, Russel TRAN:EX; Crighton, Jessica TRAN:EX; Reimer, Kristen TRAN:EX
Sent	Friday, December 2, 2016 4:28 PM
Attachments	<div> FINAL NR-BGR - ...</div> <div> FINAL_IB_R eminder 2...</div> <div> FINAL - Summerla...</div> <div> NR - Grand Trunk Paci...</div> <div> ICBC IB_Auto C...</div> <div> NR_Kamloo ps_Winter...</div> <div> FINAL - Irishman C...</div> <div> DRAFT</div> <div> DIR MOTI December...</div>

Here is today's Daily report along with supporting communications materials for Friday, December 2, 2016.

Announcements for Friday, Dec. 2:

- **Event & NR – Evergreen Line opening day – 10:30** - Premier Clark, Coquitlam-Port Coquitlam MP Ron McKinnon, Minister Fassbender, Port Moody-Coquitlam MLA Linda Reimer and project funding partners announce that the Evergreen Line project is complete and now open to customers. Media advisory out at 7 a.m.
- **FYI - Haida Gwaii/Queen Charlotte Islands tsunami safety pole marker – EMBC event & NR - 11 a.m.** - NR announcing EMBC funding a project to help Queen Charlotte City and other local authorities and First Nations on the Island and Haida Gwaii communities (with support from Telus and BC Hydro) on an initiative to mark hydro poles with tsunami safety zone info to help with evacuations in the event of a tsunami warning, and it will improve local preparedness and public awareness.

Announcements for Monday, Dec. 5:

- **IB – Reminder of two more open houses for Brunette Interchange project – 8 a.m.** - A reminder that the ministry is continuing its public engagement with two additional open houses happening this week.

Tweet: 2 more public open houses for Brunette Interchange project #BCHwy1: Dec 6 & Dec 7
ow.ly/uGMq306LBij

- **NR – Completion of road improvements in the Logan Lake and Kamloops area – 8:30 a.m.** – Several road improvement projects in the Kamloops and Logan Lake areas are now complete.

Tweet: Capping off another successful year of resurfacing and repaving #Kamloops
#smootherroads

- **NR – Speed limit changes on Highway 97 through Summerland – 9:15 a.m.** – six different speed zones near and through Summerland will be changed to create two different speed zones. MTS and MLA Ashton quotes

Tweet: Less confusion on #BCHwy97 in Summerland now that six speed limits have been reduced to two. #Summerland

- **NR - Refurbished Stop of Interest sign near Vanderhoof – 9:30 a.m.** - This is one of B.C.'s Stop of Interest signs across the province the ministry is refurbishing. This sign recognizes the importance of the Grand Trunk Pacific Railway in the development of Central British Columbia. MTS quote.

Tweet: Stop of Interest sign in #Fort Fraser celebrates Grand Trunk Pacific railroad

- **ICBC Info Bulletin – Auto crime prevention tips around the holiday season – 10 a.m.** - ICBC issues an IB with good tips on how to protect against auto theft around the Christmas season.

Announcements for Tuesday, Dec. 6:

- **Event & NR – Mid-month CounterAttack push – 9 a.m.** - Mid-month CounterAttack campaign push - Minister Stone attends/speaks at event in Kamloops. Don't drink & drive message is given.
- **FYI – BC Ferries release – 9:30 a.m.** - BC Ferries highlights energy reduction initiatives on Queen of Oak Bay.
- **NR – Irishman Creek Bridge completion – 9:45 a.m.** - A project to replace the Irishman Creek Bridge on Highway 3 east of Yahk is now complete. MTS and MBB quotes.
- **FYI – Open house for Brunette Interchange Highway 1 project – 4 – 7 p.m.** – Open House on Tuesday Dec. 6, 2016 from 4 p.m. to 7 p.m. at Sapperton Pensioners Hall, 318 Keary St., New

⁸³⁷
Westminster.

- **FYI – BC Transit recruitment event – time tbc** - BC Transit is holding a media event about their upcoming recruitment campaign for transit operators in Victoria.

Best,

Trish

Trish Rorison | Communications Manager
Government Communications & Public Engagement
B.C. Ministry of Transportation and Infrastructure

Telephone: 250.356.7707 | **Mobile:** 250.580.6723 | **email:** trish.rorison@gov.bc.ca

RE: Rob Shaw a Vancouver sun - minister on icbc on radio CHNL

Thursday, January 5, 2017
10:13 AM

Subject	RE: Rob Shaw a Vancouver sun - minister on icbc on radio CHNL
From	Jabs, Ryan GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	Rorison, Trish GCPE:EX; Korinowsky, Alexandra GCPE:EX
Sent	Thursday, December 1, 2016 8:46 AM

Here's the section from CHNL that Rob's looking to chat with the minister:

Harrison: I was talking to the guy from the BC New Car Dealers Association last week and he'd indicated that yeah, that's well and good but if the guy with the old Honda hits one of these luxury cars, ICBC still has to pay for it.

Stone: Those are the details that we're working out right now. I know there's -- some have asked that exact question of us. We understand the concern there. There are different approaches that we can take on that.

Remember, we're going to actually change the product next year, which means we're going to have to introduce legislation and pass legislation to make these changes. So, we're going to look at that question because it stands right now that that assertion is correct.

But, I've asked our team in the ministry to look at that question and to understand what are the options that are available to us that whereby, we could put some ceilings or some limits on the extent to which the rest of us ratepayers would actually cover the costs of collisions that these cars are involved in.

We're going to get on with doubling the premiums right away. So, they're paying more and covering the cost of their collisions in the interim.

And then we're going to do the work and engage with the stakeholders and figure out the bigger picture, which was at the centre of last week's announcement. And that's getting out of the business altogether.

From: Jabs, Ryan GCPE:EX

Sent: Wednesday, November 30, 2016 6:28 PM

To: Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX

Cc: Rorison, Trish GCPE:EX; Korinowsky, Alexandra GCPE:EX

Subject: Rob Shaw a Vancouver sun - minister on icbc on radio CHNL

Rob's looking to connect with the minister on comments he made on CHNL about capping luxury car costs. We can connect tomorrow.

Ryan Jabs
250-413-7121

Begin forwarded message:

From: "Shaw, Rob" <rshaw@postmedia.com>

Date: November 30, 2016 at 5:23:07 PM PST

To: Ryan Jabs <Ryan.Jabs@gov.bc.ca>

Subject: minister on icbc on radio CHNL

Thought his comments about possibly capping damages on luxury vehicles when they

are hit by ordinary drivers was interesting... could he expand upon it in an interview via the telephonic device to my desk in the next day or two?

Rob

ROB SHAW

LEGISLATIVE REPORTER

The Vancouver Sun | The Province

Room 360, Parliament Buildings

Victoria, B.C. V8V1X4

T: 250-953-5932

C: 250-893-0841

rshaw@postmedia.com

twitter.com/robshaw_vansun



The Province

 **POSTMEDIA**


The information contained in this email is strictly confidential, and is only intended for the party(ies) to whom it is addressed. Any other use, dissemination, distribution, disclosure or copying is prohibited. If you have received this email in error please advise by reply email. Thank you.

Question re: 262615^{s.22}

/ ICBC

Thursday, January 5, 2017

10:13 AM

Subject	Question re: 262615^{s.22} / ICBC
From	Shepard, Aaron TRAN:EX
To	Clark, Nathan TRAN:EX
Cc	Paton, Susan TRAN:EX; Jabs, Ryan GCPE:EX
Sent	Thursday, December 1, 2016 9:07 AM
Attachments	 FW Math doesn't ad...

Hi Nathan,

Just wanted to confirm your office is looking for a response from the Minister to this one. The incoming is addressed to Robert Shaw (Postmedia / Province), with copies to ICBC and MTS's MLA address. The email seems more of a comment on an article, and I'm not sure we want to engage.

However, if you'd like a response, Transit Branch / PICBC staff are finalizing language, and can probably assist us in drafting a high level response.

Thanks in advance for any advice/direction.

Thanks,

Aaron Shepard

Writing Services Coordinator | Corporate Writing Services

Ministry of Transportation and Infrastructure

5B - 940 Blanshard Street | Victoria, BC V8W 9T5

Phone: 250 356-0863

RE: Rob Shaw a Vancouver sun - minister on icbc on radio CHNL

Thursday, January 5, 2017

10:13 AM

Subject	RE: Rob Shaw a Vancouver sun - minister on icbc on radio CHNL
From	Jabs, Ryan GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	Rorison, Trish GCPE:EX; Korinowsky, Alexandra GCPE:EX
Sent	Thursday, December 1, 2016 11:36 AM

Shaw's going to file something on this today. He's going to use the CHNL transcript for quotes.

From: Jabs, Ryan GCPE:EX

Sent: Wednesday, November 30, 2016 6:28 PM

To: Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX

Cc: Rorison, Trish GCPE:EX; Korinowsky, Alexandra GCPE:EX

Subject: Rob Shaw a Vancouver sun - minister on icbc on radio CHNL

Rob's looking to connect with the minister on comments he made on CHNL about capping luxury car costs. We can connect tomorrow.

Ryan Jabs

250-413-7121

Begin forwarded message:

From: "Shaw, Rob" <rshaw@postmedia.com>

Date: November 30, 2016 at 5:23:07 PM PST

To: Ryan Jabs <Ryan.Jabs@gov.bc.ca>

Subject: minister on icbc on radio CHNL

Thought his comments about possibly capping damages on luxury vehicles when they are hit by ordinary drivers was interesting... could he expand upon it in an interview via the telephonic device to my desk in the next day or two?

Rob

ROB SHAW

LEGISLATIVE REPORTER

The Vancouver Sun | The Province

Room 360, Parliament Buildings

Victoria, B.C. V8V1X4

T: [250-953-5932](tel:250-953-5932)

C: [250-893-0841](tel:250-893-0841)

rshaw@postmedia.com

twitter.com/robshaw_vansun




The Province

POSTMEDIA

The information contained in this email is strictly confidential, and is only intended for the party(ies) to whom it is addressed. Any other use, dissemination, distribution, disclosure or copying is prohibited. If you have received this email in error please so advise by reply email. Thank you.

Stone Audio

Thursday, January 5, 2017
10:13 AM

Subject	Stone Audio
From	Harper, Katie GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX; Jabs, Ryan GCPE:EX; Lowe, Sonia GCPE:EX; Mukasa, Kate GCPE:EX; Rorison, Trish GCPE:EX
Cc	Today's News Online GCPE:EX
Sent	Thursday, December 1, 2016 2:18 PM
Attachment s	 Stone audio Dec 1











With Richard Zussman, CBC; Rob Shaw, Vancouver Sun; Lindsay Kines, TC
RE: McKenzie interchange issues and contractor obligations; ICBC insurance – possibility of ‘capping’ claims for luxury vehicles

Katie Harper | Media Relations
Government Communications & Public Engagement
T (250) 886-4951
Katie.Harper@gov.bc.ca

Daily Issues Report for Thursday, Dec. 1, 2016

Thursday, January 5, 2017

10:13 AM

Subject	Daily Issues Report for Thursday, Dec. 1, 2016
From	Jabs, Ryan GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	GCPE Communications - Transportation; Lewthwaite, Jennifer TRAN:EX; Haskett, Sara TRAN:EX; McLean, Matt GCPE:EX; TRAN HQ EXECUTIVE; Valle, Gloria J TRAN:EX; Gilmour, Lori TRAN:EX; Lolacher, Russel TRAN:EX; Crighton, Jessica TRAN:EX; Reimer, Kristen TRAN:EX
Sent	Thursday, December 1, 2016 4:34 PM
Attachments	<div> IB-Bruhn Bridge fee...</div> <div> ICBC NR - Impaired ...</div> <div> FINAL - Last Spike rest ...</div> <div> 16-059 Salish Orc...</div> <div> NR_Evergre en Openin...</div> <div> NR - Grand Trunk Paci...</div> <div> NR_Summer land Spee...</div> <div> NR_Logan_L ake and K...</div> <div> IB_Reminde r Brunette...</div> <div></div>



Good afternoon,

Here is the Daily Issues Report for Thursday, Dec. 1, 2016.

Announcements for Thursday, Dec. 1:

- **NR - Cleaner, modern facilities coming to The 'Last Spike' – 8:30 a.m.** - One of B.C.'s most popular rest areas located along the Trans-Canada Highway near Craigellachie will undergo a series of improvements, bringing the washroom facilities and surrounding area up to a modern standard.
- **FYI – Bear Mountain Parkway celebration – 9 a.m.** - Minister Stone attended Langford's shovel turning ceremony for the Bear Mountain Parkway extension project that will connect the existing Parkway to the Leigh Road interchange. City of Langford NR.
- **Media Advisory – BC Ferries provides update on the voyage of Salish Orca – 9 a.m.** - BC Ferries' Salish Orca is leaving the Canary Islands for the Panama Canal. Update with photos.
- **ICBC NR - CounterAttack launch - ICBC releases annual NR for launch of winter CounterAttack campaign (don't drink & drive). 10 a.m.** - Joint campaign with PSSG and Liquor Distribution Branch. Minister Stone, Minister Morris, and Minister Oakes quoted.
- **IB – RW Bruhn Bridge feedback deadline extended– 10 a.m.** – Information bulletin to advise that the deadline for the public to provide input on the project to increase safety, improve access to local roads and replace the RW Bruhn Bridge on the Trans-Canada Highway in Sicamous has been extended to 4:00 p.m. on January 15, 2017.

Announcements for Friday, Dec. 2:

FYI – Evergreen Line opening day – NR - Premier Clark, Coquitlam-Port Coquitlam MP Ron McKinnon, Minister Fassbender, Port Moody-Coquitlam MLA Linda Reimer and project funding partners announce that the Evergreen Line project is complete and now open to customers. Media advisory out at 7 a.m.

Tweet: The #EvergreenLine is open! Go from Coquitlam to downtown Vancouver in 45 mins on what's now the world's longest fully automated rapid transit system!

Tweet: The #EvergreenLine means go! Come take a ride and see how the Tri-Cities communities are now a part of Metro Vancouver's SkyTrain system.

- **FYI - Haida Gwaii/Queen Charlotte Islands tsunami safety pole marker – EMBC event & NR - 11 a.m.** - NR announcing EMBC funding a project to help Queen Charlotte City and other local authorities and First Nations on the Island and Haida Gwaii communities (with support from Telus and BC Hydro) on an initiative to mark hydro poles with tsunami safety zone info to help with evacuations in the event of a tsunami warning, and it will improve local preparedness and public awareness.

Announcements for Monday, Dec. 5:

- **NR – Completion of road improvements in the Logan Lake and Kamloops area – time tbc** – Several road improvement projects in the Kamloops and Logan Lake areas are now complete.
- **NR – Speed limit changes on Highway 97 through Summerland – time tbc** – six different speed zones near and through Summerland will be changed to create two different speed zones.
- **IB – Reminder of two more open houses for Brunette Interchange project – 8 a.m.** - A reminder that the ministry is continuing its public engagement with two additional open houses happening this week.
- **NR - Refurbished Stop of Interest sign near Vanderhoof – 9:30 a.m.** - This is one of B.C.'s Stop of Interest signs across the province the ministry is refurbishing. This sign recognizes the importance of the Grand Trunk Pacific Railway in the development of Central British Columbia.
- **ICBC Info Bulletin – Auto crime prevention tips around the holiday season – 10 a.m.** - ICBC issues an IB with good tips on how to protect yourself from auto theft around the Christmas season.











Take care,

Ryan Jabs
Communications Director | Ministry of Transportation and Infrastructure
Government Communications & Public Engagement
Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

TRAN Proactive - Thursday, December 1

Thursday, January 5, 2017

10:13 AM

Subject	TRAN Proactive - Thursday, December 1
From	Lowe, Sonia GCPE:EX
To	
Sent	Thursday, December 1, 2016 4:35 PM
Attachments	<div> NR_Evergre en Openin...</div> <div> ICBC NR - Impaired ...</div> <div> KM - Impaired ...</div> <div> FINAL - Last Spike rest ...</div> <div> 16-059 Salish Orc...</div> <div> IB-Bruhn Bridge fee...</div> <div> 2016TRAN0 382-002570</div> <div> NR_Summer land Spee...</div> <div> NR_Logan_L ake and K...</div> <div> NR - Grand Trunk Paci...</div>



NR - Grand
Trunk Paci...

Here is the TRAN Proactive Report for Thursday, December 1st, 2016

TODAY'S EVENTS / RELEASES:

- **NR - Cleaner, modern facilities coming to The 'Last Spike' – 8:30 a.m.** - One of B.C.'s most popular rest areas located along the Trans-Canada Highway near Craigellachie will undergo a series of improvements, bringing the washroom facilities and surrounding area up to a modern standard.
Tweet: #LastSpike rest area at #Craigellachie will undergo a makeover #bchistory #railroadhistory
- **IB – RW Bruhn Bridge feedback deadline extended– 10 am TBC – Information bulletin to advise that the deadline for the public to provide input on the project to increase safety, improve access to local roads and replace the RW Bruhn Bridge on the Trans-Canada Highway in Sicamous has been extended to January 15, 2016.**
Tweet: Want to comment on plans for the RW Bruhn Bridge on #BCHwy1 in #SicamousBC? New deadline is Dec 15, form & info @ <http://ow.ly/HdVo306E4mc>
- **FYI – Bear Mountain Parkway celebration – 9 a.m.** - Minister Stone to attend Langford's shovel turning ceremony for the Bear Mountain Parkway extension project that will connect the existing Parkway to the Leigh Road interchange. City of Langford NR.
- **Media Advisory – BC Ferries provides update on the voyage of Salish Orca – 9:30 a.m.** – BC Ferries' Salish Orca is leaving the Canary Islands for the Panama Canal. Update with photos.
- **ICBC NR - CounterAttack launch - ICBC releases annual NR for launch of winter CounterAttack campaign (don't drink & drive). 10 a.m.** - Joint campaign with PSSG and Liquor Distribution Branch. Minister Stone, Minister Morris, and Minister Oakes quoted.
- **FYI – BC FERRIES – MA – 9:00 a.m.** - Salish Orca Departs Canary Islands

FRIDAY'S EVENTS / RELEASES:

- **NR and Event – Evergreen Extension Officially Open to the Public– DRAFT 10:30 a.m. – Premier Clark, Coquitlam-Port Coquitlam MP Ron McKinnon, Minister Fassbender, Port Moody-Coquitlam MLA Linda Reimer and project funding partners announce that the Evergreen Line project is complete and now open to customers.**
Tweet: The #EvergreenLine is open! Go from Coquitlam to downtown Vancouver in 45 mins on what's now the world's longest fully automated rapid transit system!
Tweet: The #EvergreenLine means go! Come take a ride and see how the Tri-Cities communities are now a part of Metro Vancouver's SkyTrain system.
- **EMBC FYI - Haida Gwaii/Queen Charlotte Islands tsunami safety pole marker – EMBC event & NR - 9 a.m.** - NR announcing EMBC funding a project to help Queen Charlotte City and other local authorities and First Nations on the Island and Haida Gwaii communities (with support from Telus and BC Hydro) on an initiative to mark hydro poles with tsunami safety zone info to help with evacuations in the event of a tsunami warning, and it will improve local preparedness and public awareness.

MONDAY'S EVENTS / RELEASES:

- **Refurbished Stop of Interest sign – NR – 9:30 am** - This is one of B.C.'s Stop of Interest signs across the province the ministry is refurbishing. This sign recognizes the importance of the Grand Trunk Pacific Railway in the development of Central British Columbia
- Tweet: Stop of Interest sign in #Fort Fraser celebrates Grand Trunk Pacific railroad

- **Road improvements in the Logan Lake and Kamloops area now complete – NR - time TBC-** Several road improvement projects in the Kamloops and Logan Lake areas are now complete.
- **Summerland Speed limit changes – NR – time TBC –** Summerland residents and motorists traveling through the South Okanagan community can expect less driver confusion and more consistent speeds now that six Highway 97 speed zones have been consolidated to two.
- **Brunette Interchange reminder – IB – time TBC -** to remind people about the 2 additional open houses for Brunette.

-
TRAN MEDIA CALLS:

-
Ice bombs - Port Mann Bridge

Lasia Kretzel - News 1130

Closed – TI corp responded

ICBC Luxury car costs

Rob Shaw - PRESS GALLERY

Closed

Sunshine Coast feasibility study

Mike Chouinard - Squamish Chief

Closed

Ride sharing meeting with Caroline Bower on OCT19

Major Media

Nadia Stewart - Global TV | BC

Closed

Village Way Trail

Derek Kilbourn - Gabriola Sounder (Gabriola Island)

Closed

EMBC MEDIA CALLS:

N/A






OPEN GOVERNMENT:

N/A

Final package - luxury vehicle announcement

Thursday, January 5, 2017

10:37 AM

Subject	Final package - luxury vehicle announcement
From	Jabs, Ryan GCPE:EX
To	Clark, Nathan TRAN:EX
Cc	Bell, Jordan TRAN:EX; Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX
Sent	Wednesday, November 23, 2016 2:20 PM
Attachments	 Key Messages...  NR_Luxury Vehicles_...  QA_Luxury vehicles_...  SP_Min Todd Ston...  BCUC request m...

Hi Nathan,

Here's the final package for today's announcement on luxury vehicles.

Take care,

Ryan Jabs

Communications Director | Ministry of Transportation and Infrastructure
Government Communications & Public Engagement

Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

BC Gov News - Government getting out of the business of insuring high-end luxury cars

Thursday, January 5, 2017
10:37 AM

Subject	BC Gov News - Government getting out of the business of insuring high-end luxury cars
From	noreply.newsondemand@gov.bc.ca
To	Clark, Nathan TRAN:EX
Sent	Wednesday, November 23, 2016 2:47 PM



Government getting out of the business of insuring high-end luxury cars

Government is moving forward to no longer insure the high-end luxury car rate class (cars worth \$150,000 and over) so that the broader ratepayer is not subsidizing these cars. The owners of these cars will have to go to private insurance instead, Minister of Transportation and Infrastructure Todd Stone announced today.

► READ MORE

[Government Operations, Transportation and Infrastructure](#)

[Manage your subscription](#) [See more from BC Gov News](#)


Please do not respond to this message

BCNews - Daily Digest

Thursday, January 5, 2017

10:37 AM

Subject	BCNews - Daily Digest
From	noreply.newsondemand@gov.bc.ca
To	Clark, Nathan TRAN:EX
Sent	Wednesday, November 23, 2016 5:05 PM

A banner for the Government of B.C. News on Demand. It features a background of light gray diagonal lines. The text "Government of B.C." is in a large, bold, black serif font, underlined. Below it, "News on Demand" is in a smaller, black serif font.

Government of B.C.

News on Demand

Government getting out of the business of insuring high-end luxury cars

Government is moving forward to no longer insure the high-end luxury car rate class (cars worth \$150,000 and over) so that the broader ratepayer is not subsidizing these cars. The owners of these cars will have to go to private insurance instead.

► READ MORE

[Government Operations, Transportation and Infrastructure](#)

[Manage your subscription](#) [See more from BC Gov News](#)

Please do not respond to this message

Re: Heads up - CBC BC Almanac request

Thursday, January 5, 2017
10:38 AM

Subject	Re: Heads up - CBC BC Almanac request
From	Bell, Jordan TRAN:EX
To	Rorison, Trish GCPE:EX
Cc	Clark, Nathan TRAN:EX; Jabs, Ryan GCPE:EX; Chambers, Craig GCPE:EX; Bowness, Lianne GCPE:EX
Sent	Thursday, November 24, 2016 7:56 AM

That time won't work. He's with PCC in Kamloops.

Sent from my mobile device.

On Nov 24, 2016, at 7:48 AM, Rorison, Trish GCPE:EX <Trish.Rorison@gov.bc.ca> wrote:

Hi there

Have a request from province-wide, noon call in show for MTS.

Trish Rorison

Communications Manager

GCPE - B.C. Ministry of Transportation and Infrastructure

250-580-6723

Begin forwarded message:

From: JAKE COSTELLO <jake.costello@cbc.ca>

Date: November 24, 2016 at 7:29:31 AM PST

To: sonia.lowe@gov.bc.ca, trish.rorison@gov.bc.ca

Subject: CBC BC Almanac request

Hello,

My name is Jake Costello and I'm a story producer with B.C. Almanac.

I'd like to request that Minister Stone join us on the show today between 12 and 12:30.

The focus will be on the projected rate increase, and the decision to end insuring luxury cars.

Are you able to give me a call back at 604-662-6982?

--

Jake Costello

CBC Radio, Vancouver

604-662-6982

Messages - privatization of ICBC

Thursday, January 5, 2017

10:38 AM

Subject	Messages - privatization of ICBC
From	Jabs, Ryan GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX
Sent	Friday, November 25, 2016 8:17 AM

Morning,

In case this comes up today... okay if we use the following to go to media who might ask (It's basically the same messages that the premier used as noted below)?

- No. This this is not a move toward privatization of ICBC.
- This is purely a fairness measure that helps ensure that all ratepayers don't continue to subsidize insurance for owners of luxury high end vehicles.
- Right now, whether a person drives a \$15,000 Honda Civic or whether a person drives a \$200,000 Lamborghini – their basic insurance rates are similar, while the costs of repair are substantially different.
- The policy as it stands is unfair to the majority of British Columbians, and we are moving forward with changes to ensure that the ever day rate payer no longer pays to repair these high value, luxury vehicles.

Thanks,

Ryan Jabs

Communications Director | Ministry of Transportation and Infrastructure


Government Communications & Public Engagement

Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

s.3

Lux Cars

Thursday, January 5, 2017
10:38 AM

Subject	Lux Cars
From	Clark, Nathan TRAN:EX
To	Haince, Micah LASS:EX
Sent	Friday, November 25, 2016 12:25 PM
Attachments	 Key Messages...

Nathan Clark

*Executive Assistant to the Honourable Todd Stone
Minister of Transportation & Infrastructure and Deputy House Leader*

FW: Statement

Thursday, January 5, 2017
10:38 AM

Subject	FW: Statement
From	Clark, Nathan TRAN:EX
To	Bell, Jordan TRAN:EX
Sent	Friday, November 25, 2016 1:28 PM

From: Haince, Micah [<mailto:Micah.Haince@leg.bc.ca>]

Sent: Friday, November 25, 2016 1:02 PM

To: Clark, Nathan TRAN:EX

Subject: Statement

FYI

NDP Believes Middle Class Families Should Pay for the Cost of Expensive Luxury Car Repairs

BC Liberal MLA Greg Kylo issued the following statement following the NDP's statement that British Columbians should continue to pay for expensive repairs for luxury cars:

"We fundamentally disagree with the BC NDP that middle class families should be forced to pay tens of thousands of dollars for repairs to fancy, luxury cars that most British Columbian families could never afford to own themselves. We think that these costs should be paid for by those who own these expensive, luxury cars. That is why the BC Liberal Government is taking action to end this practice. The BC NDP needs to explain why they want to stick middle class families these expensive bills."

Background

- "If its legal to drive a Ferrari in BC, ICBC should...figure out how to insure it. ICBC should be that competent." (NDP MLA Adrian Dix, Twitter, November 25, 2016)

Media Contact:

Micah Haince
Senior Communications Advisor
BC Government Caucus Communications
Cell: (250) 418-5472
Email: Micah.Haince@leg.bc.ca

Micah Haince
Senior Communications Advisor
BC Government Caucus Communications
Cell: (250) 418-5472
Email: Micah.Haince@leg.bc.ca

RE: Statement

Thursday, January 5, 2017
10:38 AM

Subject	RE: Statement
From	Clark, Nathan TRAN:EX
To	Haince, Micah LASS:EX
Sent	Friday, November 25, 2016 1:30 PM

I have been told to hold this until further discussions have taken place.

From: Haince, Micah [<mailto:Micah.Haince@leg.bc.ca>]
Sent: Friday, November 25, 2016 1:02 PM
To: Clark, Nathan TRAN:EX
Subject: Statement

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Media Contact:

Micah Haince
 Senior Communications Advisor
 BC Government Caucus Communications
 Cell: (250) 418-5472
 Email: Micah.Haince@leg.bc.ca

Micah Haince
 Senior Communications Advisor
 BC Government Caucus Communications
 Cell: (250) 418-5472
 Email: Micah.Haince@leg.bc.ca

RE: Statement

Thursday, January 5, 2017
10:38 AM

Subject	RE: Statement
From	Clark, Nathan TRAN:EX
To	Haince, Micah LASS:EX
Sent	Friday, November 25, 2016 1:43 PM

Statement is good to go.

From: Haince, Micah [<mailto:Micah.Haince@leg.bc.ca>]
Sent: Friday, November 25, 2016 1:32 PM
To: Clark, Nathan TRAN:EX
Subject: Re: Statement

OK. Pushing through graphics instead.

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: Clark, Nathan TRAN:EX
Sent: Friday, November 25, 2016 1:30 PM
To: Haince, Micah
Subject: RE: Statement

I have been told to hold this until further discussions have taken place.

From: Haince, Micah [<mailto:Micah.Haince@leg.bc.ca>]
Sent: Friday, November 25, 2016 1:02 PM
To: Clark, Nathan TRAN:EX
Subject: Statement

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Media Contact:

Micah Haince
 Senior Communications Advisor
 BC Government Caucus Communications

Cell: (250) 418-5472

Email: Micah.Haince@leg.bc.ca

Micah Haince

Senior Communications Advisor

BC Government Caucus Communications

Cell: (250) 418-5472

Email: Micah.Haince@leg.bc.ca

RE: Rob Shaw a Vancouver sun - minister on icbc on radio CHNL

Thursday, January 5, 2017

10:38 AM

Subject	RE: Rob Shaw a Vancouver sun - minister on icbc on radio CHNL
From	Jabs, Ryan GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	Rorison, Trish GCPE:EX; Korinowsky, Alexandra GCPE:EX
Sent	Thursday, December 1, 2016 8:46 AM

Here's the section from CHNL that Rob's looking to chat with the minister:

Harrison: I was talking to the guy from the BC New Car Dealers Association last week and he'd indicated that yeah, that's well and good but if the guy with the old Honda hits one of these luxury cars, ICBC still has to pay for it.

Stone: Those are the details that we're working out right now. I know there's -- some have asked that exact question of us. We understand the concern there. There are different approaches that we can take on that.

Remember, we're going to actually change the product next year, which means we're going to have to introduce legislation and pass legislation to make these changes. So, we're going to look at that question because it stands right now that that assertion is correct.

But, I've asked our team in the ministry to look at that question and to understand what are the options that are available to us that whereby, we could put some ceilings or some limits on the extent to which the rest of us ratepayers would actually cover the costs of collisions that these cars are involved in.

We're going to get on with doubling the premiums right away. So, they're paying more and covering the cost of their collisions in the interim.

And then we're going to do the work and engage with the stakeholders and figure out the bigger picture, which was at the centre of last week's announcement. And that's getting out of the business altogether.

From: Jabs, Ryan GCPE:EX

Sent: Wednesday, November 30, 2016 6:28 PM

To: Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX

Cc: Rorison, Trish GCPE:EX; Korinowsky, Alexandra GCPE:EX

Subject: Rob Shaw a Vancouver sun - minister on icbc on radio CHNL

Rob's looking to connect with the minister on comments he made on CHNL about capping luxury car costs. We can connect tomorrow.

Ryan Jabs
250-413-7121

Begin forwarded message:

From: "Shaw, Rob" <rshaw@postmedia.com>

Date: November 30, 2016 at 5:23:07 PM PST

To: Ryan Jabs <Ryan.Jabs@gov.bc.ca>

Subject: minister on icbc on radio CHNL

Thought his comments about possibly capping damages on luxury vehicles when they

are hit by ordinary drivers was interesting... could he expand upon it in an interview via the telephonic device to my desk in the next day or two?

Rob

ROB SHAW

LEGISLATIVE REPORTER

The Vancouver Sun | The Province

Room 360, Parliament Buildings

Victoria, B.C. V8V1X4

T: 250-953-5932

C: 250-893-0841

rshaw@postmedia.com

twitter.com/robshaw_vansun



The Province










 **POSTMEDIA**

The information contained in this email is strictly confidential, and is only intended for the party(ies) to whom it is addressed. Any other use, dissemination, distribution, disclosure or copying is prohibited. If you have received this email in error please advise by reply email. Thank you.

Daily Issues Report - Friday, December 2, 2016

Thursday, January 5, 2017

10:39 AM

Subject	Daily Issues Report - Friday, December 2, 2016
From	Rorison, Trish GCPE:EX
To	Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc	GCPE Communications - Transportation; Lewthwaite, Jennifer TRAN:EX; Haskett, Sara TRAN:EX; McLean, Matt GCPE:EX; TRAN HQ EXECUTIVE; Valle, Gloria J TRAN:EX; Gilmour, Lori TRAN:EX; Lolacher, Russel TRAN:EX; Crighton, Jessica TRAN:EX; Reimer, Kristen TRAN:EX
Sent	Friday, December 2, 2016 4:28 PM
Attachments	<div>  <p>FINAL NR-BGR - ...</p> </div> <div>  <p>FINAL_IB_R eminder 2...</p> </div> <div>  <p>FINAL - Summerla...</p> </div> <div>  <p>NR - Grand Trunk Paci...</p> </div> <div>  <p>ICBC IB_Auto C...</p> </div> <div>  <p>NR_Kamloo ps_Winter...</p> </div> <div>  <p>FINAL - Irishman C...</p> </div> <div>  <p>DRAFT</p> </div> <div>  <p>DIR MOTI December...</p> </div>

Here is today's Daily report along with supporting communications materials for Friday, December 2, 2016.

Announcements for Friday, Dec. 2:

- **Event & NR – Evergreen Line opening day – 10:30** - Premier Clark, Coquitlam-Port Coquitlam MP Ron McKinnon, Minister Fassbender, Port Moody-Coquitlam MLA Linda Reimer and project funding partners announce that the Evergreen Line project is complete and now open to customers. Media advisory out at 7 a.m.
- **FYI - Haida Gwaii/Queen Charlotte Islands tsunami safety pole marker – EMBC event & NR - 11 a.m.** - NR announcing EMBC funding a project to help Queen Charlotte City and other local authorities and First Nations on the Island and Haida Gwaii communities (with support from Telus and BC Hydro) on an initiative to mark hydro poles with tsunami safety zone info to help with evacuations in the event of a tsunami warning, and it will improve local preparedness and public awareness.

Announcements for Monday, Dec. 5:

- **IB – Reminder of two more open houses for Brunette Interchange project – 8 a.m.** - A reminder that the ministry is continuing its public engagement with two additional open houses happening this week.

Tweet: 2 more public open houses for Brunette Interchange project #BCHwy1: Dec 6 & Dec 7
ow.ly/uGMq306LBij

- **NR – Completion of road improvements in the Logan Lake and Kamloops area – 8:30 a.m.** – Several road improvement projects in the Kamloops and Logan Lake areas are now complete.

Tweet: Capping off another successful year of resurfacing and repaving #Kamloops
 #smootherroads

- **NR – Speed limit changes on Highway 97 through Summerland – 9:15 a.m.** – six different speed zones near and through Summerland will be changed to create two different speed zones. MTS and MLA Ashton quotes

Tweet: Less confusion on #BCHwy97 in Summerland now that six speed limits have been reduced to two. #Summerland

- **NR - Refurbished Stop of Interest sign near Vanderhoof – 9:30 a.m.** - This is one of B.C.'s Stop of Interest signs across the province the ministry is refurbishing. This sign recognizes the importance of the Grand Trunk Pacific Railway in the development of Central British Columbia. MTS quote.

Tweet: Stop of Interest sign in #Fort Fraser celebrates Grand Trunk Pacific railroad

- **ICBC Info Bulletin – Auto crime prevention tips around the holiday season – 10 a.m.** - ICBC issues an IB with good tips on how to protect against auto theft around the Christmas season.

Announcements for Tuesday, Dec. 6:

- **Event & NR – Mid-month CounterAttack push – 9 a.m.** - Mid-month CounterAttack campaign push - Minister Stone attends/speaks at event in Kamloops. Don't drink & drive message is given.
- **FYI – BC Ferries release – 9:30 a.m.** - BC Ferries highlights energy reduction initiatives on Queen of Oak Bay.
- **NR – Irishman Creek Bridge completion – 9:45 a.m.** - A project to replace the Irishman Creek Bridge on Highway 3 east of Yahk is now complete. MTS and MBB quotes.
- **FYI – Open house for Brunette Interchange Highway 1 project – 4 – 7 p.m.** – Open House on Tuesday Dec. 6, 2016 from 4 p.m. to 7 p.m. at Sapperton Pensioners Hall, 318 Keary St., New

¹⁸¹⁶
Westminster.

- **FYI – BC Transit recruitment event – time tbc** - BC Transit is holding a media event about their upcoming recruitment campaign for transit operators in Victoria.

Best,

Trish

Trish Rorison | Communications Manager
Government Communications & Public Engagement
B.C. Ministry of Transportation and Infrastructure

Telephone: 250.356.7707 | **Mobile:** 250.580.6723 | **email:** trish.rorison@gov.bc.ca

Transportation, ADM Partnerships TRAN:EX

From: Kislock, Lindsay M TRAN:EX
Sent: Thursday, January 5, 2017 2:33 PM
To: Predham, Elizabeth TRAN:EX
Subject: FW: ICBC not longer insuring luxury cars to save money?

From: Jabs, Ryan GCPE:EX
Sent: Thursday, November 24, 2016 11:47 AM
To: Brownsey, Silas TRAN:EX; Main, Grant TRAN:EX; Kislock, Lindsay M TRAN:EX
Subject: RE: ICBC not longer insuring luxury cars to save money?

Thanks, Silas... This one's a media request, and we can add this to the QA.

Okay with the response along the lines of:

Our long term solution is to make sure luxury cars are no longer a burden to the general ratepayer. Lots of work to do and pieces to address through our policy and legislative work to make sure we meet this goal. This is why we're moving ahead with an interim step to at least double basic rates and increase optional rates for this class of vehicles.

If ICBC is to handle the public calls, we can share our QAs...

From: Brownsey, Silas TRAN:EX
Sent: Thursday, November 24, 2016 11:31 AM
To: Jabs, Ryan GCPE:EX; Main, Grant TRAN:EX; Kislock, Lindsay M TRAN:EX
Subject: RE: ICBC not longer insuring luxury cars to save money?
Importance: High

We have a number of calls from the public that are stacking up at this end. My recommendation would be that we utilize ICBC's public relations structure to follow-up on these, rather than with our staff given competing priorities. If we are all agreeable, need use key messaging and Q&As.

From: Jabs, Ryan GCPE:EX
Sent: Thursday, November 24, 2016 11:13 AM
To: Main, Grant TRAN:EX; Brownsey, Silas TRAN:EX; Kislock, Lindsay M TRAN:EX
Subject: FW: ICBC not longer insuring luxury cars to save money?

Calling you about this...

From: Keith Baldrey [<mailto:Keith.Baldrey@globalnews.ca>]
Sent: Wednesday, November 23, 2016 9:49 PM
To: Jabs, Ryan GCPE:EX
Subject: Fwd: ICBC not longer insuring luxury cars to save money?

Over to you!

Sent from my iPhone

Begin forwarded message:

From: s.22

Date: November 23, 2016 at 9:26:54 PM PST

To: "keith.baldrey@globalnews.ca" <keith.baldrey@globalnews.ca>

Subject: ICBC not longer insuring luxury cars to save money?

Reply-To: s.22

Hello

We are counting on the media to get a correction to the nonsense quoted from Minister Stone.

Right now, the story makes no sense.

The reason luxury cars and economy cars pay the same LIABILITY premium is that it covers damage to the OTHER car or person that you hit. That risk is the same regardless of the value of your car.

If my economy car hits a luxury car and it is my fault, ICBC will have to pay the expensive repairs, regardless of whether that luxury car is insured with ICBC, so the problem of high payouts cannot be eliminated.

For damage to your own vehicle if you are at fault is paid from your COLLISION portion, and contrary to what the minister implies, a luxury car worth ten times an economy car costs about ten times the collision premium. Ditto for comprehensive coverage. The actuaries are supposed to make sure that the premiums cover all collision and comp claims.

The story is therefore bizarre, and we would be grateful if you could get an explanation from the minister.

cheers
s.22

From: Main, Grant TRAN:EX
To: Stone, Todd TRAN:EX
Subject: Fwd: Basic Rate Options SN
Date: Tuesday, November 29, 2016 9:45:36 PM
Attachments: Basic Rate Options SN.docx

As discussed Minister.

Sent from my Samsung Galaxy smartphone.

----- Original message -----

From: "Main, Grant TRAN:EX"
Date: 2016-11-29 7:20 PM (GMT-08:00)
To: "Bell, Jordan TRAN:EX (Jordan.Bell@gov.bc.ca)"
Subject: Basic Rate Options SN

Draft SN as discussed which really just provide intro comments and then suggest the Minister walk through the options in the sub.

Thanks

gm

Page 227 to/à Page 228

Withheld pursuant to/removed as

s.12;s.13;s.17

From: [Bell, Jordan TRAN:EX](#)
To: [Stone, Todd TRAN:EX](#)
Subject: Fwd: CKYE: Thind - ICBC rates
Date: Thursday, November 24, 2016 9:51:01 PM

Flagging this one.

Sent from my mobile device.

Begin forwarded message:

From: "Jabs, Ryan GCPE:EX" <Ryan.Jabs@gov.bc.ca>
Date: November 24, 2016 at 9:21:09 PM PST
To: "Bell, Jordan TRAN:EX" <Jordan.Bell@gov.bc.ca>
Subject: Fwd: CKYE: Thind - ICBC rates

Here's the summary of thind's interview.

Ryan Jabs
250-413-7121

Begin forwarded message:

s.3

From: [Bell, Jordan TRAN:EX](#)
To: [Stone, Todd TRAN:EX](#)
Cc: [Blixrud, Becky LASS:EX](#)
Subject: ICBC Draft Letters & Comm Plan
Date: Monday, November 28, 2016 10:58:22 AM
Attachments: [CP_ICBC actions-next steps_Nov 28 2016.docx](#)
s.13

Draft letter and a draft comm plan are attached here for further discussion, Minister.
I'll have the balance of the documents to you before noon.
Jordan

COMMUNICATIONS PLAN

ICBC actions to address rates

November 2016

Announcement:

Government and ICBC are taking action to keep rate increases affordable.

Background:

On November 23rd, 2016, the BC Utilities Commission posted data on their website outlining hypothetical projections for ICBC basic rates for the next four years. Many media outlets reported that this data “forecasted” a 42% increase in this time period, because of the significant pressures ICBC was facing with rising crashes, claims and injury costs.

The government and ICBC responded with a news conference to put this information into context and noted that the data was only hypothetical and assumed government and ICBC would take no action over the next four years. Government has been clear and reiterated that we will be taking action and will take whatever steps are necessary to keep rate increases down and at or lower than the 4.9% increase announced this year.

As part of this response, government announced that it is no longer insuring the high-end luxury car rate class (cars worth \$150,000 and over) so that the broader ratepayer is not subsidizing these cars. This policy change will take considerable work so while this work is underway, government will immediately take steps so high-end luxury car owners will pay more than double for their basic insurance and ensure their premiums fully cover all costs of any repairs. The province announced that these interim changes will be formally implemented as soon as possible.

In addition to this new policy, the minister announced that we would be coming forward with additional actions in the coming weeks and months to address the rate pressures and meet the goal of keeping rate increases at or below 4.9%.

s.13

- **Fraud prevention** – Fraud prevention is one of the tactics government has announced to address rising costs, and ICBC introduced last year a new computer fraud analytics tool, which in its testing phase has shown some positive early results. They are ready to demonstrate this tool and show some of the success it's had
 - s.12,s.13
- **One free crash**
 - s.13
- **Windshield repair**
 - s.13
-

s.13

Strategy:

By using the luxury car announcement, the province and ICBC were somewhat successful in providing context around the 42% figure and the actions the province and ICBC is planning to take to keep rates affordable. However, much of the media coverage still focused on the 42% number and suggested that ICBC rates would still be going up significantly.

s.13

However, the province committed to announce additional actions to address the rising rate pressures in the coming weeks s.13

s.13

The province will need to make at least one announcement about the actions being taken and can likely build on some of last week's traction with a series of announcements over the next six to eight weeks.

Release options:

s.13

Page 233

Withheld pursuant to/removed as

s.13

Key Messages:

- Government and ICBC are committed to doing everything we can to keep rates as low as possible for British Columbians.
- We are doing everything we can to make sure that the rate increases remain as affordable as possible and near or below the 4.9% rate ICBC announced this year.
- We've already announced some of the steps we're taking, including:
 - Significantly higher fines, more penalty points, earlier intervention and more education for people who choose to drive distracted. Second time offenders will pay a total of \$888 in financial penalties, which escalates further for any additional offence. We expect that these increased penalties over time will reduce the number of people willing to risk driving distracted.
 - Additional steps to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will help to more quickly target claims with the highest risk of fraud – and ultimately lower ICBC rates for all drivers.
 - Modernizing supply management practices, which will reduce ICBC's supply costs, without impacting customers.
- We are also moving ahead with a number of additional measures that will further address the cost pressures and make rates fairer. Some of these include:
 - Charging higher rates for luxury vehicles that are over \$150,000 to better reflect the cost to repair and replace these types of cars.
 - Reducing the number of “free” at fault crashes a driver may have in a year from three to one to ensure that a driver's premium better reflects their driving record and is fair for the rest of ICBC insurance holders.
 - s.12,s.13
 - Moving to a new windshield repair model that will allow insurance holders to have the chips in their windshield's repaired – rather than waiting until they need to fully replace their windshield at a much higher cost.
- We are also hiring a third-party to look at the opportunities available in the long term to reduce rate pressures and so we can meet our commitment to British Columbians.
- Government will continue to work with ICBC over the coming months and years as we work to address the ongoing pressures on ICBC rates.

Page 235 to/à Page 236

Withheld pursuant to/removed as

s.13

From: [Bell, Jordan TRAN:EX](#)
To: [Stone, Todd TRAN:EX](#)
Subject: Messages - privatization of ICBC
Date: Monday, November 28, 2016 2:08:15 PM

Minister – flagging these updates KMs, just in case it comes up again...

- No. B.C. has no intention of changing the model of insurance coverage in the province and we this is not a move toward privatizing ICBC.
- ICBC is and will continue to be the public provider for all basic insurance in B.C., outside of this very small class of high-end luxury vehicles.
- This is purely a fairness measure that will help make sure that all ratepayers don't continue to subsidize insurance for owners of luxury high end vehicles.
- Right now, whether a person drives a \$15,000 Honda Civic or whether a person drives a \$200,000 Lamborghini – their basic insurance rates are similar, while the costs of repair are substantially different.
- The policy as it stands is unfair to the majority of British Columbians, and we are moving forward with changes to ensure that the ever day rate payer no longer pays to repair these high value, luxury vehicles.

From: Bell, Jordan TRAN:EX
To: Stone, Todd TRAN:EX
Subject: Draft Letters - luxury vehicles for Brokers & Board Chair
Date: Monday, November 28, 2016 3:33:09 PM
Attachments: s.13

These are the letters for the 3:30 call today.

The meeting with the brokers is nailed for 3:30 Wednesday. Michele & Ben are aware.

jb

Page 239 to/à Page 240

Withheld pursuant to/removed as

s.13

From: [Bell, Jordan TRAN:EX](#)
To: [Stone, Todd TRAN:EX](#)
Cc: [Blixrud, Becky LASS:EX](#)
Subject: For Approval: High Value Vehicle - Direction Letter & BN
Date: Monday, November 28, 2016 1:54:11 PM
Attachments: [262565.docx](#)
[DBN_OIC Package for HVV \(FINAL\).docx](#)

Minister –

Attached is the direction letter we'll need to send the Board Chair of ICBC for the High Value Vehicle OIC. This will be attached to the OIC, which I will have to you shortly with the confirmed implementation date.

I'll be sending you a similar directive letter for the 'One Free Crash' OIC as well.

The attached BN goes into more detail on this as well.

Thank you,

Jordan

BRIEFING NOTE FOR DECISION

DATE: November 24, 2016
PREPARED FOR: Honourable Todd Stone, Minister of Transportation and Infrastructure
ISSUE: OIC for new surcharge on high value (luxury) vehicles

RECOMMENDED OPTION:

- **Approve the Order.**

BACKGROUND:

Implementing a new surcharge for Basic insurance for high value (luxury) vehicles (with a Manufacturer's Suggested Retail Price (MSRP) of greater than or equal to \$150,000) was endorsed by Cabinet on July 20, 2016. This new surcharge was announced by Minister Stone on November 23rd, where it was characterized as an interim measure while Government works towards legislative amendments that remove the ability for high value vehicle owners to purchase Basic (public) auto insurance.

DISCUSSION:

ICBC continues to experience significant claims costs pressures due to a number of factors, including higher crash frequency, higher injury costs, and higher vehicle repair costs. Implementing a surcharge equivalent to a 100% increase on Basic insurance for vehicles with an MSRP at over \$150,000 is just one of a number of measures aimed at reducing these pressures. The cost to repair a high value vehicle is typically six times that of a traditional passenger vehicle, yet today, both vehicle classes pay virtually the same amount for Basic insurance.

s.12,s.13,s.17

FINANCIAL IMPLICATIONS:

- Would result in an annual increase in ICBC Basic premiums of approximately \$2.2 million.

OPTIONS:

OPTION 1: Approve the Order

s.12,s.13,s.17

OPTION 2: Do not approve the Order

s.12,s.13,s.17

RECOMMENDATION:

- Option 1.

APPROVED / NOT APPROVED

Honourable Todd Stone
Minister

Date

PREPARED BY:

Andrea Mercer, Manager, Crown Agency Policy
Transit & Crown Agency Policy Branch
(250) 387-6024

REVIEWED BY:

Lindsay Kislock, ADM
Partnerships
Nancy Bain, ADM & EFO
Finance and Management Services Department

INITIALS

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

Reference: 262565

Dear Chair Penner:

Re: Letter of Direction - Luxury Vehicle Changes

I am writing to provide direction to the Insurance Corporation of British Columbia (ICBC) regarding a new charge, as part of a suite of initiatives to introduce greater levels of fairness to B.C.'s insurance system.

ICBC is hereby directed to implement a high-value vehicle charge in the amount and with the particulars set out in the amended pages to the ICBC Basic Insurance Tariff attached to this letter.

There are two sets of attached pages. One set does not indicate a charge with respect to fleets and garage vehicle certificates. It is to be implemented effective January 8, 2017. A second set indicates a charge with respect to fleets and garage vehicle certificates. It is to be implemented once certificates for vehicles insured in a fleet and vehicles insured as owned vehicles under a garage vehicle certificate are administered in ICBC's new policy administration system. Both sets are to be implemented with any necessary consequential amendments to the attached pages, and any other Tariff pages, to reflect dates of implementation and any changes to the Tariff approved before the attached pages are implemented.

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,

Todd G. Stone
Minister

Enclosure

From: Lewthwaite, Jennifer TRAN:EX
Sent: Tuesday, November 29, 2016 10:10 PM
To: Finkel, Paul PREM:EX; Main, Grant TRAN:EX
Cc: Henderson, Kim N PREM:EX; MacMillan, Elizabeth PREM:EX; Bell, Jordan TRAN:EX; Kislock, Lindsay M TRAN:EX
Subject: RE: s.12
Attachments: Nov 30 2016 - s.12

Good evening,

Please find attached the final signed Cabinet Submission for tomorrow's Cabinet meeting.

Regards,

Jen Lewthwaite
Director of Executive Operations
Ministry of Transportation & Infrastructure
5B-940 Blanshard Street
Victoria, BC V8W 9T5

PH: 250-387-3077
Cell: 250-882-7527

From: Finkel, Paul PREM:EX
Sent: Tuesday, November 29, 2016 9:47 PM
To: Main, Grant TRAN:EX
Cc: Henderson, Kim N PREM:EX; MacMillan, Elizabeth PREM:EX; Bell, Jordan TRAN:EX; Lewthwaite, Jennifer TRAN:EX; Kislock, Lindsay M TRAN:EX
Subject: Re: s.12

Thanks, I will distribute to iPads shortly.

Sent from my iPhone

On Nov 29, 2016, at 9:44 PM, Main, Grant TRAN:EX <Grant.Main@gov.bc.ca> wrote:
s.13

Sent from my Samsung Galaxy smartphone.

----- Original message -----

From: "Henderson, Kim N PREM:EX" <Kim.Henderson@gov.bc.ca>
Date: 2016-11-29 8:18 PM (GMT-08:00)
To: "Main, Grant TRAN:EX" <Grant.Main@gov.bc.ca>
Cc: "MacMillan, Elizabeth PREM:EX" <Elizabeth.MacMillan@gov.bc.ca>, "Finkel, Paul PREM:EX" <Paul.Finkel@gov.bc.ca>, "Bell, Jordan TRAN:EX" <Jordan.Bell@gov.bc.ca>, "Lewthwaite, Jennifer TRAN:EX" <Jennifer.Lewthwaite@gov.bc.ca>

Subject: Re: s.12

Thanks Grant, s.13
s.13

On Nov 29, 2016, at 7:41 PM, Main, Grant TRAN:EX <Grant.Main@gov.bc.ca> wrote:
s.12

is travelling at the moment. I likely won't hear from him until after 9 or
9:30.

Kim, s.13
s.13

Thanks
gm

From: Bishop, Carol TRAN:EX
Sent: Tuesday, November 29, 2016 7:31 PM
To: Lewthwaite, Jennifer TRAN:EX
Cc: Main, Grant TRAN:EX; Kislock, Lindsay M TRAN:EX; Foster, Doug
FIN:EX
Subject: RE: s.12

The final

Carol

Page 248 to/à Page 261

Withheld pursuant to/removed as

s.12;s.13;s.17

From: Stone, Todd TRAN:EX
Sent: Tuesday, November 29, 2016 8:41 PM
To: Bell, Jordan TRAN:EX
Subject: Fwd: Impending Luxury Car Legislation

Sent from my iPad

Begin forwarded message:

From: "Bell, Jordan TRAN:EX" <Jordan.Bell@gov.bc.ca>
Date: November 29, 2016 at 1:39:16 PM PST
To: "Stone, Todd TRAN:EX" <Todd.Stone@gov.bc.ca>
Subject: FW: Impending Luxury Car Legislation
Draft reply on behalf of the MLA please
From: Stone.MLA, Todd [mailto:Todd.Stone.MLA@leg.bc.ca]
Sent: Tuesday, November 29, 2016 12:12 PM
To: Bell, Jordan TRAN:EX
Subject: FW: Impending Luxury Car Legislation
From: s.22 [mailto:s.22]
Sent: November 29, 2016 11:36 AM
To: Sultan.MLA, Ralph <Ralph.Sultan.MLA@leg.bc.ca>
Cc: Stone.MLA, Todd <Todd.Stone.MLA@leg.bc.ca>; Clark.MLA, Christy <Christy.Clark.MLA@leg.bc.ca>
Subject: Impending Luxury Car Legislation

Dear Mr. Sultan; I called your office last week regarding the Government's decision not to provide basic insurance to vehicles worth more than \$150,000.

As a Constituent, I find this decision rash and troubling. according to the Transportation Minister, Todd Stone the savings to ICBC will be a whopping \$2.3 million. It appears that ICBC will be run a annual deficit that will approach \$500 million.

Premier Clark told reporters in Kamloops, using a similar example. "Sorry, if you can afford a car that is that expensive, you can afford to fix it yourself." Please explain to the Premier that if someone else hit a luxury car it is their Basic Insurance that covers the cost of replacement or repairs, not offering Basic Insurance to Luxury Car owners does little to help the ICBC deficit. I would welcome getting my comprehensive from Private Insurers as it is cheaper and they will get the benefit of my premiums.

As an aside, my luxury car is driven less than 2000 km's a year, my exposure is a tenth of the average driver in BC. Do you intend to remove the Luxury Tax paid when a Luxury Car is purchased in BC, if you don't want to insure those cars how can you profit from their purchase.

Could you please tell me how I can obtain the following details;

- 1) how many accidents were attributed to luxury cars
- 2) how many accidents involving luxury cars were the fault of other drivers
- 3) what is the cost to ICBC of those accidents
- 4) how much was payed in premiums by the luxury car owners
- 5) how many accidents involving luxury cars are attributed to drivers under 25

From a practical point of view, does it make sense to target luxury car owners in British Columbia. Anecdotaly, the people that I know who own Luxury Cars contribute to the British Columbia economy in a myriad of ways. They provide jobs through their businesses, they pay significant income and investment taxes and when they buy homes at inflated prices they pay the Property Transfer Tax to the Government. It seems to me that you are trying to bite the hand that feeds you. You will not lose my vote as I have supported your Government and like minded predecessors my entire life. I will not be

supporting the Liberal Party Fundraising Dinners though, rather than purchasing a table I will use the funds to insure my car or elsewhere.

Regards

s.22

Peters, Yvonne TRAN:EX

From: Main, Grant TRAN:EX
Sent: Tuesday, November 29, 2016 7:42 PM
To: Henderson, Kim N PREM:EX; MacMillan, Elizabeth PREM:EX; Finkel, Paul PREM:EX
Cc: Bell, Jordan TRAN:EX; Lewthwaite, Jennifer TRAN:EX
Subject: FW: s.12
Attachments: s.12 Nov 30 final - 7 30 pm clean.docx

Final draft of sub. Minister has not yet had an opportunity to review and is travelling at the moment. I likely won't hear from him until after 9 or 9:30.

Kim, if you are ok with this version and you would like to distribute a draft I can advise MTS accordingly, and if he has any major concerns I will let you know?

(and of course if you feel it needs changes please let me know)

Thanks
gm

From: Bishop, Carol TRAN:EX
Sent: Tuesday, November 29, 2016 7:31 PM
To: Lewthwaite, Jennifer TRAN:EX
Cc: Main, Grant TRAN:EX; Kislock, Lindsay M TRAN:EX; Foster, Doug FIN:EX
Subject: RE: s.12

The final

Carol

Cabinet Submission – Request for Decision

Minister: Honourable Todd G. Stone
Ministry: Ministry of Transportation and Infrastructure
Date: 28/11/2016 Ministry Document #: CAB/
s.12,s.13,s.17

I

Page 266 to/à Page 276

Withheld pursuant to/removed as

s.12;s.13;s.17

Peters, Yvonne TRAN:EX

From: Lewthwaite, Jennifer TRAN:EX
Sent: Tuesday, November 29, 2016 7:21 PM
To: Bell, Jordan TRAN:EX
Subject: s.12
Attachments: s.12 Nov 30 final - 7pm clean.docx

Hi jordan,

Here is the final sub for Minister's consideration. Let me know when he's had a chance to review and I'll apply esigs.

Jen



Cabinet Submission – Request for Decision

Minister: Honourable Todd G. Stone

Ministry: Ministry of Transportation and Infrastructure

Date: 28/11/2016 Ministry Document #: CAB 10/2016

s.12,s.13,s.17

Page 279 to/à Page 291

Withheld pursuant to/removed as

s.12;s.13;s.17

Peters, Yvonne TRAN:EX

From: Lewthwaite, Jennifer TRAN:EX
Sent: Tuesday, November 29, 2016 7:14 PM
To: Bell, Jordan TRAN:EX
Cc: Clark, Nathan SDSI:EX
Subject: 2nd set
Attachments: Scan_MPS005520161129.pdf

Hi Jordan,

Please find attached the 2nd set of OIC's for Minister's consideration – Luxury Vehicle Interim Measure.

Jen

Page 293 to/à Page 298

Withheld pursuant to/removed as

s.12

BRIEFING NOTE FOR DECISION

DATE: November 24, 2016
PREPARED FOR: Honourable Todd Stone, Minister of Transportation and Infrastructure
ISSUE: OIC for new surcharge on high value (luxury) vehicles

RECOMMENDED OPTION:

- **Approve the Order.**

BACKGROUND:

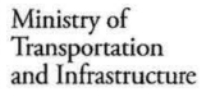
Implementing a new surcharge for Basic insurance for high value (luxury) vehicles (with a Manufacturer's Suggested Retail Price (MSRP) of greater than or equal to \$150,000) was endorsed by Cabinet on July 20, 2016. This new surcharge was announced by Minister Stone on November 23rd, where it was characterized as an interim measure while Government works towards legislative amendments that remove the ability for high value vehicle owners to purchase Basic (public) auto insurance.

DISCUSSION:

ICBC continues to experience significant claims costs pressures due to a number of factors, including higher crash frequency, higher injury costs, and higher vehicle repair costs. Implementing a surcharge equivalent to a 100% increase on Basic insurance for vehicles with an MSRP at over \$150,000 is just one of a number of measures aimed at reducing these pressures. The cost to repair a high value vehicle is typically six times that of a traditional passenger vehicle, yet today, both vehicle classes pay virtually the same amount for Basic insurance.

s.12,s.13,s.17

FINANCIAL IMPLICATIONS:



CLIFF xxxxx
(X-REF: OIC# 080/16)

- Would result in an annual increase in ICBC Basic premiums of approximately \$2.2 million.

OPTIONS:

OPTION 1: Approve the Order

s.12,s.13,s.17

OPTION 2: Do not approve the Order

s.12,s.13,s.17

RECOMMENDATION:

- Option 1.

APPROVED / NOT APPROVED

Honourable Todd Stone
Minister

Date _____

PREPARED BY:

Andrea Mercer, Manager, Crown Agency Policy
Transit & Crown Agency Policy Branch
(250) 387-6024

REVIEWED BY:

Lindsay Kislock, ADM
Partnerships
Nancy Bain, ADM & EFO
Finance and Management Services Department

INITIALS



The purpose of the Regulatory Impact Checklist Exemption is to demonstrate that a regulatory impact assessment does not need to be completed for the proposed statutory or regulatory changes. A regulatory count is not required for changes that qualify for an exemption.

Questions? Contact RegulatoryReformBC@gov.bc.ca

OIC# (add when available)

Effective Date (DD / MM / YYYY)

Contact and Regulation Information

Name of Contact

Connie Van Schaik

Phone Number of Contact

250-387-3847

Name of Ministry

Ministry of Transportation and Infrastructure

Name of Legislation

Insurance (Vehicle) Act

Name of Regulation (including B.C. Reg. #), Policy or Form, if applicable

Insurance Vehicle Regulation, B.C. Reg. 447/83.

Proposed Changes

The proposed changes are (check all boxes that apply):

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | Type of OIC is "not a regulation," as identified on the OIC summary sheet. |
| <input type="checkbox"/> | Changes to existing fees or fines approved by Treasury Board. |
| <input type="checkbox"/> | Related only to the procedures or practices of a court or tribunal. |
| <input checked="" type="checkbox"/> | Declaratory or housekeeping changes that clarify or correct a provision without changing regulatory requirements. For example, revised under the revision powers in Part 2 of the Regulations Regulation under the <i>Regulations Act</i> . |
| <input type="checkbox"/> | Transitional in nature (e.g., Statutes for the 2010 Olympics in Vancouver). |
| <input type="checkbox"/> | Confirmed by the responsible minister or authority that, due to special circumstances, the regulatory criteria do not apply to the legislative or regulatory change. |

REGULATORY IMPACT CHECKLIST EXEMPTION**PAGE 2****Special Circumstances**

Please explain special circumstances:

N/A

Authorization

Signature of Minister Responsible or Head of Regulatory Authority

Date (DD/MM/YYYY)

Ministry File Manager Use Only☐ Exemption form uploaded to Regulatory Reform Sharepoint site

Signature of Regulatory Reform File Manager

Date (DD/MM/YYYY)



The purpose of the Regulatory Impact Checklist Exemption is to demonstrate that a regulatory impact assessment does not need to be completed for the proposed statutory or regulatory changes. A regulatory count is not required for changes that qualify for an exemption.

Questions? Contact RegulatoryReformBC@gov.bc.ca

OIC# (add when available)

Effective Date (DD / MM / YYYY)

Contact and Regulation Information

Name of Contact	Phone Number of Contact
Connie Van Schaik	250-387-3847
Name of Ministry	
Ministry of Transportation and Infrastructure	
Name of Legislation	
Insurance Corporation Act s.47	
Name of Regulation (including B.C. Reg. #), Policy or Form, if applicable	
Special Direction IC2 to the British Columbia Utilities Commission, B.C. Reg. 307/2004.	

Proposed Changes

The proposed changes are (check all boxes that apply):

<input type="checkbox"/>	Type of OIC is "not a regulation," as identified on the OIC summary sheet.
<input type="checkbox"/>	Changes to existing fees or fines approved by Treasury Board.
<input type="checkbox"/>	Related only to the procedures or practices of a court or tribunal.
<input checked="" type="checkbox"/>	Declaratory or housekeeping changes that clarify or correct a provision without changing regulatory requirements. For example, revised under the revision powers in Part 2 of the Regulations Regulation under the <i>Regulations Act</i> .
<input type="checkbox"/>	Transitional in nature (e.g., Statutes for the 2010 Olympics in Vancouver).
<input type="checkbox"/>	Confirmed by the responsible minister or authority that, due to special circumstances, the regulatory criteria do not apply to the legislative or regulatory change.

REGULATORY IMPACT CHECKLIST EXEMPTION**PAGE 2****Special Circumstances**

Please explain special circumstances:

N/A

Authorization

Signature of Minister Responsible or Head of Regulatory Authority

Date (DD/MM/YYYY)

Ministry File Manager Use Only☐ Exemption form uploaded to Regulatory Reform Sharepoint site

Signature of Regulatory Reform File Manager

Date (DD/MM/YYYY)

Page 306

Withheld pursuant to/removed as

s.14

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

, Approved and Ordered

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 Division 2 of Part 3 of the Insurance (Vehicle) Regulation, B.C. Reg. 447/83, is amended by adding the following section:

High-value vehicle charge

- 15.9** The corporation may set the amount of the charge payable to the corporation for the issue of the types of certificates respecting coverage for the types of high-value vehicles designated by the corporation for this purpose.

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 (Vehicle) Act*, R.S.B.C. 1996, c. 231, s. 45 (2) (b) and (q.1)

Other: OIC 1897/83

November 29, 2016

R/878/2016/27

Page 308

Withheld pursuant to/removed as

s.12;s.14

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

, Approved and Ordered

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 section 3 (1) of Special Direction IC2 to the British Columbia Utilities Commission, B.C. Reg. 307/2004, is amended

(a) *in paragraph (c) by striking out* “paragraphs (g) and (j),” *and substituting* “paragraphs (g), (j) and (k),”

(b) *in paragraph (j) by striking out* “predictable.” *and substituting* “predictable;”, *and*

(c) *by adding the following paragraph:*

(k) despite paragraph (j), within 20 days of the corporation applying for approval of a high-value vehicle charge in accordance with a government directive, approve and set the rates for the charge; .

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: *OIC 647/2004*

November 29, 2016

R/815/2016/27

Page 310

Withheld pursuant to/removed as

s.12;s.14

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

, Approved and Ordered

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 approval is given to the attached directive issued by the Minister of Transportation and Infrastructure to the corporation dated November 29, 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)

November 29, 2016

page 1 of 21

O/816/2016/27

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Tuesday, November 29, 2016 2:39 PM
To: Bell, Jordan TRAN:EX; Clark, Nathan SDSI:EX
Cc: Rorison, Trish GCPE:EX; Korinowsky, Alexandra GCPE:EX
Subject: FW: Final approval and distribution: Media Advisory on fraud analytics
Attachments: Event plan - Fraud analytics tool - 11 29 16 2pm.docx; Media Advisory - Fraud analytics - FINAL.docx; News release - Fraud analytics tool - DRAFT - 11 28 16 800 pm.docx; SN_MTS_ICBC Fraud_v2 - Nov 29 12PM.docx; Key messages_fraud November 2016 update.docx; Fraudsocial-content- DRAFT - Nov 2016.docx

Folks, here are the current materials for tomorrow's announcement. Note that Jill Blacklock will now be the emcee at the event, who will introduce the minister and their fraud expert, John Edwards.

The attached speaking notes are still draft and have not yet been reviewed or approved.

Ryan
250-413-7121

Event objectives

Raise public awareness about:

- ICBC's acquisition of a new fraud analytics tool, part of its increased efforts to combat fraud.
- Share early results from first run of data using the tool, which supplement traditional tactics.
- Reinforce government and ICBC's commitment to finding ways to reduce claims costs to keep rates as low as possible.

Background

Fraud analytics technology is an emerging opportunity for all insurers as they can help quickly flag patterns and high predictors of fraud at the beginning of the claims process. It uses data, algorithms and statistical methods to detect and further enhance investigate methods when there are suspected instances of fraud.

ICBC recently signed a five-year agreement with BAE System Applied Intelligence Canada Ltd (BAE) for provision of the fraud analytics software and case management solution.

ICBC is seeing promising early results from the first run of data using the new tool and will complete two additional data runs over the next year (February 2017 and July 2017), at the same time as we work towards full implementation (scheduled for Fall 2017).

ICBC believes this tool can help us more quickly flag patterns and high predictors of fraud throughout the claims process.

When: Wednesday, November 30 from 1:30 pm to 2 pm

Where: 808 Nelson (Nelson Square), Vancouver

- The parkade is accessible from the front of the building on Nelson Street
- From P1 take the elevator to the lobby
- An ICBC event rep will be stationed in the lobby
- Media and speakers proceed from the lobby to Mezzanine level (accessible from elevator six)
- The media event will take place in room M3; speaker pre-briefing room is M2

Format:

- Technical media briefing style.
- ICBC expert and Minister stand and review a graphic showing how the fraud analytics tool can assist with untangling a complex fraud investigation.
- This will be followed by Minister announcement of the new tool (podium announcement).
- Q and A with the media.

Speakers and roles:

1. **Hon. Todd Stone, Minister of Transportation and Infrastructure and MLA for Kamloops** to formally announce acquisition of the new tool, implementation timeline as well as planned upcoming data runs. The fraud analytics tool is part of ICBC's strategy to reduce claims costs to help keep rates as low as possible.

2. **John Edwards, ICBC Special Investigation Unit** will brief the Minister on current tactics used in fraud investigations and benefits of the new tool, including early findings from first run of data.

Emcee: Jill Blacklock, ICBC media representative

Visuals:

- A large graphic representation of a staged crash ring with identifies removed, developed by investigators using traditional investigation tactics
- A handout with a sample spider-diagram generated by the new fraud analytics tool
- Poster with key stats from first data run using the new tool
- Podium to be set up with a poster to the left from ICBC's counter-fraud campaign

Materials:

- Media advisory
- News release
- Speaking notes
- Graphical representation of a staged crash ring
- Backgrounder with key stats on first data run using the new tool
- Promotional video from BAE will be made available to media

Event timeline:

Time	Activity	Location	Who
11 am	Mediaco, ICBC event staff arrive, set up equipment	M3	Mediaco/ Chrissy Young
1:15 pm	Speakers arrive, event briefing for speakers	M2	Kate Best
1:15 pm	Media arrive	M3	Kathy Taylor
1:30 pm	Media event begins	M3	All
2:00 pm	Media event ends	M3	All

Timeline details

- 1:30 p.m. Jill Blacklock welcomes media and Minister Stone, introduces John Edwards and invites him to provide an update on ICBC's fraud strategy
- 1:31 p.m. John Edwards briefs Minister on early results from first data run using new tool
- 1:40 p.m. Minister thanks John
- 1:40 a.m. Minister speaks
- 1:43 p.m. Jill invites media to ask questions (Minister and John Edwards available)
- 1:18 p.m. Event ends

Event contact:

Sam Corea, Media Relations, 604-982-2480

Enhancing the fight against auto insurance fraud

ICBC's efforts against auto insurance fraud are being enhanced by a new high-tech tool that can detect cases of suspected fraud faster.

Todd Stone, Minister of Transportation and Infrastructure will be briefed by a representative from ICBC's Special Investigation Unit on the new tool tomorrow, Wednesday, November 30.

- Who:** Todd Stone, Minister of Transportation and Infrastructure
Representative from ICBC Special Investigation Unit
- What:** Briefing on enhancement to ICBC's fraud prevention efforts
- Where:** 808 Nelson, Vancouver
Mezzanine level (accessible from elevator six)
Street parking available
- Date:** 1:30 p.m., Wednesday, November 30, 2016

Find out more at: <http://www.icbc.com/about-icbc/Pages/fraud.aspx>

News release

New alert tool enhances ICBC's fight against insurance fraud

ICBC is leveraging the first phase of testing of a new high-tech tool which will help identify and target fraudulent claims early in the claims process.

Fraud analytics technology uses data, algorithms and statistical methods to help spot cases when the facts don't seem to add up to an honest claim.

"This technology can help ICBC investigators and adjusters connect the dots earlier, faster and at a level previously not available, in cases where they think a claim may be false or exaggerated," said Todd Stone, Minister of Transportation and Infrastructure. "Fighting fraud is an important part of ICBC's efforts to keep rates as low as possible."

ICBC expects fraud detection and enforcement activities to reduce ICBC's basic insurance claims costs by \$21 million for policies written over the next year. And ICBC estimates all of these activities, including use of the analytics tool, will save up to \$44 million a year by 2019.

ICBC has signed a five-year agreement with BAE Systems to use the fraud analytics software and case management solution. (See [video](#) of what the tool can do.)

The first run of data through the analytics tool reviewed all claims information for the last three years and generated 3,300 possible fraud alerts on open claims. ICBC has reviewed the first 102 alerts, and started 48 new suspected fraud investigations. ICBC anticipates more investigations to begin in the coming months as we continue to review the alerts. This is in addition to the more than 5,000 claims and driver licensing investigations in 2016 to date, ICBC has already completed.

"Early results from the new tool are exceeding our expectations, but it doesn't replace the diligent work already done by our trained investigators and front-line claims adjusters," said Mark Blucher, ICBC CEO and president. "Think of it as a super investigator that can sift through volumes of information such as claims history, addresses, driver licensing and vehicle registration data that can alert us to possible indications of fraud faster and on an ongoing basis."

ICBC will undertake additional data runs with the tool over the coming months, as the new analytics tool is fully implemented. Once fully in place, ICBC estimates the tool could generate an estimated 28,000 alerts a year, in addition to the investigations generated by traditional means.

Most claims are honest, but insurance industry studies estimate that fraudulent and exaggerated claims make up about 10 to 20 per cent of all claims costs. Applying those estimates means that fraud and exaggeration costs B.C. hundreds of millions of dollars each year or every ICBC policyholder more than \$100 per year.

ICBC will continue its public education efforts with another fraud prevention awareness campaign early in 2017. Earlier this year, an awareness campaign sparked a 70-per-cent increase to ICBC's fraud tips line.

British Columbians can further protect their wallets by reporting suspicious activities related to insurance fraud to ICBC's toll-free tips line at 1-800-661-6844. Tip information is confidential and callers can remain anonymous. For more information, visit icbc.com/fraud.

From the ICBC fraud files

A Provincial Court case concluded recently where four people involved in a 2013 crash were all convicted for making false injury claims ICBC.

The fines ranged from \$2,000 to \$3,000 and three of the four were sentenced to one day in jail. The fourth received a sentence of three days in jail.

In this case, injury claims were presented to ICBC, even though two of the occupants who said they were in the vehicle involved in the crash, weren't actually in the vehicle. In fact, only two people were in the vehicle along with two dogs.

Cell phone reports were used in this case indicating that those making claims were talking to each other at the time of the crash.

Event Information / Opening Remarks

Event: ICBC – Fraud Analytics Tool

When: Wednesday, November 30 – 1:30 pm

Where: 808 Nelson, Vancouver, Mezzanine level (accessible from elevator six)
Street parking available

Event contact: Sam Corea, Media Relations - 604-982-2480

Speakers: Minister Todd Stone; ICBC President, CEO Mark Blucher (Emcee) & Chris Fairbridge, ICBC Special Investigation Unit

Length: 3 minutes

Dress: Business professional

Background:

The BC government is working with ICBC to identify and implement longer-term, sustainable strategies to address rising cost pressures and keep rates as low as possible for drivers in British Columbia.

Fraud analytics technology is an emerging opportunity for all insurers as they can help quickly flag patterns and high predictors of fraud at the beginning of the claims process. It uses data, algorithms and statistical methods to detect and further enhance investigate methods when there are suspected instances of fraud.

ICBC recently signed a five-year agreement with BAE System Applied Intelligence Canada Ltd (BAE) for provision of the fraud analytics software and case management solution.

ICBC is seeing promising early results from the first run of data using the new tool and will complete two additional data runs over the next year (February 2017 and July 2017), at the same time as we work towards full implementation (scheduled for Fall 2017).

ICBC believes this tool can help us more quickly flag patterns and high predictors of fraud throughout the claims process.

Audience Size: 20-30 attendees plus media

Speaking Notes
for
Minister Todd Stone
Minister of Transportation & Infrastructure

**ICBC Fraud Analytics Tool
Announcement**

Wednesday, November 30 – 1:30 pm
808 Nelson, Vancouver, Mezzanine level (accessible from elevator six)
Street parking available

Greetings:

- Hello, pleased to be here today.
- Special thanks to: ICBC President & CEO Mark Blucher

Importance of keeping insurance rates low:

- The rising cost of living is on the minds of British Columbians I meet and talk with every day – and I continue to hear that rising insurance rates are very much part of their concerns.
- That is why we are committed to doing everything we can to keep insurance rates as low as possible for drivers in BC.
- Our priority is to ensure that rates remain affordable for families, and all British Columbians, who are working hard to make ends meet and stretch their dollar as far as possible.
- Government and ICBC continue to work together to find ways to mitigate the pressures that lead to rising rates – pressures such as soaring crash rates and rising injury claims.
- While the increasing crash rates we're experiencing in BC are on par with jurisdictions all over the world, we have to take a closer look at what is controllable – and take swift steps to ensure we're doing everything we can within these areas.

Rate mitigation – distracted driving:

- And when I speak about controllables, these apply to government and ICBC, as well as ratepayers – we all have a part to play in upholding the accountability and functionality of our system.
- One of the areas where we can all make an impact in reducing costs is in distracted driving.

- Distracted driving remains responsible for approximately one quarter of all fatal crashes in BC – and we are all responsible for putting an end to this unnecessary and dangerous behaviour behind the wheel.
- Government and ICBC continue to focus our attention on cracking down on distracted driving by introducing tougher fines, more penalty points, higher levels of enforcement and more education. (Second time distracted driving offenders will pay a total of \$888 in financial penalties, which escalates further for any additional offence).
- But in terms of impacting the bottom line, we all need to commit to putting down the phones and paying attention when on the road.
- Beyond rates – lives depend on it. I can't enforce this message enough.

Rate mitigation – luxury vehicles:

- Last week, we made an announcement to help increase fairness of the system while addressing some of the cost pressures on rates.
- Going forward, owners of high-end luxury vehicles – with a manufacturer's suggested retail price of more than \$150,000 – will no longer be eligible for insurance through ICBC.
- Private owners of these cars will need to purchase insurance through a private insurer.
- Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.
- This means that the average ratepayer will no longer subsidize these expensive cars that can cost up to six times more to fix when they've been in a crash.

- Will this be a magic bullet in addressing the complex issues behind rising rates? No, of course not. But it will make a measurable impact and it does correct an imbalance.
- And, as I said, we're honing in on the controllables.

The role of fraud:

- Another area that speaks to fairness and collective responsibility is fraud.
- Industry studies estimate that approximately 10 – 20% of insurance claims contain an element of fraud and exaggeration.
- If those estimates are applied to BC, that would mean up to \$600 million per year in claims costs – that's more than \$100 a year for everyone needing auto insurance in BC.
- When people make fraudulent claims or exaggerate a story, they're cheating the very system we all pay into.
- The overwhelming majority of customers make honest claims, but ICBC does receive false and fraudulent claims – everything from opportunistic fraud such as overstated injuries, lying about pre-existing conditions or claiming vehicle damage unrelated to the crash, to full-on organized fraud such as staged accidents and stolen vehicle rings.
- Fraud leads to higher claims, which leads to higher insurance rates for British Columbians.
- It's not fair, and we won't sit back and simply pass the cost of fraud onto our customers, so we have increased our focus and will continue to do so.
- Our intent is to catch fraud before the claim is paid, and pursue fraudulent claims to the fullest extent of the law.
- When a claim seems suspicious, ICBC investigates.

New fraud analytics tool:

- Over the past year, ICBC has stepped up its efforts against exaggerated and fraudulent claims.
- Today, I'm pleased to announce that ICBC has now completed the first phase of testing a new high-tech tool which will help identify and target fraudulent claims early in the claims process.
- Thank you to Chris Fairbridge of ICBC's Special Investigation Unit for walking us through the ins and outs of the tool.
- So in basic terms, how does it work? As Chris described, fraud analytics technology uses data, algorithms and statistical methods to help spot cases when the facts don't seem to add up to an honest claim.
- The tool sifts through volumes of information such as claims history, addresses and driver licensing, and vehicle registration data that can alert ICBC investigators and claims adjusters to patterns, links, connections and possible indications of fraud – faster than ever.
- In fact, the first run of the tool reviewed all claims for the past three years, and turned up an incredible 3,300 possible fraud alerts. ICBC has reviewed the first 102, and started 48 new fraud investigations as a result.

Cracking down on fraud:

- This new tool has great potential to enhance ICBC's already robust fraud prevention program.
- In 2016 alone, ICBC has completed more than 5,000 fraud claims and driver licensing fraud investigations.

- This important work is done by ICBC's Special Investigations Unit. Over the last five years, their work has led to a 98% conviction rate on all charges laid with approximately 550 fraud convictions.
- We take fraud very seriously. And so should you.
- Because ultimately, it is the ratepayers who are on the hook for paying for fraud.
- For this reason, I'm thrilled to say that ICBC expects fraud detection and enforcement activities will reduce basic insurance claims by \$21 million for policies written over the next year.
- Further, ICBC estimates all of these activities, including the new analytics tool, will save up to \$44 million per year by 2019.
- The message is clear – fraud is risky business, now more than ever, thanks to this new tool that will bolster our efforts in putting an end to it.

Conclusion:

- In my role as BC's Minister of Transportation and Infrastructure, I want you to know that I hear your frustrations when it comes to rising costs, and this government takes them very seriously.
- That is why – along with last week's announcement about changes for luxury vehicles, and today about a new fraud prevention tool – we will continue to roll-out rate mitigation strategies to address the ongoing pressures on ICBC insurance rates.
- Our aim is to identify and implement long-term solutions with the ultimate goal of keeping rates fair and affordable for everyone.
- There's much work happening behind the scenes on this front, and I look forward to sharing more strategies with you over the coming weeks and months.
- It is a privilege to represent Kamloops-South Thompson.

- And it has been a privilege to be here today.
- Thank you.

End



Key messages and response points

Fraud – 2016 fall update – November 28, 2016

Key messages

- Insurance industry studies estimate approximately 10 to 20 per cent of insurance claims contain an element of fraud.
- Some claims are false, others are exaggerated. If we apply these estimates to B.C. we're looking at fraud impacting claims costs to the tune of \$600 million a year or more than \$100 for everyone's annual ICBC auto insurance bill.
- Most of the claims to ICBC are legitimate. But, there are some people who want to take advantage of the system by exaggerating their claims or making false claims. When a claim seems suspicious, ICBC investigates.
- Government and ICBC are taking action against fraud to help keep auto insurance rates as low as possible.

New analytics tool

- ICBC has completed the first phase of testing of a new high-tech tool which will help identify and target fraudulent claims early in the claims process.
- Fraud analytics technology uses data, algorithms and statistical methods to help spot cases when the facts don't seem to add up to an honest claim.
- The tool can sift through volumes of information such as claims history, addresses, and driver licensing and vehicle registration data that can alert ICBC investigators and claims adjusters to patterns, links, connections and possible indications of fraud faster.
- Early testing of the tool sparked 48 new suspected fraud investigations.
- ICBC has signed a five-year agreement with BAE System Applied Intelligence Canada Ltd. to use the fraud analytics software and case management solution. (See [video](#) of what the tool can do.)

Statistics

- ICBC has completed more than 5,000 fraud claims and driver licensing fraud investigations so far in 2016.
- This important work is done by the ICBC Special investigations Unit. Over the last five years, their activity has led to a 98 per cent conviction rate on all charges laid with approximately 550 fraud convictions.
- Earlier this year, ICBC conducted a media and public awareness campaign to draw attention to fraud claims. The campaign contributed to more calls to ICBC's toll-free fraud tips line at 1-800-661-6844. ICBC marked a 70 per cent increase in the number of tips received during the first quarter of 2016 compared to the same time last year.

Social media content for fraud release Nov. 30/2016

Hashtag: #fraudcostsBC

ICBC news release: link to come

Fraud info page on icbc.com: <http://ow.ly/Wmq0306DORu>

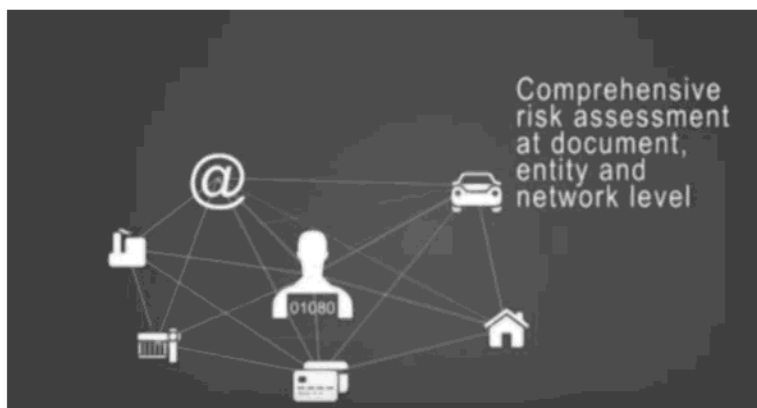
BAE video: <http://ow.ly/Wmq0306DORu>

Event day content

Twitter: We're fighting fraud with a new, high-tech analytics tool to spot fraud sooner and lower claims costs. <link to news release + graphic > #fraudcostsBC



Twitter: Our new high-tech fraud tool helps us spot activities faster & led to 48 new investigations this year. Learn more: <link to video <http://ow.ly/Wmq0306DORu> + BAE graphic > #fraudcostsBC

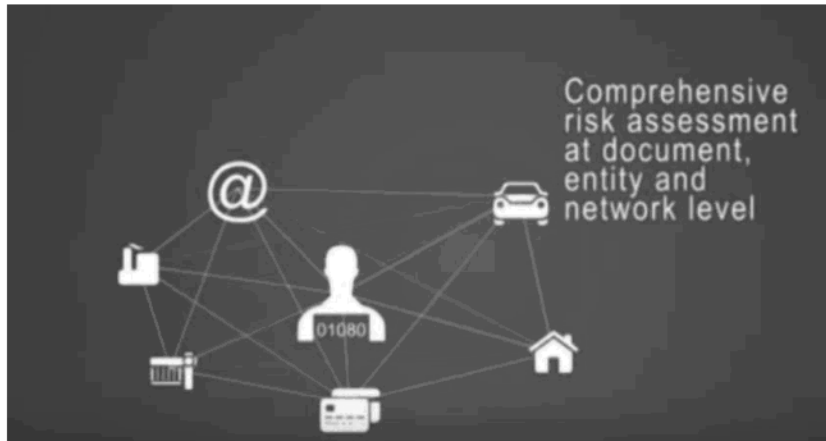


Facebook: We're using a new high-tech tool to target fraudulent claims faster and earlier. It analyzes high volumes of data and flags common links. Learn more: <link to video <http://ow.ly/Wmq0306DORu> + news release + BAE graphic > #fraudcostsBC

General awareness (Weekly posts Dec 5-31)

Twitter: ICYMI: We're using a new high-tech fraud detection tool to spot fraudulent claims faster & save costs: <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

Facebook: We're using a new high-tech fraud detection tool that analyzes large volumes of data and spots suspicious activities sooner so we can save claims costs. Learn more: <http://ow.ly/BYvB306DRqZ> #fraudcostsBC



Twitter: Got info on possible ICBC insurance fraud? Call our confidential tips line: <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

Facebook: Do you have information about Have info on possible ICBC insurance fraud? Contact our confidential tips line. <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

ICBC fraud tips line

604-661-6844
Lower Mainland

1-800-661-6844
B.C., Canada, and the U.S.



Twitter: Insurance fraud comes in many forms - from exaggerated injuries to staged crashes. What we're doing: <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

Facebook: Insurance fraud comes in all shapes and sizes - from exaggerated injuries to staged crashes. Learn how we're combating fraud to save costs with our new detection tool. <http://ow.ly/BYvB306DRqZ> #fraudcostsBC



Twitter: Insurance fraud cheats everyone. Learn how we're combating fraud with our new detection tool to save \$ <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

Facebook: When someone exaggerates an injury, we all pay the price. Learn how we're combating insurance fraud to save claims costs: <http://ow.ly/BYvB306DRqZ> #fraudcostsBC



Response points

It's software that uses data, algorithms and statistical methods to analyse large amounts of info. More info: <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

The new tool can help spot possible cases of fraud quickly and at a level that's not visible to the naked eye. More info: <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

We expect the new fraud detection tool to generate 28,000 new alerts per year. More info: <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

The new tool has sparked 48 new investigations this year, this is in addition to 5,000 other files already being investigated.

We expect to save \$44M by 2019 for all of our fraud prevention efforts, including the new detection tool. Learn more: <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

Industry estimates that fraudulent claims make up about 10-20% of all claims costs. Find out more: <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

When a claim seems suspicious, we investigate. Here's what we're doing to combat fraud: <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

Our efforts to combat fraud have led to a 98% conviction rate on all charges laid from 2010 - 2015. <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

Earlier efforts this year, sparked a 70% increase in reports to our fraud tips line. More info: <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

Most claims to ICBC are legit. But, there are people who exaggerate their injuries or make false claims. <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

Our investigative unit successfully made 550 fraud convictions from 2010 - 2015. Learn more: <http://ow.ly/BYvB306DRqZ> #fraudcostsBC

Peters, Yvonne TRAN:EX

From: Kislock, Lindsay M TRAN:EX
Sent: Monday, November 28, 2016 3:02 PM
To: Bell, Jordan TRAN:EX; Bishop, Carol TRAN:EX; Brownsey, Silas TRAN:EX; Main, Grant TRAN:EX
Subject: Updated Version
Attachments: s.12 - November 28aft.docx

Please find attached the most recent version of the submission. Minor edits required at the back end.

Lindsay Kislock | Assistant Deputy Minister
Phone +1 250-387-5062 | Mobile: +1 250-217-6958
Ministry of Transportation | Partnerships Department
5B-940 Blanshard Street | Victoria, BC

Cabinet Submission – Request for Decision

Minister: Honourable Todd G. Stone

Ministry: Ministry of Transportation and Infrastructure

Date: 28/11/2016 Ministry Document #: CAB/

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Withheld pursuant to/removed as

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Peters, Yvonne TRAN:EX

From: Brownsey, Silas TRAN:EX
Sent: Monday, November 28, 2016 1:50 PM
To: Bell, Jordan TRAN:EX
Cc: Main, Grant TRAN:EX; Kislock, Lindsay M TRAN:EX; Mercer, Andrea TRAN:EX
Subject: Fwd: High Value Vehicle - Direction Letter for MTS Signature
Attachments: image003.png; ATT00001.htm; 262565.docx; ATT00002.htm; DBN_OIC Package for HVV (FINAL).docx; ATT00003.htm

Jordan as discussed - will need MTS to approve/sign this letter.

Grant/Lindsay FYI.

Sent from my iPhone

Begin forwarded message:

From: "Mercer, Andrea TRAN:EX" <Andrea.Mercer@gov.bc.ca>
Date: November 28, 2016 at 1:22:17 PM PST
To: "Brownsey, Silas TRAN:EX" <Silas.Brownsey@gov.bc.ca>
Cc: "Writing Services, Transportation TRAN:EX" <Transportation.WritingServices@gov.bc.ca>, "Van Schaik, Connie TRAN:EX" <Connie.VanSchaik@gov.bc.ca>
Subject: High Value Vehicle - Direction Letter for MTS Signature

Silas –

Will send the OFC as soon as it is on letterhead (happening now).

Both HVV and OFC Directive letters will need to be signed by MTS, so they can be attached to the respective OICs (which would come back to MTS for signature)

Our drafter is updating the OICs today now that we have confirmation on implementation dates.

As it might be of use, also attaching a draft DN that helps explain the HVV OIC package of materials.

Andrea Mercer, Manager Crown Agency Policy

Transit & Crown Agency Programs Branch | Ministry of Transportation and Infrastructure

5D – 940 Blanshard Street | Victoria BC | V8W 9T5

Website: www.gov.bc.ca/tran

Email: Andrea.Mercer@gov.bc.ca

Phone: 250.387.6024 | Mobile: 250.812.5486

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

Reference: 262565

Dear Chair Penner:

Re: Letter of Direction - Luxury Vehicle Changes

I am writing to provide direction to the Insurance Corporation of British Columbia (ICBC) regarding a new charge, as part of a suite of initiatives to introduce greater levels of fairness to B.C.'s insurance system.

ICBC is hereby directed to implement a high-value vehicle charge in the amount and with the particulars set out in the amended pages to the ICBC Basic Insurance Tariff attached to this letter.

There are two sets of attached pages. One set does not indicate a charge with respect to fleets and garage vehicle certificates. It is to be implemented effective January 8, 2017. A second set indicates a charge with respect to fleets and garage vehicle certificates. It is to be implemented once certificates for vehicles insured in a fleet and vehicles insured as owned vehicles under a garage vehicle certificate are administered in ICBC's new policy administration system. Both sets are to be implemented with any necessary consequential amendments to the attached pages, and any other Tariff pages, to reflect dates of implementation and any changes to the Tariff approved before the attached pages are implemented.

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,

Todd G. Stone
Minister

Enclosure

BRIEFING NOTE FOR DECISION

DATE: November 24, 2016
PREPARED FOR: Honourable Todd Stone, Minister of Transportation and Infrastructure
ISSUE: OIC for new surcharge on high value (luxury) vehicles

RECOMMENDED OPTION:

- **Approve the Order.**

BACKGROUND:

Implementing a new surcharge for Basic insurance for high value (luxury) vehicles (with a Manufacturer's Suggested Retail Price (MSRP) of greater than or equal to \$150,000) was endorsed by Cabinet on July 20, 2016. This new surcharge was announced by Minister Stone on November 23rd, where it was characterized as an interim measure while Government works towards legislative amendments that remove the ability for high value vehicle owners to purchase Basic (public) auto insurance.

DISCUSSION:

ICBC continues to experience significant claims costs pressures due to a number of factors, including higher crash frequency, higher injury costs, and higher vehicle repair costs. Implementing a surcharge equivalent to a 100% increase on Basic insurance for vehicles with an MSRP at over \$150,000 is just one of a number of measures aimed at reducing these pressures. The cost to repair a high value vehicle is typically six times that of a traditional passenger vehicle, yet today, both vehicle classes pay virtually the same amount for Basic insurance.

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FINANCIAL IMPLICATIONS:

- Would result in an annual increase in ICBC Basic premiums of approximately \$2.2 million.

OPTIONS:

OPTION 1: Approve the Order

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OPTION 2: Do not approve the Order

s.12,s.13,s.17

RECOMMENDATION:

- Option 1.

APPROVED / NOT APPROVED

Honourable Todd Stone
Minister

Date

PREPARED BY:

Andrea Mercer, Manager, Crown Agency Policy
Transit & Crown Agency Policy Branch
(250) 387-6024

REVIEWED BY:

Lindsay Kislock, ADM
Partnerships
Nancy Bain, ADM & EFO
Finance and Management Services Department

INITIALS

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Monday, November 28, 2016 12:25 PM
To: Bell, Jordan TRAN:EX; Clark, Nathan SDSI:EX
Cc: Bowness, Lisanne GCPE:EX; Rorison, Trish GCPE:EX; Korinowsky, Alexandra GCPE:EX
Subject: Messages - privatization of ICBC

Hi Jordan,

As discussed, messaging on whether this is a move to privatize ICBC:

- No. B.C. has no intention of changing the model of insurance coverage in the province and we this is not a move toward privatizing ICBC.
- ICBC is and will continue to be the public provider for all basic insurance in B.C., outside of this very small class of high-end luxury vehicles.
- This is purely a fairness measure that will help make sure that all ratepayers don't continue to subsidize insurance for owners of luxury high end vehicles.
- Right now, whether a person drives a \$15,000 Honda Civic or whether a person drives a \$200,000 Lamborghini – their basic insurance rates are similar, while the costs of repair are substantially different.
- The policy as it stands is unfair to the majority of British Columbians, and we are moving forward with changes to ensure that the ever day rate payer no longer pays to repair these high value, luxury vehicles.

Thanks,

Ryan Jabs
Communications Director | Ministry of Transportation and Infrastructure
Government Communications & Public Engagement
Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Monday, November 28, 2016 10:50 AM
To: Bell, Jordan TRAN:EX
Attachments: CP_ICBC actions-next steps_Nov 28 2016.docx

Ryan Jabs
Communications Director | Ministry of Transportation and Infrastructure
Government Communications & Public Engagement
Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

COMMUNICATIONS PLAN

ICBC actions to address rates

November 2016

Announcement:

Government and ICBC are taking action to keep rate increases affordable.

Background:

On November 23rd, 2016, the BC Utilities Commission posted data on their website outlining hypothetical projections for ICBC basic rates for the next four years. Many media outlets reported that this data “forecasted” a 42% increase in this time period, because of the significant pressures ICBC was facing with rising crashes, claims and injury costs.

The government and ICBC responded with a news conference to put this information into context and noted that the data was only hypothetical and assumed government and ICBC would take no action over the next four years. Government has been clear and reiterated that we will be taking action and will take whatever steps are necessary to keep rate increases down and at or lower than the 4.9% increase announced this year.

As part of this response, government announced that it is no longer insuring the high-end luxury car rate class (cars worth \$150,000 and over) so that the broader ratepayer is not subsidizing these cars. This policy change will take considerable work so while this work is underway, government will immediately take steps so high-end luxury car owners will pay more than double for their basic insurance and ensure their premiums fully cover all costs of any repairs. The province announced that these interim changes will be formally implemented as soon as possible.

In addition to this new policy, the minister announced that we would be coming forward with additional actions in the coming weeks and months to address the rate pressures and meet the goal of keeping rate increases at or below 4.9%.

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- **Fraud prevention** – Fraud prevention is one of the tactics government has announced to address rising costs, and ICBC introduced last year a new computer fraud analytics tool, which in its testing phase has shown some positive early results. They are ready to demonstrate this tool and show some of the success it's had
 - s.12,s.13
- **One free crash**
 - s.13
- **Windshield repair**
 - s.13
-

s.13

Strategy:

By using the luxury car announcement, the province and ICBC were somewhat successful in providing context around the 42% figure and the actions the province and ICBC is planning to take to keep rates affordable. However, much of the media coverage still focused on the 42% number and suggested that ICBC rates would still be going up significantly.

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However, the province committed to announce additional actions to address the rising rate pressures in the coming weeks s.13

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The province will need to make at least one announcement about the actions being taken and can likely build on some of last week's traction with a series of announcements over the next six to eight weeks.

Release options:

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Key Messages:

- Government and ICBC are committed to doing everything we can to keep rates as low as possible for British Columbians.
- We are doing everything we can to make sure that the rate increases remain as affordable as possible and near or below the 4.9% rate ICBC announced this year.
- We've already announced some of the steps we're taking, including:
 - Significantly higher fines, more penalty points, earlier intervention and more education for people who choose to drive distracted. Second time offenders will pay a total of \$888 in financial penalties, which escalates further for any additional offence. We expect that these increased penalties over time will reduce the number of people willing to risk driving distracted.
 - Additional steps to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will help to more quickly target claims with the highest risk of fraud – and ultimately lower ICBC rates for all drivers.
 - Modernizing supply management practices, which will reduce ICBC's supply costs, without impacting customers.
- We are also moving ahead with a number of additional measures that will further address the cost pressures and make rates fairer. Some of these include:
 - Charging higher rates for luxury vehicles that are over \$150,000 to better reflect the cost to repair and replace these types of cars.
 - Reducing the number of “free” at fault crashes a driver may have in a year from three to one to ensure that a driver's premium better reflects their driving record and is fair for the rest of ICBC insurance holders.
 - s.13
 - Moving to a new windshield repair model that will allow insurance holders to have the chips in their windshield's repaired – rather than waiting until they need to fully replace their windshield at a much higher cost.
- We are also hiring a third-party to look at the opportunities available in the long term to reduce rate pressures and so we can meet our commitment to British Columbians.
- Government will continue to work with ICBC over the coming months and years as we work to address the ongoing pressures on ICBC rates.

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Monday, November 28, 2016 9:58 AM
To: Brownsey, Silas TRAN:EX; Kislock, Lindsay M TRAN:EX; Bell, Jordan TRAN:EX
Cc: Mercer, Andrea TRAN:EX
Subject: RE: Letters - luxury vehicles
Attachments: s.13

As discussed, Jordan, updated s.13 letter with a bit more info on the announcement and interim policy (changes highlighted).

From: Jabs, Ryan GCPE:EX
Sent: Monday, November 28, 2016 9:40 AM
To: Brownsey, Silas TRAN:EX; Kislock, Lindsay M TRAN:EX; Bell, Jordan TRAN:EX
Subject: Letters - luxury vehicles

Morning,

Lindsay and Silas, MTS asked that I draft a couple letters that we could potentially send to s.13
 s.13
 s.13 These are first cuts at that.

Please review and make any necessary edits.

Can I also leave it with you to drop into a letterhead template?

Thanks,

Ryan Jabs
 Communications Director | Ministry of Transportation and Infrastructure
 Government Communications & Public Engagement
 Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

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Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Friday, November 25, 2016 12:23 PM
To: Bell, Jordan TRAN:EX
Subject: Transcript - Wednesday's event

23-Nov-2016, 14:35

Stone - ICBC fairness

By Stone confcall automobile insurance changes

Copyright

Page 359 to/à Page 361

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Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Friday, November 25, 2016 8:18 AM
To: Bell, Jordan TRAN:EX; Clark, Nathan SDSI:EX
Cc: Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX
Subject: Messages - privatization of ICBC

Morning,

In case this comes up today... okay if we use the following to go to media who might ask (It's basically the same messages that the premier used as noted below)?

- No. This this is not a move toward privatization of ICBC.
- This is purely a fairness measure that helps ensure that all ratepayers don't continue to subsidize insurance for owners of luxury high end vehicles.
- Right now, whether a person drives a \$15,000 Honda Civic or whether a person drives a \$200,000 Lamborghini – their basic insurance rates are similar, while the costs of repair are substantially different.
- The policy as it stands is unfair to the majority of British Columbians, and we are moving forward with changes to ensure that the ever day rate payer no longer pays to repair these high value, luxury vehicles.

Thanks,

Ryan Jabs
 Communications Director | Ministry of Transportation and Infrastructure
 Government Communications & Public Engagement
 Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

Peters, Yvonne TRAN:EX

From: Wolford, Jessica GCPE:EX
Sent: Thursday, November 24, 2016 3:33 PM
To: Jabs, Ryan GCPE:EX; Bell, Jordan TRAN:EX
Subject: RE: Media Call - Updated - Rob Shaw - Vancouver Sun - Luxury Cars

Yes – on background?
 Has Barry completed his interviews?

From: Jabs, Ryan GCPE:EX
Sent: Thursday, November 24, 2016 3:15 PM
To: Wolford, Jessica GCPE:EX; Bell, Jordan TRAN:EX
Subject: FW: Media Call - Updated - Rob Shaw - Vancouver Sun - Luxury Cars

Okay to send the responses below later this afternoon? Rob asked to get them in writing as well.

Reporter: Rob Shaw, reporter, Vancouver Sun
 Deadline: ASAP today
 Topic: Luxury Car announcement

Questions/ request:
 I'd like to speak to ICBC board chair Barry Penner today.

Background questions:

1. What did the government take as its "dividend" (aka excess optional capital) from ICBC annually since 2010?
2. What is the total number of registered vehicles worth more than \$150,000 right now, and what has been the annual cost of repairs on those vehicles over the last few years? Minister gave me \$2.3m in claims yesterday but looking for something more detailed, with examples.
3. Yesterday's luxury vehicle announcement says ICBC drops luxury cars from basic insurance. However, it's unclear if ICBC is also refusing to provide optional insurance to those same high-end luxury drivers. So is the same luxury owner banned from basic insurance still able buy optional insurance from ICBC?
4. If the luxury owner can buy optional insurance from ICBC, is ICBC raising its optional rates specifically for those luxury owners, to cover the extra cost of repairing their expensive vehicles? And if so, how much?
5. Did ICBC cost out what it would have cost to say, triple or charge six times the amount of basic insurance to luxury vehicle owners, rather than ban them? If a luxury vehicle costs 6 times to repair, why not charge 6 times the basic insurance, for example?

Answers:

1/ Changes were made in 2010 to draw excess capital from the proceeds of the Optional side of ICBC's insurance business, which competes directly with the private sector. Remember the dividend is a movement of cash from ICBC's Optional insurance excess capital to government and does not affect revenues in government's balanced budget. Basic insurance is supposed to break even, but in 2012, even with the rate

2014
increase, basic insurance lost \$120 million due to increasing claims costs. Instead of taking a dividend from Optional insurance, government directed that those resources be transferred to Basic insurance to maintain the solvency of this line of business.

Since 2012, government has directed optional transfers of more than \$1.4 billion to reduce the increase for Basic rates – this is quite substantial compared to the \$514 million the Province has received through the dividend during the same timeframe. Based on the revised outlook for ICBC finances as of the First Quarterly Report update in September 2016, for planning purposes the government is no longer expecting that ICBC will be paying dividends to the Province for each of the 3 fiscal years 2016/17 – 2018/19.

2/ The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago. Last year the average repair cost for a high-value luxury vehicle was approximately \$13,000 compared to the average repair cost of approximately \$2,500 for a typical private vehicle. As another example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone.

3/ s.13

Drivers of high end luxury vehicles will still be able to get insurance – they will just have to go through private insurance companies to get their insurance.

And to be clear, these drivers will still be required to get third party coverage that will cover any vehicle damage or personal injury that they might cause. In the interim, high end luxury cars will have to purchase regular basic just like everyone else, just at a higher premium.

For now, the property damage and injury will continue to be paid from the basic insurance of the at-fault motorist. In the future, after the necessary legislative changes, we will be looking to require these vehicles purchase their insurance from private insurance companies.

4/ These are the types of details we are still working on. To be sure, there is lots of work to do and pieces to address through our policy and legislative work to make sure we meet our goal of being fair to all rate payers and that basic rate payers aren't burdened with the added cost of repairing luxury vehicles. This is why we're moving ahead with an interim step to at least double basic rates for this class of vehicles. In the future, after the necessary legislative changes, we will be looking to require these vehicles purchase their insurance from private insurance companies.

5/ The trends are alarming. The costs of repairing these high-end luxury cars are six times higher than regular vehicles. We are concerned about the overall business, and we want to make sure that we fix this issue, to increase fairness for all rate payers. There is a pressure on basic rates – which is where we are focussed. The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago. Government is acting now to address the rising costs to repair these cars and to eliminate any pressures they cause on basic rates.

Lisanne Bowness
Senior Public Affairs Officer
Ministry of Transportation and Infrastructure
Desk: 250-387-5710
Mobile: 250-889-1336

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Thursday, November 24, 2016 1:07 PM
To: Bell, Jordan TRAN:EX
Cc: Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX
Subject: Media Call - Rob Shaw / Keith Baldrey - luxury cars
Attachments: QA_Luxury vehicles_Nov 2016.docx; FINAL_NR BG_Luxury Vehicles.pdf; Key Messages_Luxury Vehicles.docx

Reporter: Rob Shaw, reporter, Vancouver Sun

Deadline: ASAP today

Topic: Luxury Car announcement

T: 250-953-5932

C: 250-893-0841

Questions/ request:

He'd like to speak to ICBC board chair Barry Penner today. He's also asking about how no longer covering luxury vehicles through ICBC will deal with rising costs... since ICBC will still need to pay if other drivers hit those cars. Baldrey has the same request based on email below. Bullets under Baldrey's request.

Background questions:

1. What did the government take as its "dividend" (aka excess optional capital) from ICBC annually since 2010?
2. What is the total number of registered vehicles worth more than \$150,000 right now, and what has been the annual cost of repairs on those vehicles over the last few years? Minister gave me \$2.3m in claims yesterday but looking for something more detailed, with examples.
3. Yesterday's luxury vehicle announcement says ICBC drops luxury cars from basic insurance. However, it's unclear if ICBC is also refusing to provide optional insurance to those same high-end luxury drivers. So is the same luxury owner banned from basic insurance still able buy optional insurance from ICBC?
4. If the luxury owner can buy optional insurance from ICBC, is ICBC raising its optional rates specifically for those luxury owners, to cover the extra cost of repairing their expensive vehicles? And if so, how much?
5. Did ICBC cost out what it would have cost to say, triple or charge six times the amount of basic insurance to luxury vehicle owners, rather than ban them? If a luxury vehicle costs 6 times to repair, why not charge 6 times the basic insurance, for example?

Answers:

1. Changes were made in 2010 to draw excess capital from the proceeds of the Optional side of ICBC's insurance business, which competes directly with the private sector. Remember the dividend is a movement of cash from ICBC's Optional insurance excess capital to government and does not affect revenues in government's balanced budget. Basic insurance is supposed to break even, but in 2012, even with the rate increase, basic insurance lost \$120 million due to increasing claims costs. Instead of

taking a dividend from Optional insurance, government directed that those resources be transferred to Basic insurance to maintain the solvency of this line of business. Since 2012 government has directed optional transfers of more than \$1.4 billion to reduce the increase for Basic rates – this is quite substantial compared to the \$514 million the Province has received through the dividend during the same timeframe. Based on the revised outlook for ICBC finances as of the First Quarterly Report update in September 2016, for planning purposes the government is no longer expecting that ICBC will be paying dividends to the Province for each of the 3 fiscal years 2016/17 – 2018/19.

2. The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago. Last year the average repair cost for a high-value exotic vehicle was approximately \$13,000 compared to the average repair cost of approximately \$2,500 for a typical private vehicle. As another example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone.

3. s.13

s.13 Drivers of high end luxury vehicles will still be able to get insurance – they will just have to go through private insurance companies to get their insurance.

And to be clear, these drivers will still be required to get third party coverage that will cover any vehicle damage or personal injury that they might cause. In the interim, high end luxury cars will have to purchase regular basic just like everyone else, just at a higher premium.

For now, the property damage and injury will continue to be paid from the basic insurance of the at-fault motorist. (i.e. A) Corolla hits Ferrari -> Corolla basic pays to fix Ferrari, Corolla optional pays to fix Corolla B) Ferrari hits Corolla -> Ferrari basic pays to fix Corolla, Ferrari optional pays to fix Ferrari) In the future, after the necessary legislative changes, we will be looking to require these vehicles purchase their basic insurance from private insurance companies.

4. ICBC to answer

5. ICBC to answer

Reporter: Keith Baldrey, Global
 Deadline: ASAP today
 Topic: Luxury Car announcement
 250 387-1572
 250 360-7658

Questions/ request:
 Asking about email below

Proposed response:

- Our long term solution is to make sure that high-end luxury cars (and the very high costs to fix these vehicles if they have been in a crash) are no longer a burden to the general ratepayer.
- Last year, the average repair cost for a high-value luxury vehicle was approximately \$13,000, compared to the average repair cost of approximately \$2,500 for a typical private vehicle.
- As another example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone.

- To be sure, there is lots of work to do and pieces to address through our policy and legislative work to make sure we meet our goal of being fair to all rate payers and that basic rate payers aren't burdened with the added cost of repairing luxury vehicles.
- This is why we're moving ahead with an interim step to at least double basic rates for this class of vehicles.
- In the future, after the necessary legislative changes, we will be looking to require these vehicles purchase their insurance from private insurance companies.

Hello

We are counting on the media to get a correction to the nonsense quoted from Minister Stone.

Right now, the story makes no sense.

The reason luxury cars and economy cars pay the same LIABILITY premium is that it covers damage to the OTHER car or person that you hit. That risk is the same regardless of the value of your car.

If my economy car hits a luxury car and it is my fault, ICBC will have to pay the expensive repairs, regardless of whether that luxury car is insured with ICBC, so the problem of high payouts cannot be eliminated.

For damage to your own vehicle if you are at fault is paid from your COLLISION portion, and contrary to what the minister implies, a luxury car worth ten times an economy car costs about ten times the collision premium. Ditto for comprehensive coverage. The actuaries are supposed to make sure that the premiums cover all collision and comp claims.

The story is therefore bizarre, and we would be grateful if you could get an explanation from the minister.

cheers

s.22

QAs – Luxury Vehicles – Nov. 23, 2016

What is the new rule that's being introduced? Please explain.

- Government is moving forward to no longer insure high-end luxury vehicles (vehicles worth approximately \$150,000 and over) so that the broader rate payer is not subsidizing these vehicles.
- Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.
- While this work is underway, high-end luxury cars will pay significantly more for basic insurance to ensure their premiums cover the full costs to repair these vehicles.
- Interim changes, which will roll out as soon as possible, will include at least doubling the basic rate for luxury high-end vehicles.

Why are you making this change?

- Right now, whether a person drives a \$15,000 Honda Civic or whether a person drives a \$200,000 Lamborghini – their basic insurance rates are similar, while the costs of repair are substantially different.
- This means that the average middle-class rate payer is actually subsidizing basic insurance rates for luxury vehicles.
- I think we can all agree that this policy as it stands is unfair to the majority of British Columbians, and it should be changed.
- That's why I have asked ICBC to move forward with these changes, to help increase fairness for everyone, and help address some of the cost pressures on insurance rates.

Is this legal?

- Yes. We'll need to introduce legislative changes to remove this rate class of vehicle from being able to purchase ICBC insurance, and we'll need to create the opportunity and legal framework for private insurers to provide this insurance – as drivers of these vehicles will still need to be able to protect themselves and other people on the road.
- This will take some time to do right, so in the meantime, we will move forward with high-end luxury cars paying significantly more for basic insurance to ensure their premiums cover the full costs to repair these vehicles.

- Interim changes, which will roll out asap, will include at least doubling the basic rate for luxury high-end vehicles.

Is this done in any other jurisdictions?

- Yes, this is somewhat similar to how the insurance model that is used in Quebec works. In Quebec, all motorists are covered by Quebec's public automobile insurance plan.
- This plan provides compensation in the event of an injury or death as a result of an accident that occurred in Quebec or anywhere else in the world. Individual, private insurers set auto insurance rates for the property damage portion of motorist's policies.
- We're going further to protect middle-class drivers to take these high-end vehicle owners out of

Why are you doing this now? The timing seems to coincide with discussions between ICBC and the BCUC.

- We have been considering this idea for some time.
- It is important that we work with ICBC to find every way to reduce the pressure on rates, and you can expect more news on these steps to be delivered in the coming weeks.
- This is one of the steps we are taking to make policies fair.
- These high end vehicles cost six times more than the income of the average British Columbian and cost lots of money to repair.
- It is only fair they pay for insurance that properly covers the cost of repairing their vehicle.
- They are exotic vehicles and these luxuries are never inexpensive to purchase or maintain.
- British Columbians should not be subsidising those who can well afford to own and operate them.

Will this mean less revenue for ICBC when the business for these car owners goes to private insurers?

- Currently, owners of these cars pay on average \$1,000 to insure these vehicles and even minor repairs can be extremely costly.
- This decision shift the burden of repairing these vehicles to those who can afford to own them.

- Simply put, the current model means that general basic rate payers subsidize the costs of basic insurance for these vehicles.
- This is about fairness for all basic rate payers.

This is just a drop in the bucket, compared to the \$470 million transfer you directed ICBC to make August to keep rates down. How do you expect this to actually bend the rate pressure curve?

- As we acknowledged over the last two years, ICBC rates are facing significant pressures with rising costs of crashes, number of claims and costs of claims.
- These are very real challenges that we are not ignoring.
- Government has been clear that we are committed to work with ICBC to keep rates down as low as possible, and we will do everything possible to keep rate increases at or below the 4.9% increase announced this year.
- We've already announced a number of actions that are starting to address those challenges:
 - ICBC has stepped up its efforts against exaggerated and fraudulent claims which could be costing hundreds of millions per year in additional claims costs.
 - Along with hundreds of convictions in recent years and a public education campaign, ICBC is also now testing a fraud analytics tool which will help more quickly target claims with the highest risk of fraud.
 - We are continuing our focus to address distracted driving with tougher fines and more education. Distracted driving is responsible for approximately one quarter of all fatal crashes in B.C.
 - And ICBC is beginning to see the benefits of their new business management system - projected to save \$90 to \$100 million a year.
- Increasing rates for high end luxury vehicles is another important strategy that we're moving ahead with to help address the pressure.
- And we're not stopping here. Over the coming weeks and months, we'll be announcing additional measures to help reduce the rising pressures on rates.

How much will this save each driver?

- As we acknowledged over the last two years, ICBC rates are facing significant pressures with rising costs of crashes, number of claims and costs of claims.
- These are very real challenges that we are not ignoring.
- Government has been clear that we are committed to work with ICBC to keep rates down as low as possible, and we will do everything possible to keep rate increases at or below the 4.9% increase announced this year.
- On its own, the decision will have a small effect on rate pressures.
- But this decision is only one of a number of actions we're moving forward with to help reduce rates.
- We've already announced a number of actions that are starting to address those challenges: rate smoothing model, focus to address distracted driving with tougher fines and more education, and ICBC has stepped up its efforts against exaggerated and fraudulent claims.
- Increasing rates for high end luxury vehicles (followed by removing the ability to obtain Basic insurance through ICBC) is another important strategy that we're moving ahead with to help address the pressure.
- And we're not stopping here.
- Over the coming weeks and months, we'll be announcing additional measures to help reduce the rising pressures on rates.

Aren't you only dealing with these cost pressures because you've taken ICBC's capital over the last five years through dividends?

- Changes were made in 2010 to draw excess capital from the proceeds of the Optional side of ICBC's insurance business, which competes directly with the private sector.
- Remember the dividend is a movement of cash from ICBC's Optional insurance excess capital to government and does not affect revenues in government's balanced budget.
- Basic insurance is supposed to break even, but in 2012, even with the rate increase, basic insurance lost \$120 million due to increasing claims costs. Instead of taking a dividend from Optional insurance, government directed that those resources be transferred to Basic insurance to maintain the solvency of this line of business.
- Since 2012 government has directed optional transfers of more than \$1.4 billion to reduce the increase for Basic rates – this is quite substantial

compared to the \$514 million the Province has received through the dividend during the same timeframe.

- Based on the revised outlook for ICBC finances as of the First Quarterly Report update in September 2016, for planning purposes the government is no longer expecting that ICBC will be paying dividends to the Province for each of the 3 fiscal years 2016/17 – 2018/19.

Won't this just mean more money for private insurers?

- This is not about whether private insurers make or don't make money.
- This is about rate fairness and doing whatever we can to provide the most affordable rates for all drivers.
- Private insurers will price insurance according to the risk that these vehicles represent in terms of claims costs.

s.13

How much would a higher priced vehicle (worth over \$150,000) typically cost to fix?

- Last year the average repair cost for a high-value exotic vehicle was approximately \$13,000 compared to the average repair cost of approximately \$2,500 for a typical private vehicle.
- As another example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone.

Basic Policy Statistics For Cars	Basic Insurance	
	< \$150,000 (PERSONAL)	> \$150,000 (LUXURY)
Average Premiums	\$900	\$1,000
Total Premium Paid	\$409.0M	\$0.3M
Total Claims Cost	\$380.0M	\$1.1M
2015 Average Cost Severity on Vehicle	\$2,500	\$15,000

Where can drivers who have luxury vehicles get insured?

- Drivers of high end luxury vehicles will still be able to get insurance – they will just have to go through private insurance companies to get their insurance.
- And to be clear, these drivers will still be required to get third party coverage that will cover any vehicle damage or personal injury that they might cause.
- In the interim, high end luxury cars will have to purchase regular basic just like everyone else, just at a higher premium.
- For now, the property damage and injury will continue to be paid from the basic insurance of the at-fault motorist. *(i.e. A) Corolla hits Ferrari -> Corolla basic pays to fix Ferrari, Corolla optional pays to fix Corolla B) Ferrari hits Corolla -> Ferrari basic pays to fix Corolla, Ferrari optional pays to fix Ferrari)*
- In the future, after the necessary legislative changes, we will be looking to require these vehicles purchase their basic insurance from private insurance companies.

How will these changes potentially affect car dealers that sell these cars?

- These changes should not affect car dealers that sell these cars.
- Drivers of high end cars will still be able to get insurance – they will just have to go through private insurance companies to get their insurance.
- And to be clear, these drivers will still be required to get third party coverage that will cover any vehicle damage or personal injury that they might cause.

When will this new rule (of the luxury vehicle owners having to insure through private insurers) take effect?

- This new rule requires legislative changes to be made to incorporate the new rules. This will take time.

Are you moving ahead with privatization of ICBC insurance?

- No. This is not moving ahead with privatization.
- This is purely a fairness measure that helps ensure that all ratepayers don't continue to subsidize insurance for owners of luxury high end vehicles.

Will this new rule include RVs?

- No, the new rules do not apply to RV owners.

Will this new rule include limos? Party buses?

- No, the new rules do not apply to limos, party buses, or commercial trucks. The new rules will only apply to those private vehicle owners of high end luxury vehicles.

Questions around cost savings:

Will this mean cost savings for ICBC? How much?

- ICBC paid out about \$2.3 million in claims costs for these vehicles last year alone.
- With the future changes, ICBC potentially could save the majority of these costs.

How much money will this move save (annually) for ICBC?

- In the interim, ICBC would expect to bring in an additional \$2 to \$4 million per year in premiums based on the increased rates for these vehicles.
- ICBC paid out about \$2.3 million in claims costs for these vehicles last year alone.
- With the future changes, ICBC potentially could save the majority of these costs.

How much would a higher priced vehicle (worth over \$150,000) typically cost if it was a write off?

- There isn't really a "typical" case – write offs are based on the value of the vehicle when it is hit.
- For example, the Ferrari at the event was a total loss for approximately \$300,000.

s.13

What demographics and groups will be most affected by this decision? Won't it target certain groups - such as foreigners who would be buying high value homes - who buy these luxury cars? (Given you have just put in the 15 percent foreign national property transfer tax for homes in the lower mainland?)

- This is not about demographics or specific groups, and I want to be clear that this is about fairness.
- The only demographic affected are those with the means and income to afford high-value, luxury vehicles.

Is this racial profiling?

- This is not about demographics or specific groups, and I want to be clear that this is about fairness.
- The only demographic affected are those with the means and income to afford high-value, luxury vehicles.

Key Messages: Luxury Vehicles

- Government is moving forward to no longer insure high-end luxury cars (worth over \$150,000) so that the broader rate payer is not subsidizing these vehicles.
- While this work is underway, high-end luxury cars will pay significantly more for basic insurance to ensure their premiums cover the full costs to repair these vehicles.
- Interim changes will include doubling the basic insurance premiums for luxury high-end vehicles worth over \$150,000.
- In the future, ICBC will be moving to no longer insure this rate class, and the owners of these vehicles will have to go to private insurance instead.
- Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.
- This is addressing basic fairness for the rest of ratepayers - who should not be covering the cost costly crashes for those who own expensive, luxury cars.
- The government realized there was an issue, and is acting to fix it.
- We will now start working on necessary legislative changes to introduce the new rules.
- This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the rate smoothing model – which restricts basic rate increases to plus/ minus 1.5 percent of the prior rate adjustment – tougher enforcement for distracted drivers, and mitigating fraud.
- The luxury car measure is one of a number of actions that government and ICBC will be rolling out over the coming weeks and months to continue to address cost pressures on rates.

Key Messages: ICBC Rate Projections

- As you are aware, ICBC has been asked by the BCUC to publish some hypothetical projections for basic insurance rates.
- There have been some media reports and some rhetoric out there about this, which could be causing some alarm for the public.

- To put this into context, the BCUC asked ICBC to do some rate modelling based on an extreme worst-case hypothetical situation, and these numbers have been made public.
- I want to reassure the public that these are extreme projections that do not consider the actions that the BC government and ICBC are taking to reduce the pressures on rates.
- So today, ICBC published two other hypothetical rate projections, just to show that these are shifting projections, using different sets of assumptions.
- One shows insurance rates remaining steady – and other shows rates going down.
- None of these speculative scenarios are a real forecast. They are all hypothetical.
- Today, as a government, we have announced a new insurance measure we are taking, to help increase fairness for all rate payers, and to help address cost pressures.
- Government is moving forward to no longer insure the high-end luxury vehicle rate class (vehicles worth \$150,000 and over) so that the broader rate payer is not subsidizing these vehicles, and the owners of these vehicles will have to go to private insurance instead.
- While this work is underway, high-end luxury car owners will pay more than double for basic insurance to ensure their premiums within this rate class fully cover all costs of any repairs.
- In addition, we are already taking a number of steps to help address the cost pressures, including:
 - Cracking down on distracted driving – with significantly higher fines, more penalty points, higher levels of enforcement and more education. (Second time distracted driving offenders will pay a total of \$888 in financial penalties, which escalates further for any additional offence).
 - Additional steps to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will help to more quickly target claims with the highest risk of fraud – and ultimately lower ICBC rates for all drivers.

NEWS RELEASE

For Immediate Release

Ministry of Transportation and Infrastructure

2016TRAN0368-002487

Nov. 23, 2016

Government getting out of the business of insuring high-end luxury cars

VANCOUVER – Government is moving forward to no longer insure the high-end luxury car rate class (cars worth \$150,000 and over) so that the broader ratepayer is not subsidizing these cars. The owners of these cars will have to go to private insurance instead, Minister of Transportation and Infrastructure Todd Stone announced today.

The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago. Government is acting now to address the rising costs to repair these cars and to eliminate any pressures they cause on basic rates.

The government will get to work on the necessary legislative changes to have ICBC no longer insure these high-end luxury cars. This means that in the future, private owners of these cars will have to purchase their insurance through private insurance. Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.

While this work is underway, government will immediately take steps so high-end luxury car owners will pay more than double for their basic insurance and ensure their premiums fully cover all costs of any repairs. These interim changes will be formally implemented as soon as possible.

"Right now, whether a person drives a \$15,000 Honda Civic or a \$300,000 Ferrari – their basic insurance premiums are similar. If owners of high-end luxury cars can afford a high-priced car, they certainly can afford to pay higher premiums to cover the real cost for their repairs," said Stone. "This policy needs to be fair for all British Columbian ratepayers, and we want to ensure that the regular everyday driver is not paying for the additional repair costs of these cars through their insurance rate."

The average private passenger car in B.C. is worth approximately \$15,000, which is 10 times less than the growing number of luxury high-end cars on the road (cars worth above \$150,000). When these more expensive cars get into a crash, it costs approximately six times more to fix them because they are rare, and they are built using high-end technologies and more expensive materials. However, until now, the owner has paid similar rates for their basic insurance.

Last year, for example, the average repair cost for a high-value luxury car was approximately \$13,000, compared to the average repair cost of approximately \$2,500 for a typical private vehicle. For example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone. While the cost to repair this car is substantially more than the everyday car, the basic insurance rates of about \$1,000 per

car are about the same.

The new rates will apply to private passenger cars only, and not commercial trucks, pick-up trucks, collector cars or limousines. The new rule also will not apply to RVs.

The B.C. government and ICBC will start working on necessary framework and policy changes immediately.

This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the following:

- Rate smoothing model – which restricts basic rate increases to plus/minus 1.5% of the prior rate adjustment.
- Tougher enforcement for distracted drivers – with significantly higher fines, more penalty points, higher levels of enforcement and more education.
- Mitigating fraudulent claims – working to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will target fraudulent claims and ultimately lower ICBC rates for all drivers.

This is one of a number of actions that government and ICBC will be rolling out over the coming weeks and months to continue to address cost pressures on rates.

A backgrounder follows.

Media Contact:

Media Relations
Government Communications and Public
Engagement Ministry of Transportation and
Infrastructure
250 356-8241

Connect with the Province of B.C. at: www.gov.bc.ca/connect

BACKGROUNDER

For Immediate Release
2016TRAN0368-002487
Nov. 23, 2016

Ministry of Transportation and Infrastructure

Top five highest repair costs (year-to-date 2016)

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Vehicle make: McLaren
Vehicle model: 650S
Total repair costs: \$93,574
Actual cash value (ACV / Declared value (DV): DV of \$405,697

Vehicle year: 2011
Vehicle make: Ferrari
Vehicle model: 458 Italia
Total repair costs: \$88,481
Actual cash value (ACV / Declared value (DV): DV of \$299,700

Vehicle year: 2016
Vehicle make: Maserati
Vehicle model: Gran Turismo
Total repair costs: \$78,999
Actual cash value (ACV / Declared value (DV): DV of \$215,654

Vehicle year: 2015
Vehicle make: Mercedes-Benz
Vehicle model: CLS63 AMG
Total repair costs: \$76,796
Actual cash value (ACV / Declared value (DV): ACV of \$120,952

Vehicle year: 2015
Vehicle make: Porsche
Vehicle model: 911
Total repair costs: \$76,617
Actual cash value (ACV / Declared value (DV): ACV of \$158,785

Vehicle year: 2011
Vehicle make: Rolls Royce
Vehicle model: Phantom
Total repair costs: \$76,474
Actual cash value (ACV / Declared value (DV): DV of \$246,500

Media Contact:

Media Relations
Government Communications and Public
Engagement Ministry of Transportation and
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250 356-8241

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Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Thursday, November 24, 2016 12:44 PM
To: Wolford, Jessica GCPE:EX; Fraser, John Paul GCPE:EX; Bell, Jordan TRAN:EX
Subject: Question from Rob Shaw: ICBC rates

Same question from Rob (to Ben, too) on removing them from ICBC insurance, and these vehicles getting damaged by cars being insured by ICBC... suggested response with Grant:

- Our long term solution is to make sure that high-end luxury cars (and the very high costs to fix these vehicles if they have been in a crash) are no longer a burden to the general ratepayer.
- Last year, the average repair cost for a high-value luxury vehicle was approximately \$13,000, compared to the average repair cost of approximately \$2,500 for a typical private vehicle.
- As another example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone.
- To be sure, there is lots of work to do and pieces to address through our policy and legislative work to make sure we meet our goal of being fair to all rate payers and that basic rate payers aren't burdened with the added cost of repairing luxury vehicles.
- This is why we're moving ahead with an interim step to at least double basic rates and increase optional rates for this class of vehicles.
- In the future, after the necessary legislative changes, we will be looking to require these vehicles purchase their insurance from private insurance companies.

From: Shaw, Rob [<mailto:rshaw@postmedia.com>]
Sent: Thursday, November 24, 2016 12:33 PM
To: Ben PREM:EX Chin; Jabs, Ryan GCPE:EX
Subject: Fwd: ICBC rates

These are the types of emails I'm getting today. 5 so far with similar points about basic insurance not doing anything for luxury cars because doesn't cover damage to own vehicle ...?

Begin forwarded message:

From: ">
Date: November 24, 2016 at 12:25:21 PM PST
To: <rshaw@postmedia.com>
Subject: ICBC rates

i just read the article in the Vancouver Sun which lead me to the conclusion that either Minister Todd Stone, Sun reporter Rob Shaw, or someone at ICBC Shaw was getting his info from doesn't understand basic insurance.
 My basic insurance does not cover damage to my vehicle, so failing to provide basic insurance on luxury cars will save ICBC...Nothing.
 Failing to provide optional insurance might save money, but you could also charge appropriate rates based on claims pay out.

One way ICBC could save money is to stop paying all the cost for what used to be the motor vehicle branch (buildings, equipment, wages, pensions etc) while the government gets all the income (except class 5 road test fees. All class 7 fees, motorcycle test fees, commercial vehicle tests fees, fines etc go to the government)

Peters, Yvonne TRAN:EX

From: Wolford, Jessica GCPE:EX
Sent: Thursday, November 24, 2016 10:50 AM
To: Jabs, Ryan GCPE:EX
Cc: Bell, Jordan TRAN:EX
Subject: Re: Rob Shaw follow-up - request for Board chair: today (thur)

Will call you

Sent from my iPhone

On Nov 24, 2016, at 10:43 AM, Jabs, Ryan GCPE:EX <Ryan.Jabs@gov.bc.ca> wrote:

We'll get the responses to these questions. Rob's asking for an interview with the board chair.

From: Shaw, Rob [<mailto:rshaw@postmedia.com>]

Sent: Thursday, November 24, 2016 10:42 AM

To: Jabs, Ryan GCPE:EX; Adam Grossman

Subject: today (thur)

I'd like to speak to ICBC board chair Barry Penner today.

Also, two background questions:

- Yesterday's luxury vehicle announcement say ICBC drop luxury cars from basic insurance. However, it's unclear if ICBC is also refusing to provide optional insurance to those same high-end luxury drivers. So is the same luxury owner banned from basic insurance still able buy optional insurance from ICBC?
- If the luxury owner can buy optional insurance from ICBC, is ICBC raising its optional rates specifically for those luxury owners, to cover the extra cost of repairing their expensive vehicles? And if so, how much?
- Did ICBC cost out what it would have cost to say, triple or charge six times the amount of basic insurance to luxury vehicle owners, rather than ban them? If a luxury vehicle costs 6x to repair, why not charge 6x the basic insurance, for example?

Deadline asap.

Thanks,

Rob

ROB SHAW

LEGISLATIVE REPORTER

The Vancouver Sun | The Province

Room 360, Parliament Buildings

Victoria, B.C. V8V1X4

T: [250-953-5932](tel:250-953-5932)

C: [250-893-0841](tel:250-893-0841)

rshaw@postmedia.com

twitter.com/robshaw_vansun

The information contained in this email is strictly confidential, and is only intended for the party(ies) to whom it is addressed. Any other use, dissemination, distribution, disclosure or copying is prohibited. If you have received this email in error please so advise by reply email.

Thank you.

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 5:21 PM
To: Stone, Todd TRAN:EX
Cc: Bell, Jordan TRAN:EX
Subject: Daily Issues Report - Wednesday, November 23, 2016
Attachments: FINAL_NR_BG_Luxury Vehicles.pdf; MA-Kwikwetlem FN Art Blessing (5).pdf; NR_Boucherie_Westlake.docx; DRAFT.PDF; NR_BG_Motor Coach Review results Nov 2016.docx; NR_Pilot Car Guidelines.docx; NR Hwy 97 & DGR project completed.pdf

Minister,

Here is today's Daily report along with supporting communications materials for Wednesday, November 23, 2016.

Big one tomorrow is the Kwikwetlem First Nation collection blessing event.

Announcements for Wednesday, Nov. 23:

- **Event & NR – ICBC high-end luxury vehicle insurance – 2:30 p.m.** – ICBC event with Minister Stone announcing insurance policy changes for high-end luxury vehicles.
- **Media Advisory – Traditional blessing for First Nations art at Evergreen station – 2:45 p.m.** – Media advisory notifying media of the traditional blessing for First Nations art at Evergreen station at 9 a.m. on Thursday, Nov. 24.

Announcements for Thursday, Nov. 24:

- **Event & NR – Traditional blessing for First Nations art at Evergreen station – 9 a.m.** – news release announcing that elders and members of the Kwikwetlem First Nation and special guests revealed a First Nations art collection today at Coquitlam Central Station.
- **NR – Province moves forward with safety improvements at Highway 97 and Boucherie Road in West Kelowna – 10:30 a.m.** - Following extensive public and stakeholder consultation, the Ministry of Transportation and Infrastructure is proceeding with interim safety improvements on Highway 97 as well as the design of a new underpass at Boucherie Road. Quotes included for MTS and PCC.
 - Tweet: Design work starting for new interchange on #BCHwy97 at Boucherie Rd to improve safety and meet future traffic demands

Announcements for Friday, Nov. 25:

- **NR - Results of Motor Coach Industry Review - 7 a.m.** - The Motor Coach Bus Safety Review includes a review of safety statistics and performance for the industry including a comparison with other jurisdictions, current regulatory framework and procedures, best practices in neighbouring jurisdictions and around North America.
- **NR - Ministry launches new pilot car guidelines manual - 7:15 a.m.** - The Ministry of Transportation and Infrastructure has launched a new manual online for pilot car operators, who help support the safe and efficient movement of oversized loads on B.C.'s highways.
- **Teleconference - Minister Stone hosts teleconference for media on Motor Coach Industry Review and Pilot Car guidelines - 9 a.m.** - Minister will speak to both the Motor Coach Industry Review and the new pilot car guidelines.
- **NR - Highway 97 and DGR intersection improvements completed - 9 a.m.** - This project to improve the intersection and add traffic signals was done to accommodate the increase in commercial traffic using the Dangerous Goods Route through Dawson Creek.

- **NR - BC Ferries releases Q2 financial results - 11:30 a.m.** - C Ferries will release its financial results from Q2, ending Sept. 30, 2016.
- **Briefing - Evergreen Line under budget; financial details released - 2 p.m.** - The Evergreen Line will open under its \$1.43 billion budget. Project team will provide media with a technical briefing on project finances.
- **Statement - Minister's Statement on Evergreen Line - time tbc** - Minister Stone responds to Evergreen Line's financials release.

Take care,

Ryan Jabs

Communications Director | Ministry of Transportation and Infrastructure

Government Communications & Public Engagement

Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

NEWS RELEASE

For Immediate Release

Ministry of Transportation and Infrastructure

2016TRAN0368-002487

Nov. 23, 2016

Government getting out of the business of insuring high-end luxury cars

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The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago. Government is acting now to address the rising costs to repair these cars and to eliminate any pressures they cause on basic rates.

The government will get to work on the necessary legislative changes to have ICBC no longer insure these high-end luxury cars. This means that in the future, private owners of these cars will have to purchase their insurance through private insurance. Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.

While this work is underway, government will immediately take steps so high-end luxury car owners will pay more than double for their basic insurance and ensure their premiums fully cover all costs of any repairs. These interim changes will be formally implemented as soon as possible.

"Right now, whether a person drives a \$15,000 Honda Civic or a \$300,000 Ferrari – their basic insurance premiums are similar. If owners of high-end luxury cars can afford a high-priced car, they certainly can afford to pay higher premiums to cover the real cost for their repairs," said Stone. "This policy needs to be fair for all British Columbian ratepayers, and we want to ensure that the regular everyday driver is not paying for the additional repair costs of these cars through their insurance rate."

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Last year, for example, the average repair cost for a high-value luxury car was approximately \$13,000, compared to the average repair cost of approximately \$2,500 for a typical private vehicle. For example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone. While the cost to repair this car is substantially more than the everyday car, the basic insurance rates of about \$1,000 per

car are about the same.

The new rates will apply to private passenger cars only, and not commercial trucks, pick-up trucks, collector cars or limousines. The new rule also will not apply to RVs.

The B.C. government and ICBC will start working on necessary framework and policy changes immediately.

This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the following:

- Rate smoothing model – which restricts basic rate increases to plus/minus 1.5% of the prior rate adjustment.
- Tougher enforcement for distracted drivers – with significantly higher fines, more penalty points, higher levels of enforcement and more education.
- Mitigating fraudulent claims – working to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will target fraudulent claims and ultimately lower ICBC rates for all drivers.

This is one of a number of actions that government and ICBC will be rolling out over the coming weeks and months to continue to address cost pressures on rates.

A backgrounder follows.

Media Contact:

Media Relations
Government Communications and Public
Engagement Ministry of Transportation and
Infrastructure
250 356-8241

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BACKGROUND

For Immediate Release
2016TRAN0368-002487
Nov. 23, 2016

Ministry of Transportation and Infrastructure

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Media Relations
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Infrastructure
250 356-8241

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Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 3:15 PM
To: Bell, Jordan TRAN:EX; Clark, Nathan SDSI:EX
Cc: Rorison, Trish GCPE:EX; Wolford, Jessica GCPE:EX; Chambers, Craig GCPE:EX; Bowness, Lianne GCPE:EX
Subject: MEDIA REQUEST: Rob Shaw - Vancouver Sun

Rob's sent through the follow up requests below and is looking to speak to the minister. Would you like us to send the information below or have the minister call and provide the info and comment?

Answers:

Can the ministry provide an example of what the current insurance is for a person who has a luxury high end car in BC (assuming perhaps modest optional coverage) and how that would double as an interim measure?

For an Aston Martin, basic insurance costs \$1100 and optional costs \$3736, for a total of \$4800. Once the new rate is in place, the driver will be paying at least \$2,200 for basic and \$4,483 for optional, for a total of nearly \$6,700.

And is there any estimate for what private insurers will charge a luxury owner for insurance once ICBC drops high end cars?

We do not have an estimate for what private insurers will charge, but it will certainly be more on the basic insurance side than we currently charge, as the basic insurance premiums does not currently cover ICBC's costs.

And how much does ICBC expect to save with this move?

ICBC paid out about \$2.3 million in claims costs for these vehicles last year alone. With the future changes, ICBC potentially could save the majority of these costs. As the minister mentioned, this is one of a number of measures already announced and coming to help reduce the rising pressures on rates.

From: Shaw, Rob [mailto:rshaw@postmedia.com]
Sent: Wednesday, November 23, 2016 3:09 PM
To: Jabs, Ryan GCPE:EX; Adam Grossman
Subject: Re: Government getting out of the business of insuring high-end luxury cars

Can the ministry provide an example of what the current insurance is for a person who has a luxury high end car in BC (assuming perhaps modest optional coverage) and how that would double as an interim measure?

And is there any estimate for what private insurers will charge a luxury owner for insurance once ICBC drops high end cars?

And how much does ICBC expect to save with this move?

I'm still interested in speaking to the minister and someone from ICBC.

From: Government of British Columbia <GCPE.News@gov.bc.ca>
Date: Wednesday, November 23, 2016 at 2:50 PM
To: Rob Shaw <rshaw@postmedia.com>
Subject: Government getting out of the business of insuring high-end luxury cars

For Immediate Release
2016TRAN0368-002487
Nov. 23, 2016

Ministry of Transportation and Infrastructure

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Final package - luxury vehicle announcement






 Jabs, Ryan GCPE:EX

 Follow up. Completed on Friday, January 6, 2017.

Sent: Wed 2016-11-23 2:21 PM

To:  Clark, Nathan SDSI:EX

Cc:  Bell, Jordan TRAN:EX;  Rorison, Trish GCPE:EX;  Bowness, Lianne GCPE:EX

Attachments:  Key Messages_Luxury Vehicles.docx (23 KB);  NR_Luxury Vehicles_Nov 2016.docx (299 KB);
 QA_Luxury vehicles_Nov 2016.docx (36 KB);
 SP_Min Todd Stone_Luxury Vehicles_Updated.docx (45 KB);
 BCUC request media statement.docx (48 KB)

Hi Nathan,

Here's the final package for today's announcement on luxury vehicles.

Take care,

Ryan Jabs

Communications Director | Ministry of Transportation and Infrastructure

Government Communications & Public Engagement

Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

Key Messages: Luxury Vehicles

- Government is moving forward to no longer insure high-end luxury cars (worth over \$150,000) so that the broader rate payer is not subsidizing these vehicles.
- While this work is underway, high-end luxury cars will pay significantly more for basic insurance to ensure their premiums cover the full costs to repair these vehicles.
- Interim changes will include doubling the basic insurance premiums for luxury high-end vehicles worth over \$150,000, as well as an increase to optional premiums.
- In the future, ICBC will be moving to no longer insure this rate class, and the owners of these vehicles will have to go to private insurance instead.
- Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.
- This is addressing basic fairness for the rest of ratepayers - who should not be covering the cost costly crashes for those who own expensive, luxury cars.
- The government realized there was an issue, and is acting to fix it.
- We will now start working on necessary legislative changes to introduce the new rules.
- This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the rate smoothing model – which restricts basic rate increases to plus/ minus 1.5 percent of the prior rate adjustment – tougher enforcement for distracted drivers, and mitigating fraud.
- The luxury car measure is one of a number of actions that government and ICBC will be rolling out over the coming weeks and months to continue to address cost pressures on rates.

Key Messages: ICBC Rate Projections

- As you are aware, ICBC has been asked by the BCUC to publish some hypothetical projections for basic insurance rates.
- There have been some media reports and some rhetoric out there about this, which could be causing some alarm for the public.

- To put this into context, the BCUC asked ICBC to do some rate modelling based on an extreme worst-case hypothetical situation, and these numbers have been made public.
- I want to reassure the public that these are extreme projections that do not consider the actions that the BC government and ICBC are taking to reduce the pressures on rates.
- So today, ICBC published two other hypothetical rate projections, just to show that these are shifting projections, using different sets of assumptions.
- One shows insurance rates remaining steady – and other shows rates going down.
- None of these speculative scenarios are a real forecast. They are all hypothetical.
- Today, as a government, we have announced a new insurance measure we are taking, to help increase fairness for all rate payers, and to help address cost pressures.
- Government is moving forward to no longer insure the high-end luxury vehicle rate class (vehicles worth \$150,000 and over) so that the broader rate payer is not subsidizing these vehicles, and the owners of these vehicles will have to go to private insurance instead.
- While this work is underway, high-end luxury car owners will pay more than double for basic insurance to ensure their premiums within this rate class fully cover all costs of any repairs.
- In addition, we are already taking a number of steps to help address the cost pressures, including:
 - Cracking down on distracted driving – with significantly higher fines, more penalty points, higher levels of enforcement and more education. (Second time distracted driving offenders will pay a total of \$888 in financial penalties, which escalates further for any additional offence).
 - Additional steps to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will help to more quickly target claims with the highest risk of fraud – and ultimately lower ICBC rates for all drivers.

For Immediate Release
xxx
Nov. 23, 2016

Ministry of Transportation and
Infrastructure

Government getting out of the business of insuring high end luxury cars

VANCOUVER – Government is moving forward to no longer insure the high-end luxury car rate class (cars worth \$150,000 and over) so that the broader ratepayer is not subsidizing these cars, and the owners of these cars will have to go to private insurance instead, Minister of Transportation and Infrastructure Todd Stone announced today.

The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago. Government is acting now to address the rising costs to repair these cars and to eliminate any pressures they cause on basic rates.

The government will get to work on the necessary legislative changes to have ICBC no longer insure these high end luxury cars. This means that in the future, private owners of these cars will have to purchase their insurance through private insurance. Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.

While this work is underway, government will immediately take steps so high-end luxury car owners will pay more than double for their basic insurance and ensure their premiums fully cover all costs of any repairs. These interim changes will be formally implemented as soon as possible.

"Right now, whether a person drives a \$15,000 Honda Civic or a \$300,000 Ferrari – their basic insurance premiums are similar. If owners of high-end luxury cars can afford a high-priced car, they certainly can afford to pay higher premiums to cover the real cost for their repairs," said Transportation and Infrastructure Minister Todd Stone. "This policy needs to be fair for all British Columbian ratepayers, and we want to ensure that the regular everyday driver is not paying for the additional repair costs of these cars through their insurance rate."

The average private passenger cars in B.C. is worth approximately \$15,000, which is 10 times less than the growing number of luxury high-end cars on the road (cars worth above \$150,000). When these more expensive cars get into a crash, it costs approximately six times more to fix them because they are rare, and they are built using high-end technologies and more expensive materials. However, until now, the owner has paid similar rates for their basic insurance.

Last year, for example, the average repair cost for a high-value luxury car was approximately \$13,000 compared to the average repair cost of approximately \$2,500 for a typical private vehicle. For example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone. While the cost to repair this car is substantially more than the everyday car, the basic insurance rates of about \$1000 per car are about the same.

The new rates will apply to private passenger cars only, and not commercial trucks, pick-up trucks, collector cars or limousines. The new rule also does not apply to RVs.

The B.C. government and ICBC will start working on necessary framework and policy changes immediately.

This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the following:

- Rate smoothing model – which restricts basic rate increases to plus/ minus 1.5 percent of the prior rate adjustment.
- Tougher enforcement for distracted drivers - with significantly higher fines, more penalty points, higher levels of enforcement and more education.
- Mitigating fraudulent claims – working to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will target fraudulent claims and ultimately lower ICBC rates for all drivers.

This is one of a number of actions that government and ICBC will be rolling out over the coming weeks and months to continue to address cost pressures on rates.

One backgrounder follows.

Media Contact:

Media Relations

Government Communications and Public Engagement Ministry of Transportation and Infrastructure
250 356-8241

Connect with the Province of B.C. at: www.gov.bc.ca/connect

BACKGROUND

Top five highest repair costs (year-to-date 2016)

Vehicle year	Vehicle make	Vehicle model	Total repair costs	Actual cash value (ACV) / Declared value (DV)
2015	McLaren	650S	\$93,574	DV of \$405,697
2011	Ferrari	458 Italia	\$88,481	DV of \$299,700
2016	Maserati	Gran Turismo	\$78,999	DV of \$215,654
2015	Mercedes-Benz	CLS63 AMG	\$76,796	ACV of \$120,952
2015	Porsche	911	\$76,617	ACV of \$158,785
2011	Rolls Royce	Phantom	\$76,474	DV of \$246,500

Media contact: Media Relations
Government Communications and Public Engagement
Ministry of Transportation and Infrastructure
250 356-8241

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QAs – Luxury Vehicles – Nov. 23, 2016

What is the new rule that's being introduced? Please explain.

- Government is moving forward to no longer insure high-end luxury vehicles (vehicles worth approximately \$150,000 and over) so that the broader rate payer is not subsidizing these vehicles.
- Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.
- While this work is underway, high-end luxury cars will pay significantly more for basic insurance to ensure their premiums cover the full costs to repair these vehicles.
- Interim changes, which will roll out as soon as possible, will include at least doubling the basic rate for luxury high-end vehicles, as well as an increase to optional rates.

Why are you making this change?

- Right now, whether a person drives a \$15,000 Honda Civic or whether a person drives a \$200,000 Lamborghini – their basic insurance rates are similar, while the costs of repair are substantially different.
- This means that the average middle-class rate payer is actually subsidizing basic insurance rates for luxury vehicles.
- I think we can all agree that this policy as it stands is unfair to the majority of British Columbians, and it should be changed.
- That's why I have asked ICBC to move forward with these changes, to help increase fairness for everyone, and help address some of the cost pressures on insurance rates.

Is this legal?

- Yes. We'll need to introduce legislative changes to remove this rate class of vehicle from being able to purchase ICBC insurance, and we'll need to create the opportunity and legal framework for private insurers to provide this insurance – as drivers of these vehicles will still need to be able to protect themselves and other people on the road.
- This will take some time to do right, so in the meantime, we will move forward with high-end luxury cars paying significantly more for basic

insurance to ensure their premiums cover the full costs to repair these vehicles.

- Interim changes, which will roll out asap, will include at least doubling the basic rate for luxury high-end vehicles, as well as an increase to optional rates.

Is this done in any other jurisdictions?

- Yes, this is somewhat similar to how the insurance model that is used in Quebec works. In Quebec, all motorists are covered by Quebec's public automobile insurance plan.
- This plan provides compensation in the event of an injury or death as a result of an accident that occurred in Quebec or anywhere else in the world. Individual, private insurers set auto insurance rates for the property damage portion of motorist's policies.
- We're going further to protect middle-class drivers to take these high-end vehicle owners out of

Why are you doing this now? The timing seems to coincide with discussions between ICBC and the BCUC.

- We have been considering this idea for some time.
- It is important that we work with ICBC to find every way to reduce the pressure on rates, and you can expect more news on these steps to be delivered in the coming weeks.
- This is one of the steps we are taking to make policies fair.
- These high end vehicles cost six times more than the income of the average British Columbian and cost lots of money to repair.
- It is only fair they pay for insurance that properly covers the cost of repairing their vehicle.
- They are exotic vehicles and these luxuries are never inexpensive to purchase or maintain.
- British Columbians should not be subsidising those who can well afford to own and operate them.

Will this mean less revenue for ICBC when the business for these car owners goes to private insurers?

- Currently, owners of these cars pay on average \$1,000 to insure these vehicles and even minor repairs can be extremely costly.

- This decision shift the burden of repairing these vehicles to those who can afford to own them.
- Simply put, the current model means that general basic rate payers subsidize the costs of basic insurance for these vehicles.
- This is about fairness for all basic rate payers.

This is just a drop in the bucket, compared to the \$470 million transfer you directed ICBC to make August to keep rates down. How do you expect this to actually bend the rate pressure curve?

- As we acknowledged over the last two years, ICBC rates are facing significant pressures with rising costs of crashes, number of claims and costs of claims.
- These are very real challenges that we are not ignoring.
- Government has been clear that we are committed to work with ICBC to keep rates down as low as possible, and we will do everything possible to keep rate increases at or below the 4.9% increase announced this year.
- We've already announced a number of actions that are starting to address those challenges:
 - ICBC has stepped up its efforts against exaggerated and fraudulent claims which could be costing hundreds of millions per year in additional claims costs.
 - Along with hundreds of convictions in recent years and a public education campaign, ICBC is also now testing a fraud analytics tool which will help more quickly target claims with the highest risk of fraud.
 - We are continuing our focus to address distracted driving with tougher fines and more education. Distracted driving is responsible for approximately one quarter of all fatal crashes in B.C.
 - And ICBC is beginning to see the benefits of their new business management system - projected to save \$90 to \$100 million a year.
- Increasing rates for high end luxury vehicles is another important strategy that we're moving ahead with to help address the pressure.
- And we're not stopping here. Over the coming weeks and months, we'll be announcing additional measures to help reduce the rising pressures on rates.

How much will this save each driver?

- As we acknowledged over the last two years, ICBC rates are facing significant pressures with rising costs of crashes, number of claims and costs of claims.
- These are very real challenges that we are not ignoring.
- Government has been clear that we are committed to work with ICBC to keep rates down as low as possible, and we will do everything possible to keep rate increases at or below the 4.9% increase announced this year.
- On its own, the decision will have a small effect on rate pressures.
- But this decision is only one of a number of actions we're moving forward with to help reduce rates.
- We've already announced a number of actions that are starting to address those challenges: rate smoothing model, focus to address distracted driving with tougher fines and more education, and ICBC has stepped up its efforts against exaggerated and fraudulent claims.
- Increasing rates for high end luxury vehicles (followed by removing the ability to obtain Basic insurance through ICBC) is another important strategy that we're moving ahead with to help address the pressure.
- And we're not stopping here.
- Over the coming weeks and months, we'll be announcing additional measures to help reduce the rising pressures on rates.

Aren't you only dealing with these cost pressures because you've taken ICBC's capital over the last five years through dividends?

- Changes were made in 2010 to draw excess capital from the proceeds of the Optional side of ICBC's insurance business, which competes directly with the private sector.
- Remember the dividend is a movement of cash from ICBC's Optional insurance excess capital to government and does not affect revenues in government's balanced budget.
- Basic insurance is supposed to break even, but in 2012, even with the rate increase, basic insurance lost \$120 million due to increasing claims costs. Instead of taking a dividend from Optional insurance, government directed that those resources be transferred to Basic insurance to maintain the solvency of this line of business.
- Since 2012 government has directed optional transfers of more than \$1.4 billion to reduce the increase for Basic rates – this is quite substantial

compared to the \$514 million the Province has received through the dividend during the same timeframe.

- Based on the revised outlook for ICBC finances as of the First Quarterly Report update in September 2016, for planning purposes the government is no longer expecting that ICBC will be paying dividends to the Province for each of the 3 fiscal years 2016/17 – 2018/19.

Won't this just mean more money for private insurers?

- This is not about whether private insurers make or don't make money.
- This is about rate fairness and doing whatever we can to provide the most affordable rates for all drivers.
- Private insurers will price insurance according to the risk that these vehicles represent in terms of claims costs.

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How much would a higher priced vehicle (worth over \$150,000) typically cost to fix?

- Last year the average repair cost for a high-value exotic vehicle was approximately \$13,000 compared to the average repair cost of approximately \$2,500 for a typical private vehicle.
- As another example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone.

Basic Policy Statistics For Cars	Basic Insurance	
	< \$150,000 (PERSONAL)	> \$150,000 (LUXURY)
Average Premiums	\$900	\$1,000
Total Premium Paid	\$409.0M	\$0.3M
Total Claims Cost	\$380.0M	\$1.1M
2015 Average Cost Severity on Vehicle	\$2,500	\$15,000

Where can drivers who have luxury vehicles get insured?

- Drivers of high end luxury vehicles will still be able to get insurance – they will just have to go through private insurance companies to get their insurance.
- And to be clear, these drivers will still be required to get third party coverage that will cover any vehicle damage or personal injury that they might cause.
- In the interim, high end luxury cars will have to purchase regular basic just like everyone else, just at a higher premium.
- For now, the property damage and injury will continue to be paid from the basic insurance of the at-fault motorist. *(i.e. A) Corolla hits Ferrari -> Corolla basic pays to fix Ferrari, Corolla optional pays to fix Corolla B) Ferrari hits Corolla -> Ferrari basic pays to fix Corolla, Ferrari optional pays to fix Ferrari)*
- In the future, after the necessary legislative changes, we will be looking to require these vehicles purchase their basic insurance from private insurance companies.

How will these changes potentially affect car dealers that sell these cars?

- These changes should not affect car dealers that sell these cars.
- Drivers of high end cars will still be able to get insurance – they will just have to go through private insurance companies to get their insurance.
- And to be clear, these drivers will still be required to get third party coverage that will cover any vehicle damage or personal injury that they might cause.

When will this new rule (of the luxury vehicle owners having to insure through private insurers) take effect?

- This new rule requires legislative changes to be made to incorporate the new rules. This will take time.

Are you moving ahead with privatization of ICBC insurance?

- No. This is not moving ahead with privatization.
- This is purely a fairness measure that helps ensure that all ratepayers don't continue to subsidize insurance for owners of luxury high end vehicles.

Will this new rule include RVs?

- No, the new rules do not apply to RV owners.

Will this new rule include limos? Party buses?

- No, the new rules do not apply to limos, party buses, or commercial trucks. The new rules will only apply to those private vehicle owners of high end luxury vehicles.

Questions around cost savings:

Will this mean cost savings for ICBC? How much?

- ICBC paid out about \$2.3 million in claims costs for these vehicles last year alone.
- With the future changes, ICBC potentially could save the majority of these costs.

How much money will this move save (annually) for ICBC?

- In the interim, ICBC would expect to bring in an additional \$2 to \$4 million per year in premiums based on the increased rates for these vehicles.
- ICBC paid out about \$2.3 million in claims costs for these vehicles last year alone.
- With the future changes, ICBC potentially could save the majority of these costs.

How much would a higher priced vehicle (worth over \$150,000) typically cost if it was a write off?

- There isn't really a "typical" case – write offs are based on the value of the vehicle when it is hit.
- For example, the Ferrari at the event was a total loss for approximately \$300,000.

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What demographics and groups will be most affected by this decision? Won't it target certain groups - such as foreigners who would be buying high value homes - who buy these luxury cars? (Given you have just put in the 15 percent foreign national property transfer tax for homes in the lower mainland?)

- This is not about demographics or specific groups, and I want to be clear that this is about fairness.
- The only demographic affected are those with the means and income to afford high-value, luxury vehicles.

Is this racial profiling?

- This is not about demographics or specific groups, and I want to be clear that this is about fairness.
- The only demographic affected are those with the means and income to afford high-value, luxury vehicles.

Event Information / Opening Remarks

Event: Luxury Vehicles – New rules

When: Wednesday, Nov. 23, 2016 at 2 pm

Where: ICBC claim centre at 456 West 5th Ave. in Vancouver

Event contact: Anish Dwivedi – 778-875-9129

From Tran Communications –Lisanne Bowness – cell: 250-889-1336

Speakers: Minister Todd Stone; ICBC President & CEO Mark Blucher

Length: 3 minutes

Dress: Business professional

Background:

The BC government has asked ICBC to move ahead with a new measure to make the basic insurance rates more fair for everyone, and to help reduce the cost pressures on rates.

Government is moving forward to no longer insure high-end luxury vehicles (worth over \$150,000) so that the broader rate payer is not subsidizing these vehicles. While this work is underway, high-end luxury cars will pay significantly more for basic insurance to ensure their premiums cover the full costs to repair these vehicles.

Interim changes, which will roll out as soon as possible, will include at least doubling the basic insurance premiums for luxury high-end vehicles worth over \$150,000, as well as an increase to optional premiums.

In the future, ICBC will be moving to no longer insure this rate class, and the owners of these vehicles will have to go to private insurance instead. This is addressing basic fairness for the rest of ratepayers who should not be covering the cost costly crashes for those who own expensive, luxury cars.

The government realized there was an issue, and is acting to fix it. The government is now going to start working on necessary legislative changes to introduce the new rules.

Audience Size: 20-30 attendees plus media

Speaking Notes
for
Minister Todd Stone
Minister of Transportation & Infrastructure

Luxury Vehicles Announcement

Wed, Nov. 23, 2016 – 2 pm
ICBC claim centre at 456 West 5th Ave. in Vancouver

Greetings:

- Hello, happy to be here today.
- Special thanks to: ICBC President & CEO Mark Blucher

Importance of keeping insurance rates low:

- Government and ICBC are committed to doing everything we can to keep insurance rates as low as possible for British Columbians.
- We want insurance rates to remain affordable for families – who are working hard to put food on the table, and pay their bills.
- We have to recognize that rising claims costs continue to be of concern, and ICBC's priority is to try to mitigate the impact of these costs to customers.

Rate smoothing:

- This is why, in 2013, we introduced the “rate smoothing model” – to see more stable and predictable basic rates for ICBC customers.
- In previous years, the basic rate changes have been volatile, ranging from -2.4 % in 2010 to 11.2% in 2012.
- This was difficult for families, and we recognized that we didn't want to see these huge spikes happen anymore.
- So, as a government we put in the rate smoothing model, which restricts basic rate increases to plus/ minus 1.5 percent of the prior rate adjustment.
- This is helping “smooth out” rate adjustments, reducing volatility and creating more stability from year to year.

2016 rate filing actions:

- This is also why with this past year's rate application to the BCUC, government and ICBC took a number of steps to try and protect families from the full impact of these pressures.

- We directed a \$472 million transfer from ICBC's optional side of the business to offset the cost of basic insurance.
- This \$472 million transfer is part of the more than \$1.4 billion that has been transferred from ICBC's Optional side of its business to keep basic rate increases down since 2012.
- ICBC has stepped up its efforts against exaggerated and fraudulent claims which could be costing hundreds of millions per year in additional claims costs.
- Along with hundreds of convictions in recent years and a public education campaign, ICBC is also now testing a fraud analytics tool which will help more quickly target claims with the highest risk of fraud.
- We are continuing our focus to address distracted driving with tougher fines and more education. Distracted driving is responsible for approximately one quarter of all fatal crashes in B.C.
- And ICBC is beginning to see the benefits of their new business management system - projected to save \$90 to \$100 million a year.
- As a result of that work and the actions we've taken, we have managed to get the projected increase for Basic insurance of 15.5% down to 4.9%, or \$3.50 per month.
- And we are continuing to do everything that we can to ensure that any rate increases are affordable and in line with the 4.9% Basic rate increase ICBC announced earlier this year.

Projected Rate Hikes Published:

- As you are aware, ICBC has been asked by the BCUC to publish some hypothetical projections for basic insurance rates.
- There have been some media reports and some rhetoric out there about this that I recognize could be causing some alarm for the public.
- We want to put this into context. The BCUC asked ICBC to do some rate modelling based on an extreme worst-case hypothetical situation, and these numbers have been made public.
- I want to reassure the public that these are extreme projections that do not consider the actions that the BC government and ICBC are taking to reduce the pressures on rates.
- So today, ICBC published two other hypothetical rate projections, just to show that these are shifting projections, using different sets of assumptions.
- One shows insurance rate increases remaining steady around the 5% mark – and the other showing rate increases dropping to less than two percent.
- None of these speculative scenarios are a real forecast. They are all hypothetical and depend on whether costs continue to rise and on government actions.

Our steps:

- So let's get into what we, as a government, are doing about insurance rates.
- We know there is an issue with increasing crash rates, higher repair costs, more costs for injury, and we don't want to see insurance rates go sky high.
- That would only happen if we did nothing, and just sat still.
- But as a government, we are already taking a number of steps to help address the cost pressures, including:

- Cracking down on distracted driving – with significantly higher fines, more penalty points, higher levels of enforcement and more education. (Second time distracted driving offenders will pay a total of \$888 in financial penalties, which escalates further for any additional offence).
- Additional steps to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will help to more quickly target claims with the highest risk of fraud – and ultimately lower ICBC rates for all drivers.

Today – introducing new rules for Luxury Vehicles:

- And today, we are excited to announce a new measure that we have asked ICBC to undertake – to help increase fairness for everyone, and help address some of the cost pressures on rates.
- The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago.
- Right now, whether a person drives a \$25,000 Honda Civic or whether a person drives a \$200,000 Lamborghini – their basic insurance rates are similar, while the costs of repair are substantially different. (Much more expensive to repair a luxury vehicle).
- The average private passenger vehicle in B.C. is worth approximately \$15,000, which is 10 times less than the growing number of luxury high-end cars on the road (cars above \$150,000).
- When these more expensive vehicles get into a crash, it costs approximately six times more to fix them, because these vehicles are rare, and they are built using high-end technologies and more expensive materials.

- For example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone.
- But the owner pays practically the same for their Basic insurance.
- I think we can all agree that this policy as it stands is unfair to the majority of British Columbians, who cannot afford these very expensive cars, and it should be changed.
- Government is acting now to address the rising costs to repair these cars and to eliminate any pressures they cause on basic rates.
- The change I am announcing today will impact owners of high end luxury vehicles - with a Manufacturer's Suggested Retail Price of more than \$150,000.
- Government is moving forward to no longer insure the high-end luxury car rate class (cars worth \$150,000 and over) so that the broader ratepayer is not subsidizing these cars.
- The government will get to work on the necessary legislative changes to have ICBC no longer insure these high end luxury cars.
- This means that in the future, private owners of these cars will have to purchase their insurance through private insurance.
- Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.
- While this work is underway, government will immediately take steps so high-end luxury car owners will pay more than double for their basic insurance and ensure their premiums fully cover all costs of any repairs.
- These interim changes will be formally implemented as soon as possible.

- This new rule will apply to private passenger vehicles only. It does not apply to limousines, commercial, or motor coach buses. It also does not apply to RVs.
- This is a move to protect the middle-class rate payer and address basic fairness for the rest of ratepayers who should not be covering the costly crashes for those who own expensive, luxury cars.
- The government realized there was an issue, and is acting to fix it.
- We are firmly committed to taking appropriate and effective measures that will help keep insurance rates affordable for British Columbians.
- This measure goes hand in hand with the other measures we have already introduced (rate smoothing, mitigating fraudulent claims, and tougher enforcement/ higher fines for distracted driving offences).
- There is more to come...
- We will have more cost saving measures to roll out in the near future, so please stay tuned.

Conclusion:

- As a father of 3 girls, family is of the utmost importance to me.
- We know how hard families are working – and we want to do everything we can to keep insurance rates as affordable as possible.
- Government will continue to work with ICBC over the coming months and years as we work to address the ongoing pressures on ICBC insurance rates.
- Our ultimate goal is to keep the rates fair and affordable for everyone.
- It is a privilege to represent Kamloops-South Thompson.

- And it has been a privilege to be here today.
- Thank you.

End

EXAMPLE OF PREMIUM INCREASE

- For the Ferrari FF here today, basic insurance cost \$1100 and optional cost \$3,300, or nearly \$4,500 a year.
- Once the new rate is in place, the driver will be paying approximately \$2,200 for basic and \$3960 for optional – or over \$6,100 a year.
- For the Aston Martin (which we have a door for here today), basic insurance costs \$1100 and optional costs \$3736, for a total of \$4800.
- Once the new rate is in place, the driver will be paying approximately \$2,200 for basic and \$4,483 for optional, for nearly \$6,700.

Information Bulletin

ICBC statement on BCUC information request

ICBC has today refiled its original, complete response – along with some additional information – to the British Columbia Utilities Commission's (BCUC) information request, 2016.1 RR BCUC.19.1.

ICBC earlier requested that part of its response be held confidentially by the BCUC and remains concerned about the publication of the purely hypothetical scenarios requested by the Commission and the potentially misleading impression they convey.

The request from the BCUC directed ICBC to assume that no efforts are being made by the corporation and government to expand on our current initiatives or to implement new initiatives designed to alleviate the pressures being put on insurance rates – this is far from the case. Nor did the request consider any future improvements to the various rate mitigation initiatives already underway.

To illustrate the challenges with responding to this request, ICBC has updated its response with two additional hypothetical scenarios using different sets of assumptions from those requested by the BCUC.

The resulting outcomes portray a different picture of basic insurance rates which are subject to the same issue of volatility and uncertain external trends. None of these speculative scenarios are a real forecast. ICBC's 2016 rate application is asking for a 4.9 per cent increase to basic insurance rates and we remain committed to keeping rates as affordable as possible for our customers.

ICBC's full response to the BCUC's information request can be read here:

[LINK 1 \(Letter\)](#)

[LINK 2 \(Full response\)](#)

The process of BCUC and interested parties submitting information requests to ICBC is a normal part of the annual regulatory rate application process.

ICBC worked alongside government earlier this year to implement various initiatives aimed at alleviating the accelerating external pressures on auto insurance rates – an escalation in the number of crashes, the number of claims being filed and the cost of settling those claims.

These initiatives included stepping up our efforts to combat fraud and continuing the fight against distracted driving. By taking a number of steps, we were able to get our current rate application down to 4.9 per cent – lower than last year's 5.5 per cent.

ICBC is committed to continuing to work alongside government to explore further initiatives to alleviate the growing pressures on insurance rates.

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 2:15 PM
To: Dwivedi, Anish GCPE:EX; Wolford, Jessica GCPE:EX; Fraser, John Paul GCPE:EX; Bell, Jordan TRAN:EX
Subject: RE: Current finals
Attachments: NR_Luxury VehiclesV2_Nov 2016.docx

Follow Up Flag: Follow up
Flag Status: Completed

Final... going for v-5ing now.

From: Dwivedi, Anish GCPE:EX
Sent: Wednesday, November 23, 2016 2:14 PM
To: Wolford, Jessica GCPE:EX; Jabs, Ryan GCPE:EX; Fraser, John Paul GCPE:EX; Bell, Jordan TRAN:EX
Subject: Re: Current finals

Attachments didn't come through. Please send again

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: Wolford, Jessica GCPE:EX
Sent: Wednesday, November 23, 2016 2:13 PM
To: Jabs, Ryan GCPE:EX; Fraser, John Paul GCPE:EX; Dwivedi, Anish GCPE:EX; Bell, Jordan TRAN:EX
Subject: Re: Current finals

NR approved

Sent from my iPhone

On Nov 23, 2016, at 1:26 PM, Jabs, Ryan GCPE:EX <Ryan.Jabs@gov.bc.ca> wrote:

Ryan Jabs
 Communications Director | Ministry of Transportation and Infrastructure
 Government Communications & Public Engagement
 Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

For Immediate Release
xxx
Nov. 23, 2016

Ministry of Transportation and
Infrastructure

Government getting out of the business of insuring high end luxury cars

VANCOUVER – Government is moving forward to no longer insure the high-end luxury car rate class (cars worth \$150,000 and over) so that the broader ratepayer is not subsidizing these cars, and the owners of these cars will have to go to private insurance instead, Minister of Transportation and Infrastructure Todd Stone announced today.

The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago. Government is acting now to address the rising costs to repair these cars and to eliminate any pressures they cause on basic rates.

The government will get to work on the necessary legislative changes to have ICBC no longer insure these high end luxury cars. This means that in the future, private owners of these cars will have to purchase their insurance through private insurance. Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.

While this work is underway, government will immediately take steps so high-end luxury car owners will pay more than double for their basic insurance and ensure their premiums fully cover all costs of any repairs. These interim changes will be formally implemented as soon as possible.

"Right now, whether a person drives a \$15,000 Honda Civic or a \$300,000 Ferrari – their basic insurance premiums are similar. If owners of high-end luxury cars can afford a high-priced car, they certainly can afford to pay higher premiums to cover the real cost for their repairs," said Transportation and Infrastructure Minister Todd Stone. "This policy needs to be fair for all British Columbian ratepayers, and we want to ensure that the regular everyday driver is not paying for the additional repair costs of these cars through their insurance rate."

The average private passenger cars in B.C. is worth approximately \$15,000, which is 10 times less than the growing number of luxury high-end cars on the road (cars worth above \$150,000). When these more expensive cars get into a crash, it costs approximately six times more to fix them because they are rare, and they are built using high-end technologies and more expensive materials. However, until now, the owner has paid similar rates for their basic insurance.

Last year, for example, the average repair cost for a high-value luxury car was approximately \$13,000 compared to the average repair cost of approximately \$2,500 for a typical private vehicle. For example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone. While the cost to repair this car is substantially more than the everyday car, the basic insurance rates of about \$1000 per car are about the same.

The new rates will apply to private passenger cars only, and not commercial trucks, pick-up trucks, collector cars or limousines. The new rule also does not apply to RVs.

The B.C. government and ICBC will start working on necessary framework and policy changes immediately.

This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the following:

- Rate smoothing model – which restricts basic rate increases to plus/ minus 1.5 percent of the prior rate adjustment.
- Tougher enforcement for distracted drivers - with significantly higher fines, more penalty points, higher levels of enforcement and more education.
- Mitigating fraudulent claims – working to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will target fraudulent claims and ultimately lower ICBC rates for all drivers.

This is one of a number of actions that government and ICBC will be rolling out over the coming weeks and months to continue to address cost pressures on rates.

One backgrounder follows.

Media Contact:

Media Relations

Government Communications and Public Engagement Ministry of Transportation and
Infrastructure
250 356-8241

Connect with the Province of B.C. at: www.gov.bc.ca/connect

BACKGROUND

Top five highest repair costs (year-to-date 2016)

Vehicle year	Vehicle make	Vehicle model	Total repair costs	Actual cash value (ACV) / Declared value (DV)
2015	McLaren	650S	\$93,574	DV of \$405,697
2011	Ferrari	458 Italia	\$88,481	DV of \$299,700
2016	Maserati	Gran Turismo	\$78,999	DV of \$215,654
2015	Mercedes-Benz	CLS63 AMG	\$76,796	ACV of \$120,952
2015	Porsche	911	\$76,617	ACV of \$158,785
2011	Rolls Royce	Phantom	\$76,474	DV of \$246,500

Media contact: Media Relations
Government Communications and Public Engagement
Ministry of Transportation and Infrastructure
250 356-8241

Connect with the Province of B.C. at: www.gov.bc.ca/connect

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 12:32 PM
To: Wolford, Jessica GCPE:EX; Fraser, John Paul GCPE:EX; Bell, Jordan TRAN:EX
Cc: Rorison, Trish GCPE:EX
Subject: Current package
Attachments: QA_Luxury vehiclesV2_Nov 2016.docx; SP_Min Todd Stone_Luxury Vehicles_Updated.docx; NR_Luxury VehiclesV2_Nov 2016.docx; BCUC request media statement.docx; ICBC event rollout - Nov 23 announcement.docx

Follow Up Flag: Follow up
Flag Status: Completed

Where we're at right now... with speaking notes and QA as well.

Ryan Jabs
 Communications Director | Ministry of Transportation and Infrastructure
 Government Communications & Public Engagement
 Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

Page 426 to/à Page 435

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ICBC Luxury vehicle announcement

Date: Wednesday, November 23, 2016

Location: ICBC's 5th and Cambie Claim Centre
456 West 5th Avenue
Vancouver, B.C.

Media event: 2:30 pm until 3:00 pm

Parking instructions for speakers: Coming from Yukon Street, head west onto 5th Avenue, the first driveway of the left is for the parkade. Please press the ICBC buzzer for the gate to open and proceed to the stall numbers noted below for each speaker.

Media and others parking and entrance: Street parking is available in the vicinity. Please enter via ICBC's main entrance on 5th Avenue.

ICBC event contact: Kate Best – 604-803-1803, kate.best@icbc.com

Event rollout:

Time	Activity	Responsible
8:30 am	Ferrari towed to Claim Center	Kathy Taylor (ICBC) Tyler Chorney (ICBC)
9 am	Consent forms signed for CBRU staff (will be working in the background of tube – windowed area) If unable to secure consent, media will be advised not to film these staff	Kate Best (ICBC)
11 am	Email to 5 th and Cambie staff no foot traffic in the tube from noon until 3pm	Kate Best (ICBC) Tyler Chorney (ICBC)
12 noon	Pro-show arrives to AV set-up	Anish Dwivedi (BC Gov) Kate Best (ICBC)
1:00 pm	Chris Hancock – ICBC vehicle damage spokesperson arrives Parking spots 95 Take the south elevator Proceeds to tube	Kate Best (ICBC)

1:30 pm	Final customer appointments in the tube	Tyler Chorney (ICBC)
1:45 pm	Corolla driven into place	Tyler Chorney (ICBC)
1:45 pm	Walk through of media vehicle demo	Pro-show Chris Hancock (ICBC) Anish Dwivedi (BC Gov) Kate Best (ICBC)
1:45 pm	ICBC estimating staff exit the tube Four customers appointments from 1:45 until 3:15 will be handled in the breezeway	Tyler Chorney (ICBC)
2:00 pm	ICBC media sign-in in place	Kathy Taylor (ICBC)
2:00 pm	Mark Blucher arrives Parking spots 93 Take the south elevator Proceeds to Boardroom A on 2 nd floor	Kate Best (ICBC) Water provided (Kate Best)
2:15 pm	Media begin to arrive	
2:25 pm	Minister arrives Parking spot 88 Take the south elevator Proceeds to Boardroom A on 2 nd floor	Anish Dwivedi (BC Gov)
2:27 pm	Event pre-brief	Anish Dwivedi (BC Gov)
2:30 pm	Media tour/ explanation of damage with two vehicles	Chris Hancock Minister Mark Blucher
2:35 pm	Minister Stone walks over to the podium and begins remarks. At the end of his remarks, he invites Mark Blucher to the podium.	
2:38 pm	Mark Blucher, President & CEO of ICBC validates Ministers announcement	
2:41 pm	Minister returns back to the podium for Q&A.	Moderated by Mary Lo (BC Government)

2:51 pm	Event concludes	
2:55 pm	Minister departs	
3:00 pm	Tear down begins	Anish Dwivedi (BC Gov) Kate Best (ICBC)
3:15 pm	ICBC customer appointments resume in the tube	Tyler Chorney (ICBC)

Event Information / Opening Remarks

Event: Luxury Vehicles – New rules

When: Wednesday, Nov. 23, 2016 at 2 pm

Where: ICBC claim centre at 456 West 5th Ave. in Vancouver

Event contact: Anish Dwivedi – 778-875-9129

From Tran Communications –Lisanne Bowness – cell: 250-889-1336

Speakers: Minister Todd Stone; ICBC President & CEO Mark Blucher

Length: 3 minutes

Dress: Business professional

Background:

The BC government has asked ICBC to move ahead with a new measure to make the basic insurance rates more fair for everyone, and to help reduce the cost pressures on rates.

Government is moving forward to no longer insure high-end luxury vehicles (worth over \$150,000) so that the broader rate payer is not subsidizing these vehicles. While this work is underway, high-end luxury cars will pay significantly more for basic insurance to ensure their premiums cover the full costs to repair these vehicles.

Interim changes, which will roll out as soon as possible, will include at least doubling the basic insurance premiums for luxury high-end vehicles worth over \$150,000, as well as an increase to optional premiums.

In the future, ICBC will be moving to no longer insure this rate class, and the owners of these vehicles will have to go to private insurance instead. This is addressing basic fairness for the rest of ratepayers who should not be covering the cost costly crashes for those who own expensive, luxury cars.

The government realized there was an issue, and is acting to fix it. The government is now going to start working on necessary legislative changes to introduce the new rules.

Audience Size: 20-30 attendees plus media

Speaking Notes
for
Minister Todd Stone
Minister of Transportation & Infrastructure

Luxury Vehicles Announcement

Wed, Nov. 23, 2016 – 2 pm
ICBC claim centre at 456 West 5th Ave. in Vancouver

Greetings:

- Hello, happy to be here today.
- Special thanks to: ICBC President & CEO Mark Blucher

Importance of keeping insurance rates low:

- Government and ICBC are committed to doing everything we can to keep insurance rates as low as possible for British Columbians.
- We want insurance rates to remain affordable for families – who are working hard to put food on the table, and pay their bills.
- We have to recognize that rising claims costs continue to be of concern, and ICBC's priority is to try to mitigate the impact of these costs to customers.

Rate smoothing:

- This is why, in 2013, we introduced the “rate smoothing model” – to see more stable and predictable basic rates for ICBC customers.
- In previous years, the basic rate changes have been volatile, ranging from -2.4 % in 2010 to 11.2% in 2012.
- This was difficult for families, and we recognized that we didn't want to see these huge spikes happen anymore.
- So, as a government we put in the rate smoothing model, which restricts basic rate increases to plus/ minus 1.5 percent of the prior rate adjustment.
- This is helping “smooth out” rate adjustments, reducing volatility and creating more stability from year to year.

2016 rate filing actions:

- This is also why with this past year's rate application to the BCUC, government and ICBC took a number of steps to try and protect families from the full impact of these pressures.

- We directed a \$472 million transfer from ICBC's optional side of the business to offset the cost of basic insurance.
- This \$472 million transfer is part of the more than \$1.4 billion that has been transferred from ICBC's Optional side of its business to keep basic rate increases down since 2012.
- ICBC has stepped up its efforts against exaggerated and fraudulent claims which could be costing hundreds of millions per year in additional claims costs.
- Along with hundreds of convictions in recent years and a public education campaign, ICBC is also now testing a fraud analytics tool which will help more quickly target claims with the highest risk of fraud.
- We are continuing our focus to address distracted driving with tougher fines and more education. Distracted driving is responsible for approximately one quarter of all fatal crashes in B.C.
- And ICBC is beginning to see the benefits of their new business management system - projected to save \$90 to \$100 million a year.
- As a result of that work and the actions we've taken, we have managed to get the projected increase for Basic insurance of 15.5% down to 4.9%, or \$3.50 per month.
- And we are continuing to do everything that we can to ensure that any rate increases are affordable and in line with the 4.9% Basic rate increase ICBC announced earlier this year.

Projected Rate Hikes Published:

- As you are aware, ICBC has been asked by the BCUC to publish some hypothetical projections for basic insurance rates.
- There have been some media reports and some rhetoric out there about this that I recognize could be causing some alarm for the public.
- We want to put this into context. The BCUC asked ICBC to do some rate modelling based on an extreme worst-case hypothetical situation, and these numbers have been made public.
- I want to reassure the public that these are extreme projections that do not consider the actions that the BC government and ICBC are taking to reduce the pressures on rates.
- So today, ICBC published two other hypothetical rate projections, just to show that these are shifting projections, using different sets of assumptions.
- One shows insurance rate increases remaining steady around the 5% mark – and the other showing rate increases dropping to less than two percent.
- None of these speculative scenarios are a real forecast. They are all hypothetical and depend on whether costs continue to rise and on government actions.

Our steps:

- So let's get into what we, as a government, are doing about insurance rates.
- We know there is an issue with increasing crash rates, higher repair costs, more costs for injury, and we don't want to see insurance rates go sky high.
- That would only happen if we did nothing, and just sat still.
- But as a government, we are already taking a number of steps to help address the cost pressures, including:

- Cracking down on distracted driving – with significantly higher fines, more penalty points, higher levels of enforcement and more education. (Second time distracted driving offenders will pay a total of \$888 in financial penalties, which escalates further for any additional offence).
- Additional steps to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will help to more quickly target claims with the highest risk of fraud – and ultimately lower ICBC rates for all drivers.

Today – introducing new rules for Luxury Vehicles:

- And today, we are excited to announce a new measure that we have asked ICBC to undertake – to help increase fairness for everyone, and help address some of the cost pressures on rates.
- The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago.
- Right now, whether a person drives a \$25,000 Honda Civic or whether a person drives a \$200,000 Lamborghini – their basic insurance rates are similar, while the costs of repair are substantially different. (Much more expensive to repair a luxury vehicle).
- The average private passenger vehicle in B.C. is worth approximately \$15,000, which is 10 times less than the growing number of luxury high-end cars on the road (cars above \$150,000).
- When these more expensive vehicles get into a crash, it costs approximately six times more to fix them, because these vehicles are rare, and they are built using high-end technologies and more expensive materials.

- For example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone.
- But the owner pays practically the same for their Basic insurance.
- I think we can all agree that this policy as it stands is unfair to the majority of British Columbians, who cannot afford these very expensive cars, and it should be changed.
- Government is acting now to address the rising costs to repair these cars and to eliminate any pressures they cause on basic rates.
- The change I am announcing today will impact owners of high end luxury vehicles - with a Manufacturer's Suggested Retail Price of more than \$150,000.
- Government is moving forward to no longer insure the high-end luxury car rate class (cars worth \$150,000 and over) so that the broader ratepayer is not subsidizing these cars.
- The government will get to work on the necessary legislative changes to have ICBC no longer insure these high end luxury cars.
- This means that in the future, private owners of these cars will have to purchase their insurance through private insurance.
- Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.
- While this work is underway, government will immediately take steps so high-end luxury car owners will pay more than double for their basic insurance and ensure their premiums fully cover all costs of any repairs.
- These interim changes will be formally implemented as soon as possible.

- This new rule will apply to private passenger vehicles only. It does not apply to limousines, commercial, or motor coach buses. It also does not apply to RVs.
- This is a move to protect the middle-class rate payer and address basic fairness for the rest of ratepayers who should not be covering the costly crashes for those who own expensive, luxury cars.
- The government realized there was an issue, and is acting to fix it.
- We are firmly committed to taking appropriate and effective measures that will help keep insurance rates affordable for British Columbians.
- This measure goes hand in hand with the other measures we have already introduced (rate smoothing, mitigating fraudulent claims, and tougher enforcement/ higher fines for distracted driving offences).
- There is more to come...
- We will have more cost saving measures to roll out in the near future, so please stay tuned.

Conclusion:

- As a father of 3 girls, family is of the utmost importance to me.
- We know how hard families are working – and we want to do everything we can to keep insurance rates as affordable as possible.
- Government will continue to work with ICBC over the coming months and years as we work to address the ongoing pressures on ICBC insurance rates.
- Our ultimate goal is to keep the rates fair and affordable for everyone.
- It is a privilege to represent Kamloops-South Thompson.

- And it has been a privilege to be here today.
- Thank you.

End

Information Bulletin

ICBC statement on BCUC information request

ICBC has today refiled its original, complete response – along with some additional information – to the British Columbia Utilities Commission’s (BCUC) information request, 2016.1 RR BCUC.19.1.

ICBC earlier requested that part of its response be held confidentially by the BCUC and remains concerned about the publication of the purely hypothetical scenarios requested by the Commission and the potentially misleading impression they convey.

The request from the BCUC directed ICBC to assume that no efforts are being made by the corporation and government to expand on our current initiatives or to implement new initiatives designed to alleviate the pressures being put on insurance rates – this is far from the case. Nor did the request consider any future improvements to the various rate mitigation initiatives already underway.

To illustrate the challenges with responding to this request, ICBC has updated its response with two additional hypothetical scenarios using different sets of assumptions from those requested by the BCUC.

The resulting outcomes portray a different picture of basic insurance rates which are subject to the same issue of volatility and uncertain external trends. None of these speculative scenarios are a real forecast. ICBC’s 2016 rate application is asking for a 4.9 per cent increase to basic insurance rates and we remain committed to keeping rates as affordable as possible for our customers.

ICBC’s full response to the BCUC’s information request can be read here:

[LINK 1 \(Letter\)](#)

[LINK 2 \(Full response\)](#)

The process of BCUC and interested parties submitting information requests to ICBC is a normal part of the annual regulatory rate application process. ICBC receives hundreds of such requests every year.

ICBC worked alongside government earlier this year to implement various initiatives aimed at alleviating the accelerating external pressures on auto insurance rates – an escalation in the number of crashes, the number of claims being filed and the cost of settling those claims.

These initiatives included stepping up our efforts to combat fraud and continuing the fight against distracted driving. By taking a number of steps, we were able to get our current rate application down to 4.9 per cent – lower than last year’s 5.5 per cent.

ICBC is committed to continuing to work alongside government to explore further initiatives to alleviate the growing pressures on insurance rates.

Editor’s note: ICBC will be available to make further comment at an announcement alongside government this afternoon. A media advisory from government will follow.

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 11:59 AM
To: Wolford, Jessica GCPE:EX; Fraser, John Paul GCPE:EX; Bell, Jordan TRAN:EX
Subject: RE: Upated - NR_Luxury VehiclesV2_Nov 2016
Attachments: NR_Luxury VehiclesV2_Nov 2016.docx

Follow Up Flag: Follow up
Flag Status: Completed

I got rid of the word "vehicle" in this version, and made sure ratepayer was all one word.

No more "in any way"

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 11:53 AM
To: Wolford, Jessica GCPE:EX; Fraser, John Paul GCPE:EX; Bell, Jordan TRAN:EX
Subject: Upated - NR_Luxury VehiclesV2_Nov 2016

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From: Wolford, Jessica GCPE:EX
Sent: Wednesday, November 23, 2016 11:40 AM
To: Jabs, Ryan GCPE:EX; Fraser, John Paul GCPE:EX; Bell, Jordan TRAN:EX
Subject: RE: Updated version - NR_Luxury VehiclesV2_Nov 2016

Follow Up Flag: Follow up
Flag Status: Completed

Reviewing now

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 11:33 AM
To: Fraser, John Paul GCPE:EX; Wolford, Jessica GCPE:EX; Bell, Jordan TRAN:EX
Subject: RE: Updated version - NR_Luxury VehiclesV2_Nov 2016

Mind using this version? I've added another sentence to the paragraph on legislative changes to note that these drivers will still need to carry insurance.

Next, the government will get to work on the necessary legislative changes to have ICBC no longer insure these high end luxury vehicles. This means that in the future, private owners of these vehicles will have to purchase their car insurance through private insurance. Drivers of these vehicles will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 11:29 AM
To: Fraser, John Paul GCPE:EX; Wolford, Jessica GCPE:EX; Bell, Jordan TRAN:EX
Subject: Updated version - NR_Luxury VehiclesV2_Nov 2016

Page 453 to/à Page 454

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s.13

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 11:33 AM
To: Fraser, John Paul GCPE:EX; Wolford, Jessica GCPE:EX; Bell, Jordan TRAN:EX
Subject: RE: Updated version - NR_Luxury VehiclesV2_Nov 2016
Attachments: NR_Luxury VehiclesV2_Nov 2016.docx

Follow Up Flag: Follow up
Flag Status: Completed

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Next, the government will get to work on the necessary legislative changes to have ICBC no longer insure these high end luxury vehicles. This means that in the future, private owners of these vehicles will have to purchase their car insurance through private insurance. Drivers of these vehicles will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 11:29 AM
To: Fraser, John Paul GCPE:EX; Wolford, Jessica GCPE:EX; Bell, Jordan TRAN:EX
Subject: Updated version - NR_Luxury VehiclesV2_Nov 2016

Page 456 to/à Page 457

Withheld pursuant to/removed as

s.13

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 11:29 AM
To: Fraser, John Paul GCPE:EX; Wolford, Jessica GCPE:EX; Bell, Jordan TRAN:EX
Subject: Updated version - NR_Luxury VehiclesV2_Nov 2016
Attachments: NR_Luxury VehiclesV2_Nov 2016.docx

Follow Up Flag: Follow up
Flag Status: Completed

Page 459 to/à Page 460

Withheld pursuant to/removed as

s.13

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 10:22 AM
To: Wolford, Jessica GCPE:EX; Fraser, John Paul GCPE:EX; Bell, Jordan TRAN:EX; Main, Grant TRAN:EX
Subject: New version - luxury vehicles
Attachments: NR_Luxury VehiclesV2_Nov 2016.docx

Follow Up Flag: Follow up
Flag Status: Completed

Updated version... MTS's quote is mid-way down, but think we need to get there with the details first.

We'll send this around for review.

Page 462 to/à Page 463

Withheld pursuant to/removed as

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Peters, Yvonne TRAN:EX

From: Wolford, Jessica GCPE:EX
Sent: Wednesday, November 23, 2016 9:24 AM
To: Chin, Ben PREM:EX; Cadario, Michele PREM:EX; Mills, Shane PREM:EX; Smart, Stephen PREM:EX; Sweeney, Neil PREM:EX; McPhee, Adam PREM:EX
Cc: Bell, Jordan TRAN:EX; Fraser, John Paul GCPE:EX
Subject: revised NR
Attachments: NR_Exotic Vehicles_insurance increase_Nov 2016.docx

Follow Up Flag: Follow up
Flag Status: Completed

Page 465 to/à Page 467

Withheld pursuant to/removed as

s.13

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 9:19 AM
To: Bell, Jordan TRAN:EX; Wolford, Jessica GCPE:EX; Fraser, John Paul GCPE:EX
Subject: Updated version
Attachments: NR_Exotic Vehicles_insurance increase_Nov 2016.docx

Follow Up Flag: Follow up
Flag Status: Completed

Updated the lead and MTS's quote. Let me know if I caught it.

VANCOUVER – The B.C. government is moving forward with changes to insurance rates so that high-end luxury cars will pay significantly more for basic insurance to ensure their premiums cover the full costs to repair these vehicles, Minister of Transportation and Infrastructure Todd Stone announced today. Changes will include at least doubling the basic rate for luxury high-end vehicles over \$150,000, as well as an increase to optional rates.

The high-end luxury car market is a growing market, with 3,000 vehicles insured this past year, a 30% increase compared to three years ago. Government is acting now to address the rising costs to repair these vehicles and to help continue to reduce some of the pressures on basic rates.

“Right now, whether a person drives a \$25,000 Honda Civic or a \$200,000 Lamborghini – their basic insurance rates are similar. Owners of high-end luxury vehicles can afford a high-priced cars, so they certainly can afford to pay higher rates to cover the real cost for their repairs,” said Transportation and Infrastructure Minister Todd Stone. “This policy needs to be fair for all British Columbian rate payers, and we want to ensure that the regular every day driver, like you and me, are not covering the additional repair costs for these high-end vehicles.”

The average private passenger vehicle in B.C. is worth approximately \$15,000, which is 10 times less than the growing number of luxury high-end cars on the road (cars above \$150,000). When these more expensive vehicles get into a crash, it costs approximately six times more to fix them because these vehicles are rare, and they are built using high-end technologies and more expensive materials. But the owner pays the same for their Basic insurance.

Last year, for example, the average repair cost for a high-value luxury vehicle was approximately \$13,000 compared to the average repair cost of approximately \$2,500 for a typical private vehicle. A 2012 Ferrari FF – a four-seater Ferrari was in a crash this past year and cost ICBC \$300,000 to settle with the owner. The salvage value of the damaged car is estimated at less than \$80,000. As another example, the cost for parts to repair the fender, grille, headlight and intercooler on a 2015 Bentley Flying Spur W12 was approximately \$38,000 alone.

Their basic insurance rates, however, are nearly the same at close to \$1,000 per vehicle.

In 2015, it cost ICBC nearly four times more to repair these vehicles than it raised from the basic insurance premiums these drivers paid. When the new rates are introduced, premiums will more accurately and fairly cover the actual costs that ICBC pays to repair or replace these cars.

(Mark Blucher quote)

The new rates will apply to private vehicles only, and not to limousines, work vehicles, pick-up trucks, commercial fleets or collector vehicles. The new rule also does not apply to RVs.

The minister has also directed ICBC to continue to look at insurance products for high end luxury vehicles to determine if there are any other changes that are needed to ensure ICBC is not losing money by insuring these cars.

The B.C. government and ICBC will start working on necessary framework and policy changes immediately, and the new rates are expected to come into effect in the summer of 2017.

This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the following:

- Rate smoothing model – which restricts basic rate increases to plus/ minus 1.5 percent of the prior rate adjustment.
- Tougher enforcement for distracted drivers - with significantly higher fines, more penalty points, higher levels of enforcement and more education.
- Mitigating fraudulent claims – working to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will target fraudulent claims and ultimately lower ICBC rates for all drivers.

This is one of a number of actions that government and ICBC will be rolling out over the coming weeks and months to continue to address cost pressures on rates.

Media Contact:

Media Relations

Government Communications and Public Engagement Ministry of Transportation and Infrastructure
250 356-8241

Connect with the Province of B.C. at: www.gov.bc.ca/connect

Ryan Jabs

Communications Director | Ministry of Transportation and Infrastructure

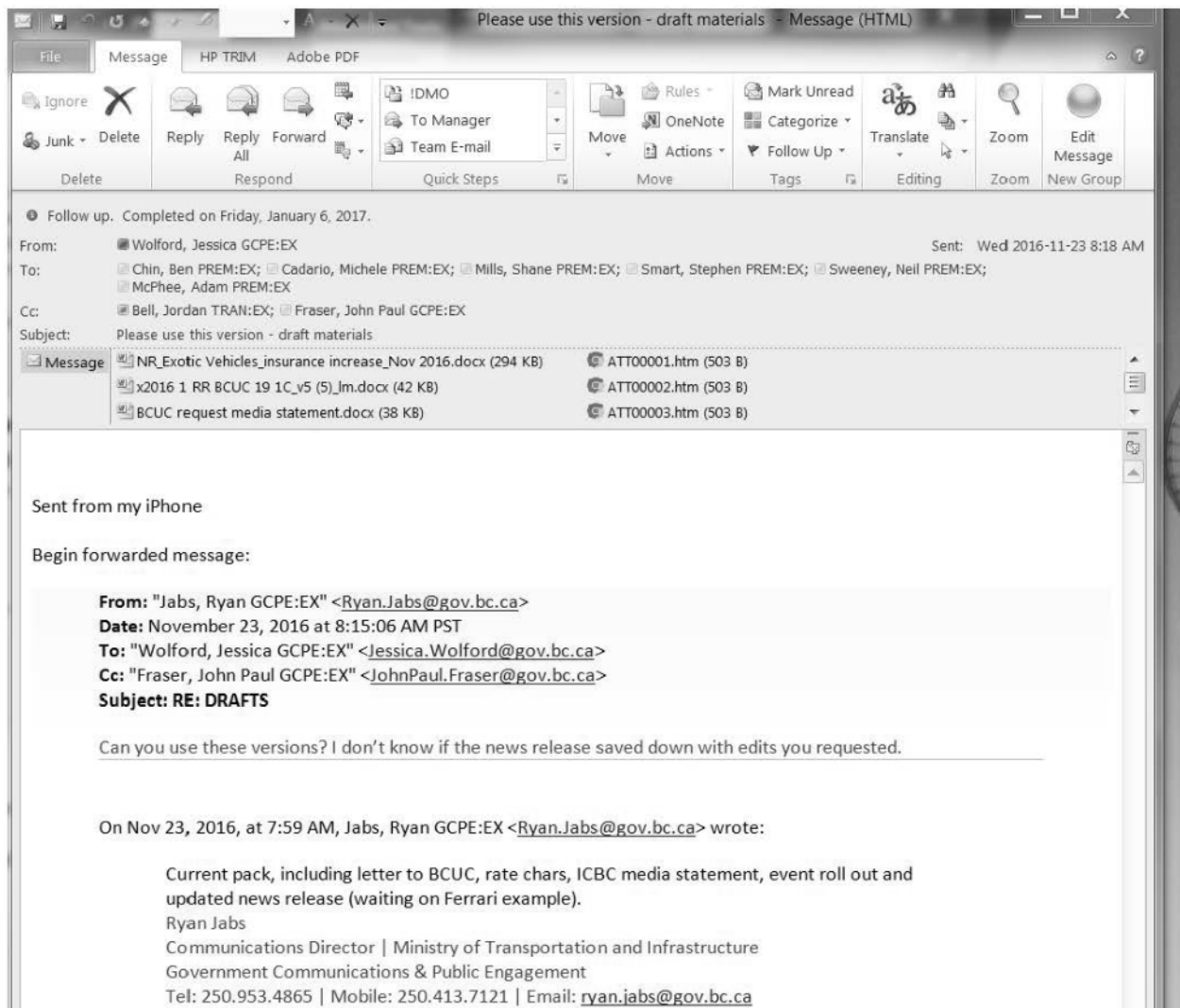
Government Communications & Public Engagement

Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

Page 470 to/à Page 472

Withheld pursuant to/removed as

s.13



Page 474 to/à Page 483

Withheld pursuant to/removed as

s.13

Information Bulletin

ICBC statement on BCUC information request

Copyright

ICBC Luxury vehicle announcement

Date: Wednesday, November 23, 2016

Location: ICBC's 5th and Cambie Claim Centre
456 West 5th Avenue
Vancouver, B.C.

Media event: 2:30 pm until 3:00 pm

Parking instructions for speakers: Coming from Yukon Street, head west onto 5th Avenue, the first driveway of the left is for the parkade. Please press the ICBC buzzer for the gate to open and proceed to the stall numbers noted below for each speaker.

Media and others parking and entrance: Street parking is available in the vicinity. Please enter via ICBC's main entrance on 5th Avenue.

ICBC event contact: Kate Best – 604-803-1803, kate.best@icbc.com

Event rollout:

Time	Activity	Responsible
8:30 am	Ferrari towed to Claim Center	Kathy Taylor (ICBC) Tyler Chorney (ICBC)
9 am	Consent forms signed for CBRU staff (will be working in the background of tube – windowed area) If unable to secure consent, media will be advised not to film these staff	Kate Best (ICBC)
11 am	Email to 5 th and Cambie staff no foot traffic in the tube from noon until 3pm	Kate Best (ICBC) Tyler Chorney (ICBC)
12 noon	Pro-show arrives to AV set-up	Anish Dwivedi (BC Gov) Kate Best (ICBC)
1:00 pm	Chris Hancock – ICBC vehicle damage spokesperson arrives Parking spots 95 Take the south elevator Proceeds to tube	Kate Best (ICBC)

1:30 pm	Final customer appointments in the tube	Tyler Chorney (ICBC)
1:45 pm	Corolla driven into place	Tyler Chorney (ICBC)
1:45 pm	Walk through of media vehicle demo	Pro-show Chris Hancock (ICBC) Anish Dwivedi (BC Gov) Kate Best (ICBC)
1:45 pm	ICBC estimating staff exit the tube Four customers appointments from 1:45 until 3:15 will be handled in the breezeway	Tyler Chorney (ICBC)
2:00 pm	ICBC media sign-in in place	Kathy Taylor (ICBC)
2:00 pm	Mark Blucher arrives Parking spots 93 Take the south elevator Proceeds to Boardroom A on 2 nd floor	Kate Best (ICBC) Water provided (Kate Best)
2:15 pm	Media begin to arrive	
2:25 pm	Minister arrives Parking spot 88 Take the south elevator Proceeds to Boardroom A on 2 nd floor	Anish Dwivedi (BC Gov)
2:27 pm	Event pre-brief	Anish Dwivedi (BC Gov)
2:30 pm	Media tour/ explanation of damage with two vehicles	Chris Hancock Minister Mark Blucher
2:35 pm	Minister Stone walks over to the podium and begins remarks. At the end of his remarks, he invites Mark Blucher to the podium.	
2:38 pm	Mark Blucher, President & CEO of ICBC validates Ministers announcement	
2:41 pm	Minister returns back to the podium for Q&A.	Moderated by Mary Lo (BC Government)

2:51 pm	Event concludes	
2:55 pm	Minister departs	
3:00 pm	Tear down begins	Anish Dwivedi (BC Gov) Kate Best (ICBC)
3:15 pm	ICBC customer appointments resume in the tube	Tyler Chorney (ICBC)

Page 488 to/à Page 489

Withheld pursuant to/removed as

s.13

Peters, Yvonne TRAN:EX

From: Penner, Barry <BM-Barry.Penner@icbc.com>
Sent: Wednesday, November 23, 2016 7:55 AM
To: Stone, Todd TRAN:EX
Cc: Bell, Jordan TRAN:EX
Subject: Exotic surcharge -s.13
Attachments: s.13,s.17

Follow Up Flag: Follow up
Flag Status: Flagged

Attached is Briefing Note showing s.13,s.17
 s.13,s.17

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Insurance Corporation of British Columbia | 151 W. Esplanade | North Vancouver | V7M 3H9
 Contact Us<<http://www.icbc.com/about-icbc/contact-us/Pages/default.aspx/>>

I. Prepared for: The Honourable Todd Stone, Minister responsible for ICBC, for INFORMATION/DECISION/ACTION etc.

II. Subject: s.13,s.17 **High Value Vehicle surcharge**

III. Background:

- Cabinet has approved a high value vehicle (HVV) BASIC surcharge of 100% on vehicles with an MSRP over \$150,000 to achieve greater fairness in rates, recognizing the extra costs being imposed on the insurance system by expensive luxury vehicles.
- s.13,s.17
- The HVV surcharge recognizes the extra costs imposed on the Basic insurance system by expensive vehicles, whether involved in at-fault crashes or not, which are currently being shared by all ICBC policyholders. Placing high value vehicles on the road contributes to overall system costs in a way that is not reflective in the current rate structure.
- However, when high value vehicles become a few years old, and worth less than new, the high repair costs do not diminish. High average cost of repairs for these vehicles continue to put an extra burden on Basic rates. After a number of years these high value vehicles depreciate to the point that they may be written off after a crash, and avoid the high cost of repairs.
- s.13,s.17
-
- The Cabinet approved Basic surcharge of 100% on vehicles with an MSRP over \$150,000 would affect an estimated 2,000 customers per year at an average additional cost of \$1,100. Basic revenues would increase by approximately \$2.2M annually.

IV. Discussion:

- s.13,s.17

• s.13,s.17

•

- OIC and Tariff changes have been drafted and agreed to by ICBC and LegCo, under the current plan for a 100% BASIC surcharge on vehicles over \$150,000 to take effect March 31, 2017. A second Tariff amendment has been drafted to address s.13,s.17 s.13,s.17 for the Minister's consideration. Both Tariff's and OIC have been updated to reflect an implementation date of November 1, 2017.

Contact: Chris Tupper
Manager, Government
Partnerships and Programs
604-328-4271

Business Area Contact: Rob Wilson
Sr. Director Personal Insurance,
Broker Governance & Customer
Strategy, ICBC
(604) 982-6122

Date: October 29, 2016

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Tuesday, November 22, 2016 10:49 PM
To: Bell, Jordan TRAN:EX; Brownsey, Silas TRAN:EX; Kislock, Lindsay M TRAN:EX; Main, Grant TRAN:EX; Mercer, Andrea TRAN:EX
Cc: Bowness, Lianne GCPE:EX; Rorison, Trish GCPE:EX
Subject: Draft - insurance rates
Attachments: NR_Exotic Vehicles_insurance increase_Nov 2016.docx

Follow Up Flag: Follow up
Flag Status: Completed

Hi folks,

Updated news release for review. I'll also send it through to the centre for their feedback. Depending on the feedback and direction, we'll update the speaking notes and QA in the morning.

Thanks,

Ryan Jabs
 Director of Communications – Ministry of Transportation and Infrastructure
 Government Communications and Public Engagement
 (250) 953-4893
 Cell: (250) 413-7121
Ryan.Jabs@gov.bc.ca

Page 494 to/à Page 496

Withheld pursuant to/removed as

s.13

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Tuesday, November 22, 2016 9:15 PM
To: Bell, Jordan TRAN:EX; Main, Grant TRAN:EX; Kislock, Lindsay M TRAN:EX; Brownsey, Silas TRAN:EX
Cc: Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX; Korinowsky, Alexandra GCPE:EX; Wolford, Jessica GCPE:EX; Mercer, Andrea TRAN:EX
Subject: Draft ICBC statement / draft event plan
Attachments: BCUC request media statement.docx; ICBC event rollout - Nov 23 announcement.docx

Importance: High

Follow Up Flag: Follow up
Flag Status: Completed

Hi folks,

Attached and below is ICBC's statement they're planning to issue with the BCUC letters. I've also attached their event rollout for tomorrow afternoon's event. They'll have one of their claims experts, Chris Hancock, provide a tour off the top of the Ferrari and vehicle door to give media a sense of the costs and some good visuals before we dive into the announcement.

Let me know if you have any suggestions or edits.

Ryan

From: Grossman, Adam [mailto:Adam.Grossman@icbc.com]
Sent: Tuesday, November 22, 2016 8:31 PM
To: Jabs, Ryan GCPE:EX
Cc: Crombie, Steve; XT:Matthews, Lindsay ICBC:IN
Subject: RE: Draft ICBC statement
Importance: High

Amended per that suggestion, below and attached.

ICBC statement on BCUC information request

ICBC has today refiled its original, complete response – along with some additional information – to the British Columbia Utilities Commission's (BCUC) information request, 2016.1 RR BCUC.19.1.

ICBC earlier requested that part of its response be held confidentially by the BCUC and remains concerned about the publication of the purely hypothetical scenarios requested by the Commission and the potentially misleading impression they convey.

The request from the BCUC directed ICBC to assume that no efforts are being made by the corporation and government to expand on our current initiatives or to implement new initiatives designed to alleviate the pressures being put on insurance rates – this is far from the case. Nor did the request consider any future improvements to the various rate mitigation initiatives already underway.

To illustrate the challenges with responding to this request, ICBC has updated its response with two additional hypothetical scenarios using different sets of assumptions from those requested by the BCUC.

The resulting outcomes portray a different picture of basic insurance rates which are subject to the same issue of volatility and uncertain external trends. None of these speculative scenarios are a real forecast. ICBC's 2016 rate application is asking for a 4.9 per cent increase to basic insurance rates and we remain committed to keeping rates as affordable as possible for our customers.

ICBC's full response to the BCUC's information request can be read here:

LINK 1 (Letter)

LINK 2 (Full response)

The process of BCUC and interested parties submitting information requests to ICBC is a normal part of the annual regulatory rate application process. ICBC receives hundreds of such requests every year.

ICBC worked alongside government earlier this year to implement various initiatives aimed at alleviating the accelerating external pressures on auto insurance rates – an escalation in the number of crashes, the number of claims being filed and the cost of settling those claims.

These initiatives included stepping up our efforts to combat fraud and continuing the fight against distracted driving. By taking a number of steps, we were able to get our current rate application down to 4.9 per cent – lower than last year's 5.5 per cent.

ICBC is committed to continuing to work alongside government to explore further initiatives to alleviate the growing pressures on insurance rates.

Editor's note: ICBC will be available to make further comment at an announcement alongside government this afternoon. A media advisory from government will follow.

- 30 -

-----Original Message-----

From: Jabs, Ryan GCPE:EX [<mailto:Ryan.Jabs@gov.bc.ca>]

Sent: Tuesday, November 22, 2016 8:24 PM

To: Grossman, Adam <Adam.Grossman@icbc.com>

Cc: Crombie, Steve <Steve.Crombie@icbc.com>; Matthews, Lindsay <Lindsay.Matthews@icbc.com>

Subject: Re: Draft ICBC statement

Thanks.

Any reason for not including a line or two on the weaknesses on the original charts? That it assumes the status quo and ignores future government and ICBC actions?

And you're illustrating this with these other two models?

Ryan Jabs
250-413-7121

On Nov 22, 2016, at 8:17 PM, Grossman, Adam <Adam.Grossman@icbc.com<<mailto:Adam.Grossman@icbc.com>>>>
wrote:

Hi Ryan,

Please see below for our draft statement for media tomorrow morning. The language is consistent with both our cover letter and response to the BCUC.

Thanks,

Adam

s.13

- 30 -

.....

Adam Grossman
Communications Delivery Lead
ICBC

.....

505 - 151 W. Esplanade
North Vancouver | British Columbia | V7M 3H9
direct: 604-982-1332
cell: 604-786-2579
fax: 604-982-2491
email: adam.grossman@icbc.com<mailto:adam.grossman@icbc.com>

Sign up here<http://apps.icbc.com/about_icbc/newsroom/subscribe.htm> to receive all of ICBC's news releases direct from our Media Relations team.

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Information Bulletin

ICBC statement on BCUC information request

Copyright

ICBC Luxury vehicle announcement

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Vancouver, B.C.

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ICBC event contact: Kate Best – 604-803-1803, kate.best@icbc.com

Event rollout:

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2:00 pm	Mark Blucher arrives Parking spots 93 Take the south elevator Proceeds to Boardroom A on 2 nd floor	Kate Best (ICBC) Water provided (Kate Best)
2:15 pm	Media begin to arrive	
2:25 pm	Minister arrives Parking spot 88 Take the south elevator Proceeds to Boardroom A on 2 nd floor	Anish Dwivedi (BC Gov)
2:27 pm	Event pre-brief	Anish Dwivedi (BC Gov)
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File Message HP TRIM Adobe PDF Attachments

Open Quick Print Save As Save All Attachments Remove Attachment Select All Copy Show Message

Actions Selection Message

File name: Signed submission
Size: 1 MB
Last changed: Thursday, January 26, 2017

Message Draft - insurance rates (319 KB)
Draft ICBC statement / draft event plan (87 KB)
Signed submission (1 MB)

Signed submission s.22

☐ Lewthwaite, Jennifer TRAN:EX

● Follow up. Completed on Friday, January 6, 2017.

Sent: Mon 2016-11-21 6:22 PM

To: ☒ Bell, Jordan TRAN:EX; ☒ Kislock, Lindsay M TRAN:EX; ☒ Brownsey, Silas TRAN:EX

Cc: ☒ Borschneck, Lindsay TRAN:EX; ☒ Clark, Nathan SDSI:EX; ☒ Laforce, Christine TRAN:EX; ☒ Bishop, Carol TRAN:EX;
☒ Mercer, Andrea TRAN:EX; ☒ Matthias, Lauren TRAN:EX

Attachments: s.12 FINAL Signed.pdf (1 MB)

Please find attached the signed final Cab sub for tomorrow's P&P. I have put it on Minister's sharepoint and sent to Paul Finkel and Elizabeth MacMillan.

Jen

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Withheld pursuant to/removed as

s.12;s.13;s.17

British Columbia Utilities Commission Information Request No. 2016.1 RR BCUC.19.1C Dated 26 September 2016 Insurance Corporation of British Columbia Response Issued 20 October 2016	Page 2 of 5
25 August 2016 Insurance Corporation of British Columbia 2016 Revenue Requirements Application	

Response:

As discussed in ICBC's teleconference with the Commission staff and their consultant actuary Oliver Wyman on September 29, 2016 regarding this information request, ICBC had noted that several of these assumptions for this hypothetical scenario may not be reasonable to implement due to modeling constraints or conflicts with the current legislative framework. The Commission staff had requested that ICBC state each assumption that is used in the hypothetical scenario and elaborate on reasons why they have deviated from the scenario provided in this information request. Therefore, ICBC developed the response to this information request based on the above assumptions, but modified as required and discussed below.

- The actuarial loss cost trends as provided in the Application are utilized for the forecast years, which include the prospective adjustments that were filed in the current Application. The loss trend is higher in the outer years because the long term bodily injury (BI) severity trend is higher than the short term trend. For more information, please see the response to information request 2016.1 RR BCUC.9.6.
- ICBC must follow the current legislative framework when setting Basic insurance rates to cover costs, which specifies the exclusion of the capital build provision and using a calculation for capital maintenance provision that neither increases nor decreases the rate change; therefore ICBC's forecast model adheres to this legislative framework.
- Assumes no further prospective adjustments in 2017 and beyond. Please note that this is not a likely assumption given ICBC's commitment to continue to work with government and other various stakeholders to develop new strategies to mitigate claims costs (please see the response to information request 2016.1 RR BCUC.2.1 for further information). Nevertheless, for the purposes of this forecast, ICBC does not assume any additional future prospective adjustments beyond what is already included in the Application.
- Operating costs reflect a 2% increase in future years. Please note that for simplicity, the forecast assumes no impact on the indicated rate from the growth of operating expenses for the forecast years.

British Columbia Utilities Commission Information Request No. 2016.1 RR BCUC.19.1C Dated 26 September 2016 Insurance Corporation of British Columbia Response Issued 20 October 2016	Page 3 of 5
25 August 2016 Insurance Corporation of British Columbia 2016 Revenue Requirements Application	

- Investment returns are consistent with ICBC's 2016 second quarter outlook and financial forecast and are based on the same assumptions that were used for policy year (PY) 2016.
- Continued growth in policies written and no impact of an aging population in the forecast years (the aging population actually will have a slightly unfavourable impact on future rate changes since ICBC will collect less premium on average as the senior rate class continues to grow as a percent of total policies; however for simplicity ICBC has not accounted for this impact in this hypothetical scenario).
- A new Road Safety Memorandum of Understanding with a spending cap of \$50 million a year is very unlikely to occur. In addition, ICBC would need to estimate the favourable impacts to the rate indication as a result of this increase in spending. As a result, ICBC has not implemented this assumption in this model.
- Future rate changes are limited to the prior year's approved rate change +/- 1.5 percentage points.

Other assumptions/caveats that have been utilized for this forecast are as follows:

- This forecast represents a hypothetical scenario and is subject to considerable uncertainty.
- Future rate changes are calculated using a simplified rate forecast model including:
 - A loss cost forecast variance of zero for policy years 2017 and onward.
 - A -0.4 percentage point rate impact from the change in the investment income on policyholder supplied funds for policy years 2017 and onward ('Other Components of Rate' in Tables 1 and 2).
 - An additional -0.4 to -0.5 percentage point rate impact from income on capital transfers from other sources ('Other Components of Rate' in Table 1).

British Columbia Utilities Commission Information Request No. 2016.1 RR BCUC.19.1C Dated 26 September 2016 Insurance Corporation of British Columbia Response Issued 20 October 2016	Page 4 of 5
25 August 2016 Insurance Corporation of British Columbia 2016 Revenue Requirements Application	

- The Rate Exclusion for PY 2016 and the Removal of Prior Year's Rate Exclusion for PY 2017 include the impact of the \$300 million income transfer from Optional insurance to Basic insurance.
- Tables 1 and 2 below summarize the indicated rate change for PY 2016 to 2020 and the estimated Basic MCT levels as of the end of the next four fiscal years assuming the proposed Basic insurance rate change for PY 2016 of 4.9% is approved by the Commission and the MCT ratio for fiscal year (FY) 2016/17 is 102% (for the purpose of the Application). Table 1 shows a scenario where the MCT ratio is maintained at 100% through ongoing capital transfers from other sources while Table 2 shows a scenario where there are no further capital transfers after PY 2016.
- The scenario summarized in Table 2 below does not consider that if the MCT ratio were to fall below the regulatory minimum of 100%, this would require ICBC to report to the Treasury Board and file an appropriate plan to address capital levels to the Commission, nor does it consider the content of any such plan.

British Columbia Utilities Commission Information Request No. 2016.1 RR BCUC.19.1C Dated 26 September 2016 Insurance Corporation of British Columbia Response Issued 20 October 2016	Page 5 of 5
25 August 2016 Insurance Corporation of British Columbia 2016 Revenue Requirements Application	

Table 1 – Assuming Annual Capital from Other Sources will be Transferred to Basic Insurance to Maintain Basic MCT Ratio at 100% (Confidential)

	PY 2016	PY 2017	PY 2018	PY 2019	PY 2020
Removal of Prior Year's Rate Exclusion	5.5%	10.2%	7.6%	4.3%	0.2%
Loss Cost Trend	5.0%	5.2%	5.9%	6.3%	6.3%
Other Components of Rate	5.0%	-0.8%	-0.9%	-0.9%	-0.9%
Rate Change to Cover Costs	15.5%	14.5%	12.5%	9.6%	5.6%
Rate Exclusion	-10.7%	-8.1%	-4.6%	-0.2%	2.3%
Indicated Rate Change	4.9%	6.4%	7.9%	9.4%	7.9%
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
MCT Ratio	102%*	100%	100%	100%	100%
Capital Transfer From Other Sources	\$172M	\$330M	\$405M	\$405M	\$365M

*Fiscal year 2016/2017 Outlook MCT ratio accords with *Special Direction IC2* which includes the \$99 million transfer of income from the Optional insurance business on April 1, 2017.

Table 2 – Assuming No Further Capital Transfers from Other Sources to Basic Insurance (Confidential)

	PY 2016	PY 2017	PY 2018	PY 2019	PY 2020
Removal of Prior Year's Rate Exclusion	5.5%	10.2%	8.0%	5.2%	1.5%
Loss Cost Trend	5.0%	5.2%	5.9%	6.3%	6.3%
Other Components of Rate	5.0%	-0.4%	-0.4%	-0.4%	-0.4%
Rate Change to Cover Costs	15.5%	14.9%	13.5%	11.0%	7.4%
Rate Exclusion	-10.7%	-8.5%	-5.6%	-1.6%	0.5%
Indicated Rate Change	4.9%	6.4%	7.9%	9.4%	7.9%
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
MCT Ratio	102%*	76%	50%	27%	10%

*Fiscal year 2016/2017 Outlook MCT ratio accords with *Special Direction IC2* which includes the \$99 million transfer of income from the Optional insurance business on April 1, 2017.

Page 524 to/à Page 527

Withheld pursuant to/removed as

s.12;s.13;s.17

Appendix 4 – BCUC Order G-165-16 Denying ICBC's request for Confidential Status for IR 19.1



British Columbia
Utilities Commission

Laurel Ross
Acting Commission Secretary

Commission.Secretary@bcuc.com
Website: www.bcuc.com

Sixth Floor, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
TEL: (604) 660-4700
BC Toll Free: 1-800-663-1385
FAX: (604) 660-1102

Log No. 53502

VIA eFILE

November 14, 2016

ICBC 2016 REVENUE REQUIREMENTS

EXHIBIT A-9

Ms. June Elder
Manager, Corporate Regulatory Affairs
Insurance Corporation of British Columbia
151 West Esplanade
North Vancouver, BC V7M 3H9

Dear Ms. Elder:

Re: Insurance Corporation of British Columbia
2016 Revenue Requirements Application

Further to your October 20, 2016 request to keep the responses to Information Requests 2016.1 RR BCUC.14.1., 2016.1 RR BCUC.14.3.1, 2016.1 RR BCUC.16.1, and 2016.1 RR BCUC.19.1 confidential (Exhibit B-2-1), please find enclosed British Columbia Utilities Commission Order G-165-16 with reasons for decision.

Yours truly,

Original signed by:

Laurel Ross

/dg
Enclosure



British Columbia
Utilities Commission

Sixth floor, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
TEL: (604) 660-4700
BC Toll Free: 1-800-663-1385
FAX: (604) 660-1102

ORDER NUMBER

G-165-16

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

the Insurance Corporation Act, R.S.B.C. 1996, Chapter 228, as amended

and

Insurance Corporation of British Columbia

An Application for Approval of the Revenue Requirements for Universal Compulsory Automobile Insurance
Effective November 1, 2016

BEFORE:

D. A. Cote, Commissioner/Panel Chair

B. A. Magnan, Commissioner

R. I. Mason, Commissioner

on November 14, 2016

ORDER

WHEREAS:

- A. On August 25, 2016, the Insurance Corporation of British Columbia (ICBC) filed an application to the British Columbia Utilities Commission (Commission) for its 2016 Revenue Requirements for Universal Compulsory Automobile Insurance (Basic insurance), seeking a Basic insurance rate increase of 4.9 percent for the policy year commencing November 1, 2016 (Application);
- B. On September 2, 2016, by Order G-142-16, among other matters, the Commission established a Regulatory Timetable for the review of the Application which included Commission and Intervener Information Request (IR) No. 1;
- C. On October 20, 2016, ICBC filed its responses to IR No. 1 from the Commission and interveners, which are marked as Exhibit B-2, B-2-1, B-2-2 and B-3 in the proceeding;
- D. In Exhibit B-2-1, ICBC filed a request to keep the following IR No. 1 responses confidential:
 - i. 2016.1 RR BCUC.14.1, Attachment A - Prospective Adjustment Criteria
 - ii. 2016.1 RR BCUC.14.3.1, Attachment A - Breakdown of Financial Benefit per Alert
 - iii. 2016.1 RR BCUC.16.1, Attachment A – Bodily Injury (BI) Segmented Analysis
 - iv. 2016.1 RR BCUC.19.1 – partially redacted portion

.../2

- E. Part IV of the Commission Rules of Practice and Procedure (Rules) established by Order G-1-16 set out the rules for confidential documents filed with the Commission;
- F. In accordance with the Rules, the Commission considered ICBC's request for confidentiality on the IR No. 1 responses noted above.

NOW THEREFORE the British Columbia Utilities Commission, for reasons set out in Appendix A to this order, orders as follows:

1. The request by the Insurance Corporation of British Columbia (ICBC) to keep the content of the following Information Request (IR) No. 1 responses confidential is accepted:
 - a. 2016.1 RR BCUC.14.1, Attachment A - Prospective Adjustment Criteria;
 - b. 2016.1 RR BCUC.14.3.1, Attachment A - Breakdown of Financial Benefit per Alert;
 - c. 2016.1 RR BCUC.16.1, Attachment A – Bodily Injury Segmented Analysis.
2. The request by ICBC to keep the content of IR No. 1 response 2016.1 RR BCUC.19.1 is denied. ICBC is to file the complete response to 2016.1 RR BCUC.19.1 as part of the public evidentiary record by Wednesday, November 16, 2016.

DATED at the City of Vancouver, in the Province of British Columbia, this 14th day of November 2016.

BY ORDER

Original signed by:

D. A. Cote
Commissioner/Panel Chair

Attachment

An Application by the Insurance Corporation of British Columbia
for Approval of the Revenue Requirements for Universal Compulsory Automobile Insurance
Effective November 1, 2016

REASONS FOR DECISION

1.0 BACKGROUND

On August 25, 2016, the Insurance Corporation of British Columbia (ICBC) filed an application to the British Columbia Utilities Commission (Commission) for its 2016 Revenue Requirements for Universal Compulsory Automobile Insurance (Basic insurance), seeking a Basic insurance rate increase of 4.9 percent for the policy year commencing November 1, 2016 (Application).

On September 2, 2016, by Order G-142-16, the Commission established a Regulatory Timetable for the review of the Application which included Commission and Intervener Information Request (IR) No. 1. On October 20, 2016, ICBC filed its responses to IR No. 1 from the Commission and interveners, marked as Exhibits B-2, B-2-1, B-2-2 and B-3 in the proceeding.

In Exhibit B-2-1, ICBC filed a request to keep the following IR No. 1 responses confidential:

- i. 2016.1 RR BCUC.14.1, Attachment A - Prospective Adjustment Criteria;
- ii. 2016.1 RR BCUC.14.3.1, Attachment A - Breakdown of Financial Benefit per Alert;
- iii. 2016.1 RR BCUC.16.1, Attachment A – Bodily Injury (BI) Segmented Analysis;
- iv. 2016.1 RR BCUC.19.1 – partially redacted portion.

2.0 COMMISSION RULES OF PRACTICE AND PROCEDURE

Part IV of the Commission's Rules of Practice and Procedure (Rules) established by Order G-1-16 set out the rules that apply to confidential documents filed with the Commission. The Rules provide that if a party wishes to keep confidential any information in a document in any matter before the Commission, the party must make a request. The Commission may, with or without a hearing or further process, grant a request for confidentiality on any terms it considers appropriate.¹

With respect to a Commission determination regarding confidentiality, section 20.01 of the Rules states:

- 20.01 In determining whether the nature of the information or documents require a confidentiality direction, the Commission will have regard to matters that it considers relevant, including:
- (a) whether the disclosure of the information could reasonably be expected to result in:
 - (i) undue material financial loss or gain to a person, or
 - (ii) significant harm or prejudice to that person's competitive or negotiating position, or
 - (iii) harm to individual or public safety or to the environment;

¹ Order G-1-16 Commission Rules of Practice and Procedure, see Part IV: Confidential Documents.
http://www.bcuc.com/Documents/Participant-Info/G_1_16_BCUC_Rules_of_Practice_and_Procedure.pdf

- (b) whether the information is personal, financial, commercial, scientific, labour relations or technical information that is confidential and consistently treated as confidential by the person;
- (c) whether the person's interest in confidentiality outweighs the public interest in the disclosure of the information or documents in the hearing;
- (d) whether the person submitting the document has any legal obligation to maintain confidentiality; and
- (e) whether it is practicable to hold the hearing in a manner that is open to the public.

2.1 ICBC Request for Confidentiality

In Exhibit B-2-1, ICBC filed its responses to Commission IR No. 1² and requests that the content of the following IR No. 1 responses to be kept confidential as it contains sensitive information:

	IR No. 1 Reference	Reasons for confidentiality provided by ICBC
a.	2016.1 RR BCUC.14.1, Attachment A	The information has been filed confidentially with the Commission because negotiations and contracts with vendors have not yet concluded. The public disclosure of this information could adversely affect ICBC's negotiation, with resulting negative impacts for Basic insurance customers.
b.	2016.1 RR BCUC.14.3.1, Attachment A	Breakdown of Financial Benefit per Alert (Confidential) regarding the counter-fraud program has been filed confidentially with the Commission. Providing detailed information about the effectiveness of ICBC's Special Investigation Unit may allow some individuals to determine how to defraud ICBC while minimizing the risk of detection.
c.	2016.1 RR BCUC.16.1, Attachment A	Bodily Injury Segmented Analysis is partially redacted because of confidential content. The confidential information, if made public, could influence settlement negotiations with claimants and prejudice ICBC and its Basic insurance policyholders and thereby harm ICBC's financial interest.
d.	2016.1 RR BCUC.19.1	The response to this information request is partially redacted to remove content regarding hypothetical future rate indications and Basic capital levels requested by the Commission based on assumptions which, in ICBC's opinion, do not represent a reasonable depiction of the future Basic insurance business. The content removed is considered confidential since it is a concern that the information could be taken out of context and used to prejudice ICBC and its Basic insurance policyholders and thereby harm ICBC's financial interest.

Commission determination

The Panel reviewed the referenced IR No. 1 responses filed by ICBC and considered ICBC's request to keep the contents of those IR No. 1 responses confidential. The Panel has also considered the criteria provided in section 20.01 of the Rules to make its determinations.

² Exhibit A-3, Commission IR No. 1 to ICBC.

Regarding items (a.) through (c.) as referenced above, the Panel agrees with ICBC that the disclosure of the information can reasonably be expected to harm ICBC and Basic insurance policyholders. The content to be kept confidential as requested by ICBC relates to contract negotiations, ICBC's fraud detection strategies, and settlement negotiations. The Panel finds that they are all relevant considerations in keeping the information confidential. Therefore, **the Panel accepts ICBC's request to keep the content of the following IR No. 1 responses confidential:**

- a. **2016.1 RR BCUC.14.1, Attachment A - Prospective Adjustment Criteria**
- b. **2016.1 RR BCUC.14.3.1, Attachment A - Breakdown of Financial Benefit per Alert**
- c. **2016.1 RR BCUC.16.1, Attachment A – Bodily Injury Segmented Analysis**

In 2016.1 RR BCUC.19.1, the Commission requested information regarding rate indications from 2016 to 2020 given a set of hypothetical scenarios and assumptions relevant to Basic insurance such as loss trends, capital levels, and the legislated rate band. ICBC filed a portion of its response to 2016.1 RR BCUC.19.1 in confidence because ICBC is concerned that public release of the information could be taken out of context and used to prejudice ICBC and its Basic insurance policyholders and thereby harm ICBC's financial interest.

In response to 2016.1 RR BCUC.19.1, ICBC clearly stated that the forecast represents a hypothetical scenario and is subject to uncertainty. The Panel recognizes the caveats ICBC placed in the IR response. However, ICBC has not given compelling reasons to persuade the Panel that any portion of that IR response should be kept confidential. In the Panel's view, the information sought in 2016.1 RR BCUC.19.1 is similar to any other high-level scenario testing or sensitivity analysis given a set of assumptions. Thus, the Panel finds that ICBC's concerns are not compelling when the response clearly indicates the limitations and uncertainty contained in the forecast.

The request by ICBC to keep the content of IR No. 1 response 2016.1 RR BCUC.19.1 is denied. ICBC is to file the complete response to 2016.1 RR BCUC.19.1 as part of the public evidentiary record by Wednesday, November 16, 2016.

Page 534 to/à Page 540

Withheld pursuant to/removed as

s.12;s.13;s.17

Appendix 9 – Executive Compensation Matrix

Summary Compensation Table at FISCAL, 2015

Name and Position	Salary	Heldback Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	Total	Previous Two Years Totals	
						2015	2014	2013
Mark Blucher, President & CEO ¹	\$ 334,125	\$ 4,060	\$ 18,332	\$ 43,964	\$ 2,699	\$ 403,179	\$ 469,615	\$ 457,709
Geri Prior, Chief Financial Officer ²	\$ 331,650	\$ 6,447	\$ 18,736	\$ 43,953	\$ 5,240	\$ 406,026	\$ 482,292	\$ 489,107
Brian Jarvis, Vice President Claims ³	\$ 286,875	\$ 5,577	\$ 16,531	\$ 38,019	\$ 3,620	\$ 350,622	\$ 411,583	\$ 433,103
Barbara Meens Thistle, Vice President Corporate Services ⁴	\$ 260,000	\$ 5,054	\$ 15,057	\$ 33,800	\$ 1,395	\$ 315,306	\$ 264,170	N/A
Steve Yendall, Vice President Insurance & Driver Licensing ⁵	\$ 250,183	\$ 4,864	\$ 15,906	\$ 32,524	\$ 1,414	\$ 304,890	\$ 181,630	N/A
Camille Minogue, Former Chief Actuary ⁶	\$ 284,592	\$ 6,921	\$ 6,689	\$ 37,897	\$ 3,831	\$ 339,930	\$ 402,318	\$ 409,593
Sheila Eddin, Former Vice President Transformation ⁷	\$ 279,787	\$ 5,439	\$ 11,691	\$ 37,079	\$ -	\$ 333,996	\$ 453,772	\$ 423,402

Summary Other Compensation Table at FISCAL, 2015

Name and Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
Mark Blucher, President & CEO	\$ 2,699	\$ -	\$ 1,285	\$ -	\$ 1,414	\$ -	\$ -
Geri Prior, Chief Financial Officer	\$ 5,240	\$ -	\$ 3,827	\$ -	\$ 1,414	\$ -	\$ -
Brian Jarvis, Vice President Claims	\$ 3,620	\$ -	\$ 2,207	\$ -	\$ 1,414	\$ -	\$ -
Barbara Meens Thistle, Vice President Corporate Services	\$ 1,395	\$ -	\$ -	\$ -	\$ 1,395	\$ -	\$ -
Steve Yendall, Vice President Insurance & Driver Licensing	\$ 1,414	\$ -	\$ -	\$ -	\$ 1,414	\$ -	\$ -
Camille Minogue, Former Chief Actuary	\$ 3,831	\$ -	\$ 3,831	\$ -	\$ -	\$ -	\$ -
Sheila Eddin, Former Vice President Transformation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

- Overall, the CEO and active NEO's has a lower salary because there was a 27th pay period in 2014. 2014/15 "Pension" values in last year's submission was reported utilizing a different reporting methodology than our standard resulting in a different pension rate %. The 2014/15 "Pension" values have been corrected with the standard pension rate reporting methodology. As a result, the 2014/15 Total Compensation amounts have also been corrected.
- Mark Blucher's total compensation is lower than that of the previous year due to a significantly lower incentive payout.
 - Geri Prior's total compensation is slightly higher than that of the CEO. This is primarily due to the unused vacation payout in 2015. Overall, her total compensation is lower than that of the previous year due to significantly lower incentive payout.
 - Brian Jarvis's total compensation is lower than that of the previous year due to a significantly lower incentive payout.
 - Barbara Meens Thistle's total compensation is higher than that of the previous year, partially offset by the lower HIP, because she was hired on April 7, 2014 and her 2015 total compensation reflects the first full year of earnings in her role.
 - Steve Yendall's total compensation is higher than that of the previous year, partially offset by the lower HIP, because he was hired on June 23, 2014 and his 2015 total compensation reflects the first full year of earnings in his role. In addition, expanded responsibilities to his role resulted in an increase in base salary.
 - Camille Minogue left ICBG effective February 14, 2015. Her 2015 total compensation includes salary continuance and payout of unused vacation. She will be on salary continuance until July 14, 2016.
 - Sheila Eddin left ICBG effective December 1, 2014. Her 2015 total compensation includes salary continuance. She will be on salary continuance until June 1, 2016.

Peters, Yvonne TRAN:EX

From: Borschneck, Lindsay TRAN:EX
Sent: Monday, November 21, 2016 4:01 PM
To: Bell, Jordan TRAN:EX; Stone, Todd TRAN:EX
Subject: FW: Latest for call now
Attachments: Cab Sub - s.12 .pdf

Follow Up Flag: Follow up
Flag Status: Completed

For 4pm

From: Lewthwaite, Jennifer TRAN:EX
Sent: Monday, November 21, 2016 4:01 PM
To: Borschneck, Lindsay TRAN:EX
Subject: Latest for call now

Page 543 to/à Page 578

Withheld pursuant to/removed as

s.12;s.13;s.17

Peters, Yvonne TRAN:EX

From: Brownsey, Silas TRAN:EX
Sent: Tuesday, November 22, 2016 11:05 PM
To: Jabs, Ryan GCPE:EX
Cc: Bell, Jordan TRAN:EX; Kislock, Lindsay M TRAN:EX; Main, Grant TRAN:EX; Mercer, Andrea TRAN:EX; Bowness, Lianne GCPE:EX; Rorison, Trish GCPE:EX
Subject: Re: Draft - insurance rates

Thanks Ryan - wondering if we should be referring to this as a new "insurance product" as opposed to changes for insurance for these vehicles?

Sent from my iPhone

On Nov 22, 2016, at 10:49 PM, Jabs, Ryan GCPE:EX <Ryan.Jabs@gov.bc.ca> wrote:

Hi folks,
Updated news release for review. I'll also send it through to the centre for their feedback. Depending on the feedback and direction, we'll update the speaking notes and QA in the morning.
Thanks,

Ryan Jabs
Director of Communications – Ministry of Transportation and Infrastructure
Government Communications and Public Engagement
(250) 953-4893
Cell: (250) 413-7121
Ryan.Jabs@gov.bc.ca

Peters, Yvonne TRAN:EX

From: Rorison, Trish GCPE:EX
Sent: Tuesday, November 22, 2016 5:26 PM
To: Bell, Jordan TRAN:EX; Clark, Nathan SDSI:EX
Cc: GCPE Communications - Transportation; Lewthwaite, Jennifer TRAN:EX; Haskett, Sara TRAN:EX; McLean, Matt GCPE:EX; TRAN HQ EXECUTIVE; Valle, Gloria J TRAN:EX; Gilmour, Lori TRAN:EX; Lolacher, Russel TRAN:EX; Crighton, Jessica TRAN:EX; Reimer, Kristen TRAN:EX
Subject: Daily Issues Report - Tuesday, November 22, 2016
Attachments: FINAL_IB_Brunette Interchange 2 More Open Houses.pdf; 16-057 Salish Orca Departs Poland.pdf; MA-Kwikwetlem FN Art Blessing.docx; NR - Kwikwetlem FN Art Blessing.docx; DIR MOTI November 22 2016.docx

Here is today's Daily report along with supporting communications materials for Tuesday, November 22, 2016.

Announcements for Tuesday, Nov. 22

- **Information Bulletin – 2 more Brunette Interchange open houses – 9:30 a.m.** – Information Bulletin notifying the public of open houses to be held Dec. 6 and Dec. 7 on the Brunette Interchange project.
- **News Release - First New Salish Class Vessel Sets Sail For B.C. – 9:30 a.m.** – BC Ferries news release announcing that the Salish Orca departed Poland today and will arrive in January.

Announcements for Wednesday, Nov. 23

- **Event & NR – ICBC exotic vehicle insurance – Time TBC.** – ICBC event with Minister Stone announcing insurance policy changes for exotic vehicles.
- **Media Advisory – Traditional blessing for First Nations art at Evergreen station – time TBC** – Media advisory notifying media of the traditional blessing for First Nations art at Evergreen station at 9 a.m. on Thursday, Nov. 24.

Announcements for Thursday, Nov. 24

- **Event & NR – Traditional blessing for First Nations art at Evergreen station – 9 a.m.** – news release announcing that elders and members of the Kwikwetlem First Nation and special guests revealed a First Nations art collection today at Coquitlam Central Station.

Best,

Trish

Trish Rorison | Communications Manager
 Government Communications & Public Engagement
 B.C. Ministry of Transportation and Infrastructure

Telephone: 250.356.7707 | Mobile: 250.580.6723 | email: trish.rorison@gov.bc.ca

Proactive Announcements

Announcements for Tuesday, Nov. 22

- **Information Bulletin – 2 more Brunette Interchange open houses – 9:30 a.m.** – Information Bulletin notifying the public of open houses to be held Dec. 6 and Dec. 7 on the Brunette Interchange project.
- **News Release - First New Salish Class Vessel Sets Sail For B.C. – 9:30 a.m.** – BC Ferries news release announcing that the Salish Orca departed Poland today and will arrive in January.

Announcements for Wednesday, Nov. 23

- **Event & NR – ICBC exotic vehicle insurance – 2:00 p.m.** – ICBC event with Minister Stone announcing insurance policy changes for exotic vehicles.
- **Media Advisory – Traditional blessing for First Nations art at Evergreen station – time TBC** – Media advisory notifying media of the traditional blessing for First Nations art at Evergreen station at 9 a.m. on Thursday, Nov. 24.

Announcements for Thursday, Nov. 24

- **Event & NR – Traditional blessing for First Nations art at Evergreen station – 9 a.m.** – news release announcing that elders and members of the Kwikwetlem First Nation and special guests revealed a First Nations art collection today at Coquitlam Central Station.

Peters, Yvonne TRAN:EX

From: Wolford, Jessica GCPE:EX
Sent: Wednesday, November 23, 2016 1:40 PM
To: Bell, Jordan TRAN:EX
Subject: Fwd: Factsheet - high value vehicles - draft - 11 23 2016
Attachments: Factsheet - high value vehicles - draft - 11 23 2016.docx; ATT00001.htm

Sent from my iPhone

Begin forwarded message:

From: "Jabs, Ryan GCPE:EX" <Ryan.Jabs@gov.bc.ca>
Date: November 23, 2016 at 1:27:22 PM PST
To: "Fraser, John Paul GCPE:EX" <JohnPaul.Fraser@gov.bc.ca>, "Wolford, Jessica GCPE:EX" <Jessica.Wolford@gov.bc.ca>, "Bell, Jordan TRAN:EX" <Jordan.Bell@gov.bc.ca>
Cc: "Bowness, Lianne GCPE:EX" <Lianne.Bowness@gov.bc.ca>, "Rorison, Trish GCPE:EX" <Trish.Rorison@gov.bc.ca>
Subject: FW: Factsheet - high value vehicles - draft - 11 23 2016

We're going to add this to our news release as a backgrounder.

From: Henderson, Doug [<mailto:Doug.Henderson@icbc.com>]
Sent: Wednesday, November 23, 2016 1:26 PM
To: Jabs, Ryan GCPE:EX
Cc: XT:Matthews, Lindsay ICBC:IN
Subject: Factsheet - high value vehicles - draft - 11 23 2016

Hi Ryan,

Here are the top 5 repair costs this year. Let me know if you want our team to include this in the media kit.

Thanks,

Doug

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Insurance Corporation of British Columbia | 151 W. Esplanade | North Vancouver | V7M 3H9
[Contact Us](#)

Background

Top five highest repair costs (year-to-date 2016)

Vehicle year	Vehicle make	Vehicle model	Total repair costs	Actual cash value (ACV) / Declared value (DV)
2015	McLaren	650S	\$93,574	DV of \$405,697
2011	Ferrari	458 Italia	\$88,481	DV of \$299,700
2016	Maserati	Gran Turismo	\$78,999	DV of \$215,654
2015	Mercedes-Benz	CLS63 AMG	\$76,796	ACV of \$120,952
2015	Porsche	911	\$76,617	ACV of \$158,785
2011	Rolls Royce	Phantom	\$76,474	DV of \$246,500

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Friday, November 25, 2016 3:22 PM
To: Korinowsky, Alexandra GCPE:EX; Clark, Nathan SDSI:EX
Cc: Jabs, Ryan GCPE:EX; Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX
Subject: RE: For Approval - Media Request - ICBC - luxury vehicles

Approved.

From: Korinowsky, Alexandra GCPE:EX
Sent: Friday, November 25, 2016 3:22 PM
To: Bell, Jordan TRAN:EX; Clark, Nathan TRAN:EX
Cc: Jabs, Ryan GCPE:EX; Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX
Subject: For Approval - Media Request - ICBC - luxury vehicles

Hi Jordan,

For approval please. This one has been approved by ICBC.

Thanks,

Alex

Suggested response:

Government is moving forward to no longer insure high-end luxury vehicles (vehicles worth approximately \$150,000 and over) so that the broader rate payer is not subsidizing these vehicles. Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.

Right now, whether a person drives a \$25,000 Honda Civic or whether a person drives a \$200,000 Lamborghini – their basic insurance rates are similar, while the costs of repair are substantially different.

When these more expensive vehicles get into a crash, it costs approximately six times more to fix them, because these vehicles are rare, and they are built using high-end technologies and more expensive materials. This means that the average middle-class rate payer is actually subsidizing basic insurance rates for luxury vehicles. This policy as it stands is unfair to the majority of British Columbians, and it should be changed. That's why government has asked ICBC to move forward with these changes, to help increase fairness for everyone, and help address some of the cost pressures on insurance rates.

We'll need to introduce legislative changes to remove this rate class of vehicle from being able to purchase ICBC insurance, and we'll need to create the legal framework for private insurers to provide this insurance – as drivers of these vehicles will still need to be able to protect themselves and other people on the road. Interim changes, which will roll out asap, will include at least doubling the basic rate for luxury high-end vehicles.

The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago.

The vehicle at the event was a 2012 Ferrari FF – four seater.

In 2015, high end luxury vehicles cost ICBC \$2.3 million in claims. For specific data requests, such as claims numbers, you will have to go through ICBC communications (Adam Grossman at Adam.Grossman@icbc.com). Adam has advised that ICBC does not have this information ready to hand but they could look at whether a data report is possible.

Reporter

Greg Layson, Editor
Automotive News Canada
GLayson@autonews.com
519-567-8877

Deadline

Friday, November 25, 2016 5:00 PM

Request

How many claims are filed each year by drivers of cars valued at \$150,000 or more?

How many collisions each year involve cars worth \$150,000 or more on B.C. roads?

We know there are 3,000 \$150,000 vehicles registered. Do we know how many own the 3,000 there are? I assume one person could own two or three if they're collecting example.

Background

Recommendation

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*Insurance Corporation of British Columbia | 151 W. Esplanade | North Vancouver | V7M 3H9
[Contact Us](#)*

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Friday, November 25, 2016 12:25 PM
To: 'Barry Penner'
Subject: FW: Transcript - Wednesday's event

FYI on this, Barry. I'll give you a call shortly to discuss.

23-Nov-2016, 14:35

Stone - ICBC fairness

By Stone confcall automobile insurance changes

Copyright

Page 587 to/à Page 589

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Copyright

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Thursday, November 24, 2016 3:42 PM
To: Chambers, Craig GCPE:EX
Cc: Clark, Nathan SDSI:EX; Jabs, Ryan GCPE:EX; Rorison, Trish GCPE:EX
Subject: Re: FOR APPROVAL: responses to Justine Hunter request - ICBC luxury vehicles

Approved.

Sent from my mobile device.

On Nov 24, 2016, at 3:00 PM, Chambers, Craig GCPE:EX <Craig.Chambers@gov.bc.ca> wrote:

For approval, please. Justine is prepping for radio tomorrow and is just looking for facts, not a polished statement.

Reporter Justine Hunter, Reporter
 Globe and Mail (BC Bureau)
jhunter@globeandmail.com
 250-220-2718 c: 250-857-4779

Deadline Thursday, November 24, 2016 4:00 PM

Request How much money does Minister Stone estimate implementing this policy will save government/ICBC? How many of these types of vehicles are on the road. She is prepping for radio tomorrow and is just looking for facts, not a polished statement.

Background

Recommendation

Responses:

In the interim, ICBC would expect to bring in an additional \$2 to \$4 million per year in premiums based on the increased rates for these vehicles. ICBC paid out about \$2.3 million in claims costs for these vehicles last year alone. With the future changes, ICBC potentially could save the majority of these costs.

The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago. Government is acting now to address the rising costs to repair these cars and to eliminate any pressures they cause on basic rates.

Peters, Yvonne TRAN:EX

From: Rorison, Trish GCPE:EX
Sent: Wednesday, November 23, 2016 3:47 PM
To: Bell, Jordan TRAN:EX; Clark, Nathan SDSI:EX
Cc: Jabs, Ryan GCPE:EX; Bowness, Lianne GCPE:EX
Subject: FW: TRAN Media Request: Basic insurance for luxury cars

Hi There – questions from Mike coming out of today's media avail. This is based on our existing info.

Reporter Mike Smyth,
 PRESS GALLERY
msmyth@postmedia.com
 250-812-6462

Deadline ASAP

Request Since ICBC will no longer insure these high-end vehicles valued over \$150,000, where will the owners of these vehicles get their basic insurance? I heard the minister say they will be required to get private insurance, but doesn't ICBC currently have a monopoly on basic insurance? Will there have to be legislative changes to allow private insurance companies to sell basic insurance for this class of car?

Background

Recommendation There will need to be legislative changes to remove this rate class of vehicle from the requirement to purchase basic insurance and we will need to create the legal framework for private insurers to provide this type of product. We recognise the drivers of these vehicles will still need to be able to protect themselves and others on the road. This will take some time. In the meantime, we are moving forward with high-end, luxury cars valued at \$150,000 or more paying significantly more for basic insurance rates.

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Wednesday, November 23, 2016 11:22 AM
To: Kislock, Lindsay M TRAN:EX; Main, Grant TRAN:EX
Subject: xxxx Letter to Penner - November 23
Attachments: xxxx Letter to Penner - November 23 (Claims Mitigation Expectations) JB.docx

Revised version of the attached. Please use this version.

jb

Page 593 to/à Page 594

Withheld pursuant to/removed as

s.13

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Tuesday, November 22, 2016 10:58 PM
To: Mills, Shane PREM:EX; Merrifield, Katy PREM:EX
Subject: Draft - insurance rates
Attachments: NR_Exotic Vehicles_insurance increase_Nov 2016.docx; ATT00001.htm

Shane, Katy -

Here's the current draft on this one for feedback. I'll be passing along SN and the Q&A once received.

Jordan

Page 596 to/à Page 598

Withheld pursuant to/removed as

s.13

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Friday, November 4, 2016 9:50 AM
To: Dick, Joan L CSCD:EX; Sandur, Parveen CSCD:EX
Cc: Clark, Nathan SDSI:EX
Subject: FYI: SHAW: Stone - ICBC & transportation

Joan, Parveen - Flagging this as there was a good deal of crossover into the Translink side of the file.

Sent from my iPhone

Begin forwarded message:

s.3

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Wednesday, November 30, 2016 7:59 PM
To: Jabs, Ryan GCPE:EX
Subject: Re: Rob Shaw a Vancouver sun - minister on icbc on radio CHNL

He uses a land line?!

Sent from my mobile device.

On Nov 30, 2016, at 6:28 PM, Jabs, Ryan GCPE:EX <Ryan.Jabs@gov.bc.ca> wrote:

Rob's looking to connect with the minister on comments he made on CHNL about capping luxury car costs. We can connect tomorrow.

Ryan Jabs
 250-413-7121

Begin forwarded message:

From: "Shaw, Rob" <rshaw@postmedia.com>
Date: November 30, 2016 at 5:23:07 PM PST
To: Ryan Jabs <Ryan.Jabs@gov.bc.ca>
Subject: minister on icbc on radio CHNL

Thought his comments about possibly capping damages on luxury vehicles when they are hit by ordinary drivers was interesting... could he expand upon it in an interview via the telephonic device to my desk in the next day or two?
 Rob

ROB SHAW
 LEGISLATIVE REPORTER
 The Vancouver Sun | The Province
 Room 360, Parliament Buildings
 Victoria, B.C. V8V1X4
 T: 250-953-5932
 C: 250-893-0841
rshaw@postmedia.com
twitter.com/robshaw_vansun

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Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Tuesday, November 29, 2016 1:39 PM
To: Stone, Todd TRAN:EX
Subject: FW: Impending Luxury Car Legislation

Draft reply on behalf of the MLA please

From: Stone.MLA, Todd [<mailto:Todd.Stone.MLA@leg.bc.ca>]
Sent: Tuesday, November 29, 2016 12:12 PM
To: Bell, Jordan TRAN:EX
Subject: FW: Impending Luxury Car Legislation

From: s.22
Sent: November 29, 2016 11:36 AM
To: Sultan.MLA, Ralph <Ralph.Sultan.MLA@leg.bc.ca>
Cc: Stone.MLA, Todd <Todd.Stone.MLA@leg.bc.ca>; Clark.MLA, Christy <Christy.Clark.MLA@leg.bc.ca>
Subject: Impending Luxury Car Legislation

Dear Mr. Sultan; I called your office last week regarding the Government's decision not to provide basic insurance to vehicles worth more than \$150,000.

As a Constituent , I find this decision rash and troubling. according to the Transportation Minister, Todd Stone the savings to ICBC will be a whopping \$2.3 million. It appears that ICBC will be run a annual deficit that will approach \$500 million.

Premier Clark told reporters in Kamloops, using a similar example. "Sorry, if you can afford a car that is that expensive, you can afford to fix it yourself." Please explain to the Premier that if someone else hit a luxury car it is their Basic Insurance that covers the cost of replacement or repairs, not offering Basic Insurance to Luxury Car owners does little to help the ICBC deficit. I would welcome getting my comprehensive from Private Insurers as it is cheaper and they will get the benefit of my premiums.

As an aside, my luxury car is driven less than 2000 km's a year, my exposure is a tenth of the average driver in BC. Do you intend to remove the Luxury Tax paid when a Luxury Car is purchased in BC, if you don't want to insure those cars how can you profit from their purchase.

Could you please tell me how I can obtain the following details;

- 1) how many accidents were attributed to luxury cars
- 2) how many accidents involving luxury cars were the fault of other drivers
- 3) what is the cost to ICBC of those accidents
- 4) how much was payed in premiums by the luxury car owners
- 5) how many accidents involving luxury cars are attributed to drivers under 25

From a practical point of view, does it make sense to target luxury car owners in British Columbia. Anecdotally, the people that I know who own Luxury Cars contribute to the British Columbia economy in a myriad of ways. They provide

2400
jobs through their businesses, they pay significant income and investment taxes and when they buy homes at inflated prices they pay the Property Transfer Tax to the Government. It seems to me that you are trying to bite the hand that feeds you. You will not lose my vote as I have supported your Government and like minded predecessors my entire life. I will not be supporting the Liberal Party Fundraising Dinners though, rather than purchasing a table I will use the funds to insure my car or elsewhere.

Regards

s.22

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Thursday, November 24, 2016 9:17 AM
To: Transportation, Minister TRAN:EX
Subject: FW: Applaud announcement to assist ICBC

Draft reply please.

From: s.22
Sent: November 23, 2016 10:33 PM
To: Stone.MLA, Todd <Todd.Stone.MLA@leg.bc.ca>
Subject: Applaud announcement to assist ICBC

Dear Mr. Stone,

I watched the announcement on the news today that your government is going to draft legislation allowing ICBC to not issue basic insurance to vehicle rate class for luxury vehicles over \$150,000 and I thought, it's about time! I applaud your government in supporting ICBC to take concrete action in decreasing the costs that are shouldered by the many to benefit the few. I encourage your government to go further than that. What about linking a driving record to the cost of insuring? Surely there is a direct correlation between a poor driving record and claims costs?

The increase to penalties for Distracted Driving earlier this year is also good first step. Perhaps an immediate roadside prohibition and vehicle impoundment for distracted driving would help decrease the unnecessary deaths and claims costs?

It is sad that we live in a world today where a number of people do not take personal responsibility for their actions and because of this the majority will continue to pay the price for the few. Its also too bad that we've seen a decrease in common sense that mirrors the increase in technological gadgets. (The more gadgets, the less common sense in when/where to use them)

As a driver with a modest vehicle

Please, find more ways to assist ICBC to curb the increasing insurance costs and ensure more drivers get home safely to their families.

Sincerely,

s.22

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Thursday, November 24, 2016 7:57 AM
To: Rorison, Trish GCPE:EX
Cc: Clark, Nathan SDSI:EX; Jabs, Ryan GCPE:EX; Chambers, Craig GCPE:EX; Bowness, Lianne GCPE:EX
Subject: Re: Heads up - CBC BC Almanac request

That time won't work. He's with PCC in Kamloops.

Sent from my mobile device.

On Nov 24, 2016, at 7:48 AM, Rorison, Trish GCPE:EX <Trish.Rorison@gov.bc.ca> wrote:

Hi there

Have a request from province-wide, noon call in show for MTS.

Trish Rorison
 Communications Manager
 GCPE - B.C. Ministry of Transportation and Infrastructure
 250-580-6723

Begin forwarded message:

From: JAKE COSTELLO <jake.costello@cbc.ca>
Date: November 24, 2016 at 7:29:31 AM PST
To: sonia.lowe@gov.bc.ca, trish.rorison@gov.bc.ca
Subject: CBC BC Almanac request

Hello,

My name is Jake Costello and I'm a story producer with B.C. Almanac.

I'd like to request that Minister Stone join us on the show today between 12 and 12:30.

The focus will be on the projected rate increase, and the decision to end insuring luxury cars.

Are you able to give me a call back at 604-662-6982?

--

Jake Costello
 CBC Radio, Vancouver
 604-662-6982

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Wednesday, November 16, 2016 8:36 AM
To: Stone, Todd TRAN:EX
Subject: Draft Comm plan - brief - ICBC hypothetical rate projections
Attachments: CP_ICBC hypothetical rate projections_BCUC filing_Nov 15 2016.docx

Minister - Here's a draft short comm plan for ICBC's hypothetical rate projections, based on info from ICBC's note and filing.

Jordan

COMMUNICATIONS PLAN

BCUC order – release of hypothetical projections
November 2016

Announcement:

Response to the BC Utilities Commission's order to release ICBC's hypothetical projections of rates and capital reserves.

Background:

In September 2016, as part of the usual process of information requests accompanying any rate application, the BCUC asked ICBC to model future rate indications – both possible rate increases and capital reserve projections – based on a certain hypothetical scenario with a set of parameters set by the BCUC. The information request is numbered "BCUC.19.1."

Before answering, ICBC discussed the request with BCUC staff and their Actuarial consultants, indicating concerns with the likelihood and reasonableness of some of the BCUC's parameters. The BCUC directed ICBC to respond and note the concerns and caveats in the response.

ICBC included two responses to BCUC.19.1, one for publication and one confidential for the BCUC only, with its package of responses to all information responded in October 2016. Both October responses to BCUC.19.1 outlined the concerns with the parameters and assumptions of the scenario and also included the caveat that the forecast was hypothetical and included considerable uncertainty.

The caveats included that:

- the hypothetical scenario posed by the BCUC may not be reasonable due to modeling constraints or conflicts with the current legislative framework.
- the forecast is subject to considerable uncertainty
- the forecast does not take into account any of the work by ICBC and government to mitigate claims costs, including:
 - increased fraud prevention
 - possibly reducing the number of crashes through increased penalties announced this year and public education around distracted, which is responsible for approximately one quarter of all fatal crashes in B.C.
 - increasing rates for high value vehicles
 - reducing the number of crashes before rates are effected from three to one
 - and adjusting the windshield policy to cover crack repair, rather than only full windshield replacement.

s.13,s.17

Using stated public rules, the BCUC can require any information that ICBC submits confidentially to be made public.

On November 14, 2016, the BCUC did not accept that the forecast tables should remain confidential and ordered ICBC to file a complete response with the tables for the public record by Wednesday November 16, 2016.

Strategy:

s.13,s.17

Release Options:

s.13



s.13

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Key Messages:

- Government and ICBC are committed to doing everything we can to keep rates as low as possible for British Columbians.
- I am aware that the BCUC asked ICBC a hypothetical question about future rates and capital levels, and ICBC provided a hypothetical forecast based on that question. These numbers have now been made public.
- I want to reassure you that these are projections based on hypothetical assumptions with quite a bit of uncertainty.
- They are not actual increases that ICBC is planning to make, and in fact, we are doing everything we can to make sure that the rate increases remain as affordable as possible.
- Importantly, these hypothetical projections do not take into consideration any of the work that the government and ICBC is doing to deal with the increasing claims costs and rate pressures.
- For example, ICBC and the province have already announced ongoing efforts to address rate pressures, including:
 - Significantly higher fines, more penalty points, earlier intervention and more education for people who choose to drive distracted. Second time offenders will pay a total of \$888 in financial penalties, which escalates further for any additional offence. We expect that these increased penalties over time will reduce the number of people willing to risk driving distracted.
 - Additional steps to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will help to

more quickly target claims with the highest risk of fraud – and ultimately lower ICBC rates for all drivers.

- s.13,s.17
- The province and ICBC are also working on additional measures that we'll detail in the coming months that will further address the cost pressures and make rates fairer – including:
 - Charging higher rates for luxury vehicles that are over \$150,000 to better reflect the cost to repair and replace these types of cars.
 - Reducing the number of “free” at fault crashes a driver may have in a year from three to one to ensure that a driver's premium better reflects their driving record and is fair for the rest of ICBC insurance holders.
 - Moving to a new windshield repair model that will allow insurance holders to have the chips in their windshield's repaired – rather than waiting until they need to fully replace their windshield at a much higher cost.
- Government will continue to work with ICBC over the coming months and years as we work to address the ongoing pressures on ICBC rates.

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Wednesday, November 23, 2016 5:25 PM
To: Chambers, Craig GCPE:EX
Cc: Clark, Nathan SDSI:EX; Jabs, Ryan GCPE:EX; Rorison, Trish GCPE:EX; Bowness, Lianne GCPE:EX
Subject: Re: FOR APPROVAL: TRAN Media Request: ICBC luxury car announcement

Good. Thanks.

Sent from my mobile device.

On Nov 23, 2016, at 4:31 PM, Chambers, Craig GCPE:EX <Craig.Chambers@gov.bc.ca> wrote:

For approval. Reporter is looking for voice clip – does MTS have time to do this one?

Reporter Melissa Shaw, Reporter
 Roundhouse Radio 98.3 FM
melissa@roundhouseradio.com
 604-449-7983

Deadline ASAP

Request Is today's announcement the first step toward privatization of ICBC?

Background

Recommendation

Response:

No. This this is not moving ahead with privatization. This is purely a fairness measure that helps ensure that all rate payers don't continue to subsidize insurance for owners of luxury high end vehicles.

Government is moving forward to no longer insure high-end luxury vehicles (vehicles worth approximately \$150,000 and over) so that the broader rate payer is not subsidizing these vehicles.

Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.

While this work is underway, high-end luxury cars will pay significantly more for basic insurance to ensure their premiums cover the full costs to repair these vehicles.

Interim changes, which will roll out as soon as possible, will include at least doubling the basic rate for luxury high-end vehicles, as well as an increase to optional rates.

These changes will help increase fairness for everyone, and will help address some of the cost pressures on insurance rates.

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Tuesday, November 29, 2016 12:03 PM
To: Stone, Todd TRAN:EX
Subject: FW: For Approval: 256569 Penner / Letter of Direction - One Free Crash / Reduced Crash Forgiveness
Attachments: 262569.docx; ATT00001.htm; BN - One Free Crash Initiative - FINAL - 11.28.2016.docx; ATT00002.htm; 262565.docx; ATT00003.htm; DBN_OIC Package for HVV (FINAL).docx; ATT00004.htm
Importance: High

Resending. As discussed, these are the two directive letters on OFC and the HVV.

BRIEFING NOTE FOR DECISION

DATE: November 24, 2016
PREPARED FOR: Honourable Todd Stone, Minister of Transportation and Infrastructure
ISSUE: OIC for new surcharge on high value (luxury) vehicles

RECOMMENDED OPTION:

- **Approve the Order.**

BACKGROUND:

Implementing a new surcharge for Basic insurance for high value (luxury) vehicles (with a Manufacturer's Suggested Retail Price (MSRP) of greater than or equal to \$150,000) was endorsed by Cabinet on July 20, 2016. This new surcharge was announced by Minister Stone on November 23rd, where it was characterized as an interim measure while Government works towards legislative amendments that remove the ability for high value vehicle owners to purchase Basic (public) auto insurance.

DISCUSSION:

ICBC continues to experience significant claims costs pressures due to a number of factors, including higher crash frequency, higher injury costs, and higher vehicle repair costs. Implementing a surcharge equivalent to a 100% increase on Basic insurance for vehicles with an MSRP at over \$150,000 is just one of a number of measures aimed at reducing these pressures. The cost to repair a high value vehicle is typically six times that of a traditional passenger vehicle, yet today, both vehicle classes pay virtually the same amount for Basic insurance.

s.12,s.13,s.17

FINANCIAL IMPLICATIONS:

- Would result in an annual increase in ICBC Basic premiums of approximately \$2.2 million.

OPTIONS:

OPTION 1: Approve the Order

s.12,s.13,s.17

OPTION 2: Do not approve the Order

s.12,s.13,s.17

APPROVED / NOT APPROVED

Honourable Todd Stone
Minister

Date

PREPARED BY:

Andrea Mercer, Manager, Crown Agency Policy
Transit & Crown Agency Policy Branch
(250) 387-6024

REVIEWED BY:

Lindsay Kislock, ADM
Partnerships
Nancy Bain, ADM & EFO
Finance and Management Services Department

INITIALS

I. Prepared for: The Honourable Todd Stone, Minister responsible for ICBC, for
INFORMATION

II. Subject: "One-free crash" Initiative

III. Background:

- This rate mitigation measure has been identified as a means of helping to reduce overall Basic rate increases and introducing greater levels of fairness to B.C.'s insurance system. It was identified by ICBC in June, 2016 and has been endorsed by Government for implementation in 2016/17.
- It allows a maximum of one 'free crash' on Basic rates for lower-risk (-15 or higher CRS level) drivers.
- The expectation is to introduce stiffer sanctions for drivers who cause multiple crashes. The intent was for these sanctions to be prospective, in other words, to apply to claims occurring *after* the announcement date of the new rules.
- This note will attempt to clarify how the intent of a 'prospective' change to rates will be achieved in a system that is 'retrospective' in nature, that bases current year rates on a claim-scan of the prior policy period.

IV. Discussion:

- The majority of B.C. motorists^{s.13} benefit from the maximum 43 per cent discount. Today, a driver can have up to three at-fault crashes and still receive the highest discount – the same as a driver with 20 years of *no* at-fault crashes. The current CRS model does not enforce the financial consequences of a crash on the liable motorist and instead places it on all rate payers who must then pay added costs in order to maintain the system. Without financial consequences for causing repeated crashes, there is a lack of incentive for higher risk drivers to change their behaviour and reduce crashes.

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Customer impacts

- Approximately 4,000 customers per year will see a loss of a 'free' claim and an increase in Basic and Optional rates after a *second* crash. As well, a small number of customers, 150 per year, will see a loss of an additional 'free' claim and an increase in Basic and Optional Rate following their *third* at-fault crash in three years.
- For the majority of customers, it is anticipated this will be seen as a step towards creating a system of fairness and equality, whereby those who cause crashes will pay more.

Contact: Chris Tupper
Manager, Government
Partnerships and Programs
604-328-4271

Business Area Contact: Rob Wilson
Sr. Director Personal Insurance,
Broker Governance & Customer
Strategy, ICBC
(604) 982-6122

Date: November 28, 2016

Page 616 to/à Page 617

Withheld pursuant to/removed as

s.13

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

Reference: 262565

Dear Chair Penner:

Re: Letter of Direction - Luxury Vehicle Changes

I am writing to provide direction to the Insurance Corporation of British Columbia (ICBC) regarding a new charge, as part of a suite of initiatives to introduce greater levels of fairness to B.C.'s insurance system.

ICBC is hereby directed to implement a high-value vehicle charge in the amount and with the particulars set out in the amended pages to the ICBC Basic Insurance Tariff attached to this letter.

There are two sets of attached pages. One set does not indicate a charge with respect to fleets and garage vehicle certificates. It is to be implemented effective January 8, 2017. A second set indicates a charge with respect to fleets and garage vehicle certificates. It is to be implemented once certificates for vehicles insured in a fleet and vehicles insured as owned vehicles under a garage vehicle certificate are administered in ICBC's new policy administration system. Both sets are to be implemented with any necessary consequential amendments to the attached pages, and any other Tariff pages, to reflect dates of implementation and any changes to the Tariff approved before the attached pages are implemented.

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,

Todd G. Stone
Minister

Enclosure

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Tuesday, November 29, 2016 7:46 PM
To: Stone, Todd TRAN:EX
Subject: Cab Sub
Attachments: s.12 Nov 30 final - 7 30 pm clean.pdf

Here is the cab sub, as mentioned.

jib

Cabinet Submission – Request for Decision

Minister: Honourable Todd G. Stone

Ministry: Ministry of Transportation and Infrastructure

Date: 28/11/2016 Ministry Document #: CAB 10/2016
s.12,s.13,s.17

Page 622 to/à Page 634

Withheld pursuant to/removed as

s.12;s.13;s.17

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Monday, November 28, 2016 3:33 PM
To: Stone, Todd TRAN:EX
Subject: Draft Letters - luxury vehicles for Brokers & Board Chair
Attachments: s.13

These are the letters for the 3:30 call today.

The meeting with the brokers is nailed for 3:30 Wednesday. Michele & Ben are aware.

jib

Page 636 to/à Page 637

Withheld pursuant to/removed as

s.13

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Monday, November 28, 2016 1:54 PM
To: Stone, Todd TRAN:EX
Cc: Blixrud, Becky LASS:EX
Subject: For Approval: High Value Vehicle - Direction Letter & BN
Attachments: 262565.docx; DBN_OIC Package for HVV (FINAL).docx

Minister –

Attached is the direction letter we'll need to send the Board Chair of ICBC for the High Value Vehicle OIC. This will be attached to the OIC, which I will have to you shortly with the confirmed implementation date.

I'll be sending you a similar directive letter for the 'One Free Crash' OIC as well.

The attached BN goes into more detail on this as well.

Thank you,

Jordan

BRIEFING NOTE FOR DECISION

DATE: November 24, 2016
PREPARED FOR: Honourable Todd Stone, Minister of Transportation and Infrastructure
ISSUE: OIC for new surcharge on high value (luxury) vehicles

RECOMMENDED OPTION:

- **Approve the Order.**

BACKGROUND:

Implementing a new surcharge for Basic insurance for high value (luxury) vehicles (with a Manufacturer's Suggested Retail Price (MSRP) of greater than or equal to \$150,000) was endorsed by Cabinet on July 20, 2016. This new surcharge was announced by Minister Stone on November 23rd, where it was characterized as an interim measure while Government works towards legislative amendments that remove the ability for high value vehicle owners to purchase Basic (public) auto insurance.

DISCUSSION:

ICBC continues to experience significant claims costs pressures due to a number of factors, including higher crash frequency, higher injury costs, and higher vehicle repair costs. Implementing a surcharge equivalent to a 100% increase on Basic insurance for vehicles with an MSRP at over \$150,000 is just one of a number of measures aimed at reducing these pressures. The cost to repair a high value vehicle is typically six times that of a traditional passenger vehicle, yet today, both vehicle classes pay virtually the same amount for Basic insurance.

s.12,s.13,s.17

FINANCIAL IMPLICATIONS:

- Would result in an annual increase in ICBC Basic premiums of approximately \$2.2 million.

OPTIONS:

OPTION 1: Approve the Order

s.12,s.13,s.17

OPTION 2: Do not approve the Order

s.12,s.13,s.17

RECOMMENDATION:

- Option 1.

APPROVED / NOT APPROVED

Honourable Todd Stone
Minister

Date

PREPARED BY:

Andrea Mercer, Manager, Crown Agency Policy
Transit & Crown Agency Policy Branch
(250) 387-6024

REVIEWED BY:

Lindsay Kislock, ADM
Partnerships
Nancy Bain, ADM & EFO
Finance and Management Services Department

INITIALS

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

Reference: 262565

Dear Chair Penner:

Re: Letter of Direction - Luxury Vehicle Changes

I am writing to provide direction to the Insurance Corporation of British Columbia (ICBC) regarding a new charge, as part of a suite of initiatives to introduce greater levels of fairness to B.C.'s insurance system.

ICBC is hereby directed to implement a high-value vehicle charge in the amount and with the particulars set out in the amended pages to the ICBC Basic Insurance Tariff attached to this letter.

There are two sets of attached pages. One set does not indicate a charge with respect to fleets and garage vehicle certificates. It is to be implemented effective January 8, 2017. A second set indicates a charge with respect to fleets and garage vehicle certificates. It is to be implemented once certificates for vehicles insured in a fleet and vehicles insured as owned vehicles under a garage vehicle certificate are administered in ICBC's new policy administration system. Both sets are to be implemented with any necessary consequential amendments to the attached pages, and any other Tariff pages, to reflect dates of implementation and any changes to the Tariff approved before the attached pages are implemented.

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,

Todd G. Stone
Minister

Enclosure

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Wednesday, December 7, 2016 9:00 AM
To: Mills, Shane PREM:EX
Subject: FW: ICBC fraud announcement materials
Attachments: News release - Fraud analytics tool - DRAFT - 12 5 16.docx; Media Advisory - Fraud analytics - 12 05 16.docx; Fraud 2016 Files_Backgrounder.docx; Link Analysis Diagram for event.pdf; PPT slide for event - 12 5 16.pptx; Stats Poster for event.pdf; Fraud Poster for event.pdf; SN_MTS_ICBC Fraud_v3 - Nov 29 3pm.docx; Fraudsocial-content-DRAFT - 12 6 16.docx

From: Bell, Jordan TRAN:EX
Sent: Wednesday, December 7, 2016 8:51 AM
To: Merrifield, Katy PREM:EX
Subject: ICBC fraud announcement materials

As discussed, please find these attached. Happy to discuss further, if needed.

jb

Backgrounder

From ICBC's fraud files

ICBC has completed more than 5,000 claims and driver licensing investigations so far in 2016.

Here's a sample of recent cases from ICBC's claims fraud files.

Passengers or dogs?

A Provincial Court case concluded recently where four people involved in a 2013 crash were all convicted for making false injury claims ICBC.

The fines ranged from \$2,000 to \$3,000 and three of the four were sentenced to one day in jail. The fourth received a sentence of three days in jail.

In this case, injury claims were presented to ICBC, even though two of the occupants who said they were in the vehicle involved in the crash, weren't actually in the vehicle. In fact, only two people were in the vehicle along with two dogs.

Cell phone reports were used in this case indicating that those making claims were talking to each other at the time of the crash.

A crash fit for the stage

Five people presented injury claims to ICBC after a two-vehicle crash in Surrey. The conflicting statements from the claimants, and the fact that the collision happened in the early morning hours, prompted the adjuster to call in the SIU.

Engineering evidence and verification by two witnesses showed one of the vehicles was driving at a very low speed just before the crash. Local residents stated they heard a vehicle accelerate from a stop and then heard a crash. Cell phone records revealed the occupants in both vehicles were talking to each other minutes before the collision. This evidence refuted the statements made by the drivers about the collision.

The investigation led to fraud charges and a B.C. Supreme Court case. One claimant received a \$3,000 fine and was ordered to pay more than \$4,000 in restitution. Another person involved in the staged collision received a \$5,000 fine, a \$1,500 victim fine surcharge and a two-year probation order.

A picture is worth a thousand words

The owner of a flat deck truck claimed four tires and a battery were stolen from the truck. At the time of the reported incident, an ICBC policy was in effect. But for the previous 17 months, the truck was not insured. The policy was purchased on January 18. The owner said he noticed the tires missing on January 21 and last saw his vehicle okay on January 17.

SIU investigators canvassed the area for any witnesses or surveillance video in the industrial area where the truck was parked. Investigators found a witness who had taken a picture of the truck and sent it to the City of Vancouver, complaining the vehicle was abandoned and an

eye sore for neighbouring businesses. The witness had taken the photo with a cell phone camera, which means there is metadata (the date and time information) embedded in the photo. The metadata indicates the photo was taken, with the tires missing, three-and-half hours *before* the insurance policy was purchased. ICBC denied the false theft claim.

Up in flames

On New Year's Eve 2015, a driver who said his white stretch limo was for his own private use was on his way to a friend's place when smoke suddenly started to come up from under the dash. The vehicle then erupted into flames. Several bystanders took video of the incident and shared the images on YouTube. The driver made a fire claim to ICBC. A mechanical inspection showed the vehicle was in poor condition. ICBC paid the claim.

But upon further online searching, the SIU's Cyber Unit discovered the limo wasn't for personal use. It wasn't properly insured as a vehicle for hire and didn't have a National Safety Code certification. Therefore, the owner was in breach of his insurance when he made the claim. ICBC is recovering the claims costs.

British Columbians are helping ICBC launch suspected claims fraud investigations. Earlier this year, ICBC conducted a media and public awareness campaign to draw attention to fraud claims. The campaign contributed to more calls to ICBC's toll-free fraud tips line at 1-800-661-6844. ICBC saw a 70 per cent increase in the number of tips received during the first quarter of 2016 compared to the same time last year.

British Columbians can further protect their wallets by reporting suspicious activities related to insurance fraud to ICBC's toll-free tips line at 1-800-661-6844. Tip information is confidential and callers can remain anonymous. For more information, visit icbc.com/fraud.

News release

New alert tool enhances ICBC's fight against insurance fraud

Copyright

ICBC will continue its public education efforts with another fraud prevention awareness campaign early in 2017. Earlier this year, an awareness campaign sparked a 70-per-cent increase to ICBC's fraud tips line.

British Columbians can further protect their wallets by reporting suspicious activities related to insurance fraud to ICBC's toll-free tips line at 1-800-661-6844. Tip information is confidential and callers can remain anonymous. For more information, visit icbc.com/fraud.

-30-

Event Information / Opening Remarks

Event: ICBC – Fraud Analytics Tool

When: Wednesday, November 30 from 1:30 to 2:00 pm

Where: Boardroom, Mezzanine level, 808 Nelson, Vancouver

Event contact: Kate Best – 604-803-1806

Speakers: Minister Todd Stone; ICBC President, ICBC representative Jill Blacklock (Emcee) & John Edwards or Chris Fairbridge (TBC), ICBC Special Investigation Unit

Length: 3 minutes

Dress: Business professional

Background:

The BC government is working with ICBC to identify and implement longer-term, sustainable strategies to address rising cost pressures and keep rates as low as possible for drivers in British Columbia.

Fraud analytics technology is an emerging opportunity for all insurers as they can help quickly flag patterns and high predictors of fraud at the beginning of the claims process. It uses data, algorithms and statistical methods to detect and further enhance investigate methods when there are suspected instances of fraud.

ICBC recently signed a five-year agreement with BAE System Applied Intelligence Canada Ltd (BAE) for provision of the fraud analytics software and case management solution.

ICBC is seeing promising early results from the first run of data using the new tool and will complete two additional data runs over the next year (February 2017 and July 2017), at the same time as we work towards full implementation (scheduled for Fall 2017).

ICBC believes this tool can help us more quickly flag patterns and high predictors of fraud throughout the claims process.

Audience Size: 20-30 attendees plus media

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Tuesday, November 29, 2016 1:38 PM
To: Transportation, Minister TRAN:EX
Subject: FW: Luxury car coverage

Draft reply please

-----Original Message-----

From: Stone.MLA, Todd [<mailto:Todd.Stone.MLA@leg.bc.ca>]
Sent: Tuesday, November 29, 2016 12:14 PM
To: Bell, Jordan TRAN:EX
Subject: FW: Luxury car coverage

-----Original Message-----

From: s.22
Sent: November 29, 2016 9:16 AM
To: Stone.MLA, Todd <Todd.Stone.MLA@leg.bc.ca>
Subject: Luxury car coverage

Dear Minister Stone

Would not the 99.9% certainty that the owners of \$150,000 plus luxury vehicles would vote Liberal kind of make this policy look a tad foolish? Talk about shooting yourself and your party in the proverbial foot. My next point is that if one of these expensive to repair cars is hit by an ICBC insured vehicle the public is still liable for the damages. The difference is that ICBC will have less money to cover those repairs as the premiums from the luxury cars is going to be removed from their coffers.

I assume you will be adding luxury motorhomes to this list of banned vehicles ICBC will be insuring. The big bus based units can tip into the \$600,000+ range. It seems highly unfair that they would get an exception. I suppose the fact that less people of Asian extraction drive those vehicles might remove some of the latent "Trump" style racism points from that decision.

If there is a 2.3m shortfall on luxury car insurance why not simply bump the rates the roughly \$770 to cover that loss. Your current proposal is highly discriminatory.

2407
Yours truly
s.22

Sent from my iPad

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Tuesday, November 29, 2016 1:39 PM
To: Transportation, Minister TRAN:EX
Subject: FW: Math doesn't add up

Draft reply please

From: Stone.MLA, Todd [mailto:Todd.Stone.MLA@leg.bc.ca]
Sent: Tuesday, November 29, 2016 12:13 PM
To: Bell, Jordan TRAN:EX
Subject: FW: Math doesn't add up

From: s.22
Sent: November 29, 2016 11:41 AM
To: rshaw@postmedia.com
Cc: customerrelations@icbc.com; Stone.MLA, Todd <Todd.Stone.MLA@leg.bc.ca>
Subject: Math doesn't add up

To Rob Shaw,

Here are some thoughts in case you write more about ICBC in the near future.

There was an article in the Province the other day and then your article again today that says it costs ICBC 2.3 million dollars for claims from luxury vehicles. The other article said that there are 3000 luxury vehicles in BC. I read or heard somewhere that a luxury car is defined by costing more than \$150,000.

Anyways if you do the math and divide the 2.3 million dollar cost in claims by the 3000 luxury vehicles the cost comes out to \$767 per vehicle. Now I own a 2011 Toyota Matrix and my insurance costs me about \$1500 a year so I am pretty sure the insurance for a 200 thousand dollar car is a lot higher than mine. For arguments sake let's say the average insurance cost for a luxury car is just \$2500 per year. So if you take \$767 from the \$2500 premium It looks to me like there is plenty of money from the premium to pay the 2.3 million dollars in claims and have a lot left over for the other costs. One other way to look at it based on each of the 3000 luxury car owners paying \$2500 per year for car insurance. This would mean ICBC would collect a total of 7.5 million dollars in premiums and then have to pay out 2.3 million in claims leaving ICBC with 5.2 million dollars left over for other things. It doesn't look like a problem to me – it seems ICBC is overcharging these luxury car owners not losing money on them.

I'm not an expert but I believe insurance rates are set by Actuaries who calculate risks etc. to set the rates. So ICBC sets the rates that it charges for insurance for these luxury vehicles and then claim that it is not enough. What is ICBC whining about – they are the ones who set the rates in the first place and then complains when they have to pay out to the people who paid their insurance premiums in good faith. Maybe ICBC should keep their mouths shut and just pay for the claims like they are supposed to do and what they have been paid to do. ICBC is whining it needs to increase premiums but it sure looks to me like they are charging enough – unless somehow my math was wrong.

Another huge problem in my opinion is ^{s.22} Barry Penner the chairman of ICBC. This quote from Barry Penner is taken from the Province paper on November 25th. He is referring to the 1.2 billion dollars the gov't has stolen from ICBC and put into general revenue in the last 5 years. He says "That's not what's behind the rising cost pressure for ICBC". Think of it – it's like him looking you in the eye and then trying not to laugh when he tells you – noooo – that 1.2 billion dollars stolen from ICBC has nothing to do with ICBC's financial problem. No not at all – heck it's only 1.2 billion dollars. What a joke.

ICBC is not in the financial trouble they want you to believe they are. They said they are subsidizing the basic insurance side with the profits from the optional insurance side. So in effect they are saying is that we have enough money to cover these claims but we are overcharging people for the optional insurance and undercharging them for the basic side. There isn't 2 sides or 2 ICBC's– there is one company called ICBC period. It's like saying yes we do have enough money to operate and pay all claims but we have shown that green cars get in more accidents than red cars so that means we are taking more money from the premiums we charged for the red cars and we are subsidizing the green car owners so we might have to increase rates.

One last point I would like to make is also something I read in the Province paper's editorial section. ICBC claims it is more expensive to fix cars today because of all the new technology like back up cameras and side mirror lane detectors etc. I'm not buying that for 2 reasons – one is these technologies cut down on accidents so if the costs are higher per accident then there is also a savings by the fewer accidents. And two – when I buy my car insurance my rates are based on the cost of the vehicle. So I would assume that ICBC is charging drivers appropriately for the value of the vehicle they are insuring. The rates should take into account everything in the car that might need to be repaired. There is also a limit on how much ICBC will spend to repair a vehicle – if the vehicle repair is too expensive then they write off the vehicle and pay out based on book value. You could have a million dollars of high tech gadgets in the car but if the car gets written off at \$8000 then that is the maximum ICBC has to pay. This is all accounted for in the premium being charged.

Thank You

s.22

Backgrounder

From ICBC's fraud files

ICBC has completed more than 5,000 claims and driver licensing investigations so far in 2016.

Here's a sample of recent cases from ICBC's claims fraud files.

Passengers or dogs?

A Provincial Court case concluded recently where four people involved in a 2013 crash were all convicted for making false injury claims ICBC.

The fines ranged from \$2,000 to \$3,000 and three of the four were sentenced to one day in jail. The fourth received a sentence of three days in jail.

In this case, injury claims were presented to ICBC, even though two of the occupants who said they were in the vehicle involved in the crash, weren't actually in the vehicle. In fact, only two people were in the vehicle along with two dogs.

Cell phone reports were used in this case indicating that those making claims were talking to each other at the time of the crash.

A crash fit for the stage

Five people presented injury claims to ICBC after a two-vehicle crash in Surrey. The conflicting statements from the claimants, and the fact that the collision happened in the early morning hours, prompted the adjuster to call in the SIU.

Engineering evidence and verification by two witnesses showed one of the vehicles was driving at a very low speed just before the crash. Local residents stated they heard a vehicle accelerate from a stop and then heard a crash. Cell phone records revealed the occupants in both vehicles were talking to each other minutes before the collision. This evidence refuted the statements made by the drivers about the collision.

The investigation led to fraud charges and a B.C. Supreme Court case. One claimant received a \$3,000 fine and was ordered to pay more than \$4,000 in restitution. Another person involved in the staged collision received a \$5,000 fine, a \$1,500 victim fine surcharge and a two-year probation order.

A picture is worth a thousand words

The owner of a flat deck truck claimed four tires and a battery were stolen from the truck. At the time of the reported incident, an ICBC policy was in effect. But for the previous 17 months, the truck was not insured. The policy was purchased on January 18. The owner said he noticed the tires missing on January 21 and last saw his vehicle okay on January 17.

SIU investigators canvassed the area for any witnesses or surveillance video in the industrial area where the truck was parked. Investigators found a witness who had taken a picture of the truck and sent it to the City of Vancouver, complaining the vehicle was abandoned and an

eye sore for neighbouring businesses. The witness had taken the photo with a cell phone camera, which means there is metadata (the date and time information) embedded in the photo. The metadata indicates the photo was taken, with the tires missing, three-and-half hours *before* the insurance policy was purchased. ICBC denied the false theft claim.

Up in flames

On New Year's Eve 2015, a driver who said his white stretch limo was for his own private use was on his way to a friend's place when smoke suddenly started to come up from under the dash. The vehicle then erupted into flames. Several bystanders took video of the incident and shared the images on YouTube. The driver made a fire claim to ICBC. A mechanical inspection showed the vehicle was in poor condition. ICBC paid the claim.

But upon further online searching, the SIU's Cyber Unit discovered the limo wasn't for personal use. It wasn't properly insured as a vehicle for hire and didn't have a National Safety Code certification. Therefore, the owner was in breach of his insurance when he made the claim. ICBC is recovering the claims costs.

British Columbians are helping ICBC launch suspected claims fraud investigations. Earlier this year, ICBC conducted a media and public awareness campaign to draw attention to fraud claims. The campaign contributed to more calls to ICBC's toll-free fraud tips line at 1-800-661-6844. ICBC saw a 70 per cent increase in the number of tips received during the first quarter of 2016 compared to the same time last year.

British Columbians can further protect their wallets by reporting suspicious activities related to insurance fraud to ICBC's toll-free tips line at 1-800-661-6844. Tip information is confidential and callers can remain anonymous. For more information, visit icbc.com/fraud.

News release

New alert tool enhances ICBC's fight against insurance fraud

Copyright

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Copyright

Event Information / Opening Remarks

Event: ICBC – Fraud Analytics Tool

When: Wednesday, November 30 from 1:30 to 2:00 pm

Where: Boardroom, Mezzanine level, 808 Nelson, Vancouver

Event contact: Kate Best – 604-803-1806

Speakers: Minister Todd Stone; ICBC President, ICBC representative Jill Blacklock (Emcee) & John Edwards or Chris Fairbridge (TBC), ICBC Special Investigation Unit

Length: 3 minutes

Dress: Business professional

Background:

The BC government is working with ICBC to identify and implement longer-term, sustainable strategies to address rising cost pressures and keep rates as low as possible for drivers in British Columbia.

Fraud analytics technology is an emerging opportunity for all insurers as they can help quickly flag patterns and high predictors of fraud at the beginning of the claims process. It uses data, algorithms and statistical methods to detect and further enhance investigate methods when there are suspected instances of fraud.

ICBC recently signed a five-year agreement with BAE System Applied Intelligence Canada Ltd (BAE) for provision of the fraud analytics software and case management solution.

ICBC is seeing promising early results from the first run of data using the new tool and will complete two additional data runs over the next year (February 2017 and July 2017), at the same time as we work towards full implementation (scheduled for Fall 2017).

ICBC believes this tool can help us more quickly flag patterns and high predictors of fraud throughout the claims process.

Audience Size: 20-30 attendees plus media

Speaking Notes
for
Minister Todd Stone
Minister of Transportation & Infrastructure

**ICBC Fraud Analytics Tool
Announcement**

Wednesday, November 30 – 1:30 pm
Boardroom, Mezzanine level, 808 Nelson, Vancouver

Greetings:

- Hello, pleased to be here today.
- Special thanks to ICBC's special investigation unit

Importance of keeping insurance rates low:

- The rising cost of living is on the minds of British Columbians I meet and talk with every day – and I continue to hear that rising insurance rates are very much part of their concerns.
- That is why we are committed to doing everything we can to keep insurance rates as low as possible for drivers in BC.
- Our priority is to ensure that rates remain affordable for families, and all British Columbians, who are working hard to make ends meet and stretch their dollar as far as possible.
- Government and ICBC continue to work together to find ways to mitigate the pressures that lead to rising rates – pressures such as soaring crash rates and rising injury claims.
- While the increasing crash rates we're experiencing in BC are on par with jurisdictions all over the world, we have to take a closer look at what is controllable – and take swift steps to ensure we're doing everything we can within these areas.

Rate mitigation – distracted driving:

- And when I speak about controllables, these apply to government and ICBC, as well as ratepayers – we all have a part to play in upholding the accountability and functionality of our system.
- One of the areas where we can all make an impact in reducing costs is in distracted driving.
- Distracted driving remains responsible for approximately one quarter of all fatal crashes in BC – and we are all responsible for

putting an end to this unnecessary and dangerous behaviour behind the wheel.

- Government and ICBC continue to focus our attention on cracking down on distracted driving by introducing tougher fines, more penalty points, higher levels of enforcement and more education. (Second time distracted driving offenders will pay a total of \$888 in financial penalties, which escalates further for any additional offence).
- But in terms of impacting the bottom line, we all need to commit to putting down the phones and paying attention when on the road.
- Beyond rates – lives depend on it. I can't enforce this message enough.

Rate mitigation – luxury vehicles:

- Last week, we made an announcement to help increase fairness when it comes to insuring high-end luxury vehicles.
- This means that the average ratepayer will no longer subsidize these expensive cars that can cost up to six times more to fix when they've been in a crash.
- Will this be a magic bullet in addressing the complex issues behind rising rates? No, of course not. But it will make a measurable impact and it does correct an imbalance.
- And, as I said, we're honing in on the controllables.

The role of fraud:

- Another area that speaks to fairness and collective responsibility is fraud.
- Industry studies estimate that approximately 10 – 20% of insurance claims contain an element of fraud and exaggeration.

- If those estimates are applied to BC, that could mean hundreds of millions per year in claims costs.
- When people make fraudulent claims or exaggerate a story, they're cheating the very system we all pay into.
- The overwhelming majority of customers make honest claims, but ICBC does receive false and fraudulent claims – everything from opportunistic fraud such as overstated injuries, lying about pre-existing conditions or claiming vehicle damage unrelated to the crash, to full-on organized fraud such as staged accidents and stolen vehicle rings.
- Fraud leads to higher claims, which leads to higher insurance rates for British Columbians.
- It's not fair, and we won't sit back and simply pass the cost of fraud onto our customers, so we have increased our focus and will continue to do so.
- Our intent is to catch fraud before the claim is paid, and pursue fraudulent claims to the fullest extent of the law.
- When a claim seems suspicious, ICBC investigates.

New fraud analytics tool:

- Over the past year, ICBC has stepped up its efforts against exaggerated and fraudulent claims.
- Today, I'm pleased to announce that ICBC has now completed the first phase of testing a new high-tech tool which will help identify and target fraudulent claims early in the claims process.
- Thank you to Chris Fairbridge OR John Edwards (TBC) of ICBC's Special Investigation Unit for walking us through the ins and outs of the tool.
- So in basic terms, how does it work? As Chris/John described, fraud analytics technology uses data, algorithms and statistical

methods to help spot cases when the facts don't seem to add up to an honest claim.

- The tool sifts through volumes of information such as claims history, addresses and driver licensing, and vehicle registration data that can alert ICBC investigators and claims adjusters to patterns, links, connections and possible indications of fraud – faster than ever.
- In fact, the first run of the tool reviewed all claims for the past three years, and turned up an incredible 3,300 possible fraud alerts. ICBC has reviewed the first 102, and started 48 new fraud investigations as a result.

Cracking down on fraud:

- This new tool has great potential to enhance ICBC's already robust fraud prevention program.
- In 2016 alone, ICBC has completed more than 5,000 fraud claims and driver licensing fraud investigations.
- This important work is done by ICBC's Special Investigations Unit. Over the last five years, their work has led to a 98% conviction rate on all charges laid with approximately 550 fraud convictions.
- We take fraud very seriously. And so should you.
- Because ultimately, it is the ratepayers who are on the hook for paying for fraud.
- For this reason, I'm thrilled to say that ICBC expects fraud detection and enforcement activities will reduce basic insurance claims by \$21 million for policies written over the next year.
- Further, ICBC estimates all of these activities, including the new analytics tool, will save up to \$44 million per year by 2019.

- The message is clear – fraud is risky business, now more than ever, thanks to this new tool that will bolster our efforts in putting an end to it.

Conclusion:

- In my role as BC's Minister of Transportation and Infrastructure, I want you to know that I hear your frustrations when it comes to rising costs, and this government takes them very seriously.
- That is why – along with last week's announcement about changes for luxury vehicles, and today about a new fraud prevention tool – we will continue to roll-out rate mitigation strategies to address the ongoing pressures on ICBC insurance rates.
- Our aim is to identify and implement long-term solutions with the ultimate goal of keeping rates fair and affordable for everyone.
- There's much work happening behind the scenes on this front, and I look forward to sharing more strategies with you over the coming weeks and months.
- It is a privilege to represent Kamloops-South Thompson.
- And it has been a privilege to be here today.
- Thank you.

End

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Monday, November 28, 2016 12:43 PM
To: Stone, Todd TRAN:EX
Subject: Package of Materials for 3:30 Call
Attachments: FINAL Draft BN for ^{s.12,s.13} 10Nov2016).docx; ATT00001.htm; Employee Opinion Survey messaging & background.docx; ATT00002.htm; BN - One Free Crash Initiative - FINAL - 11.28.2016.docx; ATT00003.htm; IN - SMEP - MD - FINAL - 11.28.2016.docx; ATT00004.htm; Key messages_fraud November 2016 update.docx; ATT00005.htm

Minister - Silas has pulled together the package of materials mentioned this morning. See below.

1. One Free Crash
s.12,s.13
- 2.
3. Windshield Repair
4. Fraud KMs
5. Employee Opinion Survey

I. Prepared for: The Honourable Todd Stone, Minister responsible for ICBC, for INFORMATION

II. Subject: “One-free crash” Initiative

III. Background:

- This rate mitigation measure has been identified as a means of helping to reduce overall Basic rate increases and introducing greater levels of fairness to B.C.’s insurance system. It was identified by ICBC in June, 2016 and has been endorsed by Government for implementation in 2016/17.
- It allows a maximum of one ‘free crash’ on Basic rates for lower-risk (-15 or higher CRS level) drivers.
- The expectation is to introduce stiffer sanctions for drivers who cause multiple crashes. The intent was for these sanctions to be prospective, in other words, to apply to claims occurring *after* the announcement date of the new rules.
- This note will attempt to clarify how the intent of a ‘prospective’ change to rates will be achieved in a system that is ‘retrospective’ in nature, that bases current year rates on a claim-scan of the prior policy period.

IV. Discussion:

- The majority of B.C. motorists^{s.13} benefit from the maximum 43 per cent discount. Today, a driver can have up to three at-fault crashes and still receive the highest discount – the same as a driver with 20 years of *no* at-fault crashes. The current CRS model does not enforce the financial consequences of a crash on the liable motorist and instead places it on all rate payers who must then pay added costs in order to maintain the system. Without financial consequences for causing repeated crashes, there is a lack of incentive for higher risk drivers to change their behaviour and reduce crashes.

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Customer impacts

- Approximately 4,000 customers per year will see a loss of a 'free' claim and an increase in Basic and Optional rates after a *second* crash. As well, a small number of customers, 150 per year, will see a loss of an additional 'free' claim and an increase in Basic and Optional Rate following their *third* at-fault crash in three years.
- For the majority of customers, it is anticipated this will be seen as a step towards creating a system of fairness and equality, whereby those who cause crashes will pay more.

Contact: Chris Tupper
Manager, Government
Partnerships and Programs
604-328-4271

Business Area Contact: Rob Wilson
Sr. Director Personal Insurance,
Broker Governance & Customer
Strategy, ICBC
(604) 982-6122

Date: November 28, 2016



Key messages and response points

Employee Opinion Survey, 2016 – November 28, 2016

Key messages

- ICBC carries out a voluntary Employee Opinion Survey every year, designed around the corporation's objectives and priorities.
- The surveys are extremely valuable in helping the corporation and its leaders better understand employees' personal motivation and accountability for delivering business results.
- ICBC has just completed its 2016 survey and is encouraged by the strong participation rate of 75 per cent, with results to follow in the New Year.

Background

- ICBC's Employee Opinion Survey is conducted by an outside provider, Nielsen, to ensure employee confidentiality and anonymity.
- Participation is voluntary but all employees are provided time to complete the approximate 20 minute electronic survey during working hours.
- The results will be analyzed and communicated internally to employees in the New Year.
- The results of the survey are used to fine-tune corporate and divisional action plans, including employee recognition efforts, learning and development programs, diversity and inclusion initiatives, staff retention and recruitment strategies and facilities planning.
- ICBC has conducted an employee opinion survey every year since 2004. In 2014 the survey format was changed – now ICBC conducts a full survey (sent to every employee) every two years and, in the alternate years, a shorter "pulse check" survey involving a random sampling of employees.

Page 669 to/à Page 675

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s.12;s.13;s.17

Supply Management Enhancement Program: Windshield Repair Program

DATE: NOVEMBER 28, 2016

ICBC Recommended Responses:

- **ICBC's insurance rates have been increasing in recent years due to a number of external pressures, most notably the rapid escalation in the number of claims, and the costs associated with those claims.**
- **Government and ICBC want to ensure insurance rates are affordable for British Columbians and have committed to look for opportunities that help keep rates as low as possible.**
- **ICBC has identified opportunities to modernize its supply management practices – to reduce pressure on insurance rates, increase efficiencies, and at the same time improve the value and services provided to customers across the province.**
- **ICBC is committed to continuing to work collaboratively with its stakeholders whenever it can, and paying fair and reasonable rates to suppliers while keeping insurance rates as low as possible for British Columbians.**

Background:

- Prior to the announcement, ICBC and Government will meet with the Automotive Retailers Association (ARA) and the New Car Dealers Association (NCDA) to debrief about the new program and policy updates.
- Following the announcement, ICBC will send written notification to all glass and c.a.r. shop VALET suppliers advising them of the new program and changes.
- s.13,s.17,s.21

Windshield repair program

- Starting in Spring 2017, customers who purchase ICBC's Optional Comprehensive coverage for their personal vehicles will be able to have a windshield chip repaired for free, as long as it is safe and appropriate to repair and program criteria are met.

- ICBC will consult with stakeholders to develop program details (criteria; repair standards), which will be announced closer to implementation in Spring 2017.
- ICBC used to offer a windshield repair program that provided customers the option of having damaged windshields repaired for free – when possible – instead of replacing them. The program was started in 1987 and discontinued in 2001 because repaired windshields often still needed to be replaced a short time later. As a result, the program was not convenient for customers and not fiscally responsible for ICBC.
- ICBC customers and stakeholders have told ICBC that they want ICBC to offer windshield repairs. ICBC is introducing the program as the effectiveness of windshield repairs and technology has significantly improved over the last 15 years.
- The new windshield repair program also helps the environment – ICBC estimates that there will be approximately 8,000 fewer windshields in B.C. landfills each year.

Contact: Chris Tupper
Manager, Government Relations
(604) 982-1228

Business Area Contact: Christopher Hancock
Director, Strategic Sourcing
and Asset Management
(604) 982-4594



Key messages and response points

Fraud – 2016 fall update – November 28, 2016

Key messages

- Insurance industry studies estimate approximately 10 to 20 per cent of insurance claims contain an element of fraud.
- Some claims are false, others are exaggerated. If we apply these estimates to B.C. we're looking at fraud impacting claims costs to the tune of \$600 million a year or more than \$100 for everyone's annual ICBC auto insurance bill.
- Most of the claims to ICBC are legitimate. But, there are some people who want to take advantage of the system by exaggerating their claims or making false claims. When a claim seems suspicious, ICBC investigates.
- Government and ICBC are taking action against fraud to help keep auto insurance rates as low as possible.

New analytics tool

- ICBC has completed the first phase of testing of a new high-tech tool which will help identify and target fraudulent claims early in the claims process.
- Fraud analytics technology uses data, algorithms and statistical methods to help spot cases when the facts don't seem to add up to an honest claim.
- The tool can sift through volumes of information such as claims history, addresses, and driver licensing and vehicle registration data that can alert ICBC investigators and claims adjusters to patterns, links, connections and possible indications of fraud faster.
- Early testing of the tool sparked 48 new suspected fraud investigations.
- ICBC has signed a five-year agreement with BAE System Applied Intelligence Canada Ltd. to use the fraud analytics software and case management solution. (See [video](#) of what the tool can do.)

Statistics

- ICBC has completed more than 5,000 fraud claims and driver licensing fraud investigations so far in 2016.
- This important work is done by the ICBC Special investigations Unit. Over the last five years, their activity has led to a 98 per cent conviction rate on all charges laid with approximately 550 fraud convictions.
- Earlier this year, ICBC conducted a media and public awareness campaign to draw attention to fraud claims. The campaign contributed to more calls to ICBC's toll-free fraud tips line at 1-800-661-6844. ICBC marked a 70 per cent increase in the number of tips received during the first quarter of 2016 compared to the same time last year.

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Monday, November 28, 2016 6:50 PM
To: Stone, Todd TRAN:EX
Subject: Updated Cab Sub
Attachments: s.12 sub - November 28aft.docx; ATT00001.txt

Minister - most recent version is attached.

Jordan

Cabinet Submission – Request for Decision

Minister: Honourable Todd G. Stone

Ministry: Ministry of Transportation and Infrastructure

Date: 28/11/2016 Ministry Document #: CAB 10/2016

s.12,s.13,s.17

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Withheld pursuant to/removed as

s.12;s.13;s.17

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Tuesday, November 22, 2016 10:56 PM
To: Stone, Todd TRAN:EX
Subject: Current Draft
Attachments: NR_Exotic Vehicles_insurance increase_Nov 2016.docx; ATT00001.txt

Follow Up Flag: Flag for follow up
Flag Status: Completed

Minister - here's the current draft on this one. Grant et al are reviewing now but I'm sending to you concurrently so you might have an opportunity to review as soon as possible.

I'll send a revised version if I receive any further updates.

I'll see you tomorrow morning. I'm thinking 10 for a briefing with you to allow you time to get downtown.

Jordan

Page 695 to/à Page 697

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Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Thursday, November 24, 2016 5:08 PM
To: Stone, Todd TRAN:EX
Cc: Bell, Jordan TRAN:EX
Subject: Daily Issues Report - Thursday, November 24, 2016
Attachments: FINAL NR - Kwikwetlem FN traditional ceremony - Evergreen.pdf; NR-Highway 97 Boucherie and Westlake.pdf; NR Hwy 97 & DGR project completed.pdf; NR - Fur Gold and Cattle SOI.DOCX; MA_Motor Coach Review and Pilot Car Manual_Nov 25 2016.docx; NR_Sicamous roundabout completion.docx; MA - Evergreen Financial Details Released.pdf; FINAL_NR_Motor Coach Review Results_Nov 25 2016.pdf; FINAL_NR_Pilot Car Guidelines_Nov 25 2016.pdf; DIR MOTI November 24 2016.docx

Minister,

Here is today's Daily report along with supporting communications materials for Thursday, November 24, 2016.

Lots on the go tomorrow, including the motor coach review and the Evergreen financial briefing.

Announcements for Thursday, Nov. 24:

- **Event & NR – Traditional blessing for First Nations art at Evergreen station – 9 a.m.** – news release announcing that elders and members of the Kwikwetlem First Nation and special guests revealed a First Nations art collection today at Coquitlam Central Station.
- **NR – Province moves forward with safety improvements at Highway 97 and Boucherie Road in West Kelowna – 10:30 a.m.** - Following extensive public and stakeholder consultation, the Ministry of Transportation and Infrastructure is proceeding with interim safety improvements on Highway 97 as well as the design of a new underpass at Boucherie Road. Quotes included for MTS and PCC.

Announcements for Friday, Nov. 25:

- **NR - Results of Motor Coach Industry Review - 7 a.m.** - The Motor Coach Bus Safety Review includes a review of safety statistics and performance for the industry including a comparison with other jurisdictions, current regulatory framework and procedures, best practices in neighbouring jurisdictions and around North America.
- **NR - Ministry launches new pilot car guidelines manual - 7:15 a.m.** - The Ministry of Transportation and Infrastructure has launched a new manual online for pilot car operators, who help support the safe and efficient movement of oversized loads on B.C.'s highways.
- **Media Advisory/Teleconference - Minister Stone hosts teleconference for media on Motor Coach Industry Review and Pilot Car guidelines - 9 a.m.** - Minister will speak to both the Motor Coach Industry Review and the new pilot car guidelines. Media advisory out approximately 7:30 a.m. following releases.
- **NR - Highway 97 and DGR intersection improvements completed - 9 a.m.** - This project to improve the intersection and add traffic signals was done to accommodate the increase in commercial traffic using the Dangerous Goods Route through Dawson Creek.
 - Tweet: Done! Safety improvements at the #BCHwy97 and Dangerous Goods Route intersection in #dawsoncreek
- **Media Advisory – 11:00 a.m.** Amanda Farrell to deliver technical briefing on Evergreen Project financials
- **NR - BC Ferries releases Q2 financial results - 11:30 a.m.** - BC Ferries will release its financial results from Q2, ending Sept. 30, 2016.

- **Media Advisory/Briefing - Evergreen Line under budget; financial details released - 2 p.m.** - The Evergreen Line will open under its \$1.43 billion budget. Project team will provide media with a technical briefing on project finances. Media advisory to go at 10 a.m.

Announcements for Monday, Nov. 28:

- **Event & NR – “Fur, Gold and Cattle” Stop of Interest sign – 9 a.m.** – Minister Stone unveils a refurbished Stop of Interest sign highlighting Kamloops’ vibrant role as a hub for the mining, trapping and ranching industries.
 - Tweet: DYK first Fort #Kamloops founded in 1812? The story is on our Stop of Interest sign. Nominate your own. bit.ly/2elUepM
- **NR – Highway 3 Sunday Summit/Sunday Creek completion – 9 a.m.** - This will be a provincial/ federal NR. The project is located on Highway 3 between Hope and Princeton. The project involves relocating and straightening the highway to remove two sharp curves, and adding a passing lane in each direction.
- **Event & NR – Sicamous roundabout completion – 10 a.m.** - Event to announce completion of a roundabout at the intersection of Main Street and Highway 97A in Sicamous. MTS quote with MLA Kylo lead.
- **FYI – TransLink launches new bus integration plan – info bulletin, 10 a.m.** - Bus scheduling changes will feed into the new Evergreen Line schedule

Take care,

Ryan Jabs

Communications Director | Ministry of Transportation and Infrastructure

Government Communications & Public Engagement

Tel: 250.953.4865 | Mobile: 250.413.7121 | Email: ryan.jabs@gov.bc.ca

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s.13

ICBC – Insurance changes for high-end luxury vehicles

BACKGROUND: The high-end luxury car market is a growing market, with 3,000 cars insured this past year, a 30% increase compared to three years ago. Government is acting now to address the rising costs to repair these cars and to eliminate any pressures they cause on basic rates.

- **Government is moving forward to no longer insure high-end luxury cars (worth over \$150,000) so that the broader rate payer is not subsidizing these vehicles.**
- **While this work is underway, high-end luxury cars will pay significantly more for basic insurance to ensure their premiums cover the full costs to repair these vehicles.**
- **Interim changes will include doubling the basic insurance premiums for luxury high-end vehicles worth over \$150,000, as well as an increase to optional premiums.**
- **In the future, ICBC will be moving to no longer insure this rate class, and the owners of these vehicles will have to go to private insurance instead.**
- **Drivers will still be required to carry a certain amount of coverage to protect themselves and other drivers, but it will not be provided through ICBC's public insurance plan.**
- **This is addressing basic fairness for the rest of ratepayers - who should not be covering the cost costly crashes for those who own expensive, luxury cars.**
- **The government realized there was an issue, and is acting to fix it.**
- **We will now start working on necessary legislative changes to introduce the new rules.**
- **This measure is in addition to several other measures the government and ICBC have already taken, to help address rising cost pressures, including the rate smoothing model – which restricts basic rate increases to plus/minus 1.5 percent of the prior rate adjustment – tougher enforcement for distracted drivers, and mitigating fraud.**
- **The luxury car measure is one of a number of actions that government and ICBC will be rolling out over the coming weeks and months to continue to address cost pressures on rates.**

ICBC – Rate Projections

BACKGROUND: ICBC has today refiled its original, complete response – along with some additional information – to the British Columbia Utilities Commission’s (BCUC) information request.

ICBC earlier requested that part of its response be held confidentially by the BCUC and remains concerned about the publication of the purely hypothetical scenarios requested by the Commission and the potentially misleading impression they convey.

The request from the BCUC directed ICBC to assume that no efforts are being made by the corporation and government to expand on our current initiatives or to implement new initiatives designed to alleviate the pressures being put on insurance rates – this is far from the case. Nor did the request consider any future improvements to the various rate mitigation initiatives already underway.

To illustrate the challenges with responding to this request, ICBC has updated its response with two additional hypothetical scenarios using different sets of assumptions from those requested by the BCUC.

The resulting outcomes portray a different picture of basic insurance rates which are subject to the same issue of volatility and uncertain external trends. None of these speculative scenarios are a real forecast –they are hypothetical.

- **As you are aware, ICBC has been asked by the BCUC to publish some hypothetical projections for basic insurance rates.**
- **There have been some media reports and some rhetoric out there about this, which could be causing some alarm for the public.**
- **To put this into context, the BCUC asked ICBC to do some rate modelling based on an extreme worst-case hypothetical situation, and these numbers have been made public.**
- **I want to reassure the public that these are extreme projections that do not consider the actions that the BC government and ICBC are taking to reduce the pressures on rates.**
- **So today, ICBC published two other hypothetical rate projections, just to show that these are shifting projections, using different sets of assumptions.**
- **One shows insurance rates remaining steady – and other shows rates going down.**
- **None of these speculative scenarios are a real forecast. They are all hypothetical.**
- **Today, as a government, we have announced a new insurance measure we are taking, to help increase fairness for all rate payers, and to help address cost pressures.**

- **Government is moving forward to no longer insure the high-end luxury vehicle rate class (vehicles worth \$150,000 and over) so that the broader rate payer is not subsidizing these vehicles, and the owners of these vehicles will have to go to private insurance instead.**
- **While this work is underway, high-end luxury car owners will pay more than double for basic insurance to ensure their premiums within this rate class fully cover all costs of any repairs.**
- **In addition, we are already taking a number of steps to help address the cost pressures, including:**
- **Cracking down on distracted driving – with significantly higher fines, more penalty points, higher levels of enforcement and more education. (Second time distracted driving offenders will pay a total of \$888 in financial penalties, which escalates further for any additional offence).**
- **Additional steps to combat fraud and exaggerated ICBC claims through more public education and better fraud analytics tools, which will help to more quickly target claims with the highest risk of fraud – and ultimately lower ICBC rates for all drivers.**

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Monday, November 28, 2016 3:30 PM
To: Stone, Todd TRAN:EX
Subject: FW: For Approval: 256569 Penner / Letter of Direction - One Free Crash / Reduced Crash Forgiveness
Attachments: 262569.docx; BN - One Free Crash Initiative - FINAL - 11.28.2016.docx; 262565.docx; DBN_OIC Package for HVV (FINAL).docx
Importance: High

As discussed, these are the two directive letters on OFC and the HVV.

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

Reference: 262565

Dear Chair Penner:

Re: Letter of Direction - Luxury Vehicle Changes

I am writing to provide direction to the Insurance Corporation of British Columbia (ICBC) regarding a new charge, as part of a suite of initiatives to introduce greater levels of fairness to B.C.'s insurance system.

ICBC is hereby directed to implement a high-value vehicle charge in the amount and with the particulars set out in the amended pages to the ICBC Basic Insurance Tariff attached to this letter.

There are two sets of attached pages. One set does not indicate a charge with respect to fleets and garage vehicle certificates. It is to be implemented effective January 8, 2017. A second set indicates a charge with respect to fleets and garage vehicle certificates. It is to be implemented once certificates for vehicles insured in a fleet and vehicles insured as owned vehicles under a garage vehicle certificate are administered in ICBC's new policy administration system. Both sets are to be implemented with any necessary consequential amendments to the attached pages, and any other Tariff pages, to reflect dates of implementation and any changes to the Tariff approved before the attached pages are implemented.

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,

Todd G. Stone
Minister

Enclosure

Page 707 to/à Page 708

Withheld pursuant to/removed as

s.13

Peters, Yvonne TRAN:EX

From: Main, Grant TRAN:EX
Sent: Tuesday, November 29, 2016 9:46 PM
To: Stone, Todd TRAN:EX
Subject: Fwd: Basic Rate Options SN
Attachments: Basic Rate Options SN.docx

As discussed Minister.

Sent from my Samsung Galaxy smartphone.

----- Original message -----

From: "Main, Grant TRAN:EX"
Date: 2016-11-29 7:20 PM (GMT-08:00)
To: "Bell, Jordan TRAN:EX (Jordan.Bell@gov.bc.ca)"
Subject: Basic Rate Options SN

Draft SN as discussed which really just provide intro comments and then suggest the Minister walk through the options in the sub.

Thanks
gm

Page 710 to/à Page 711

Withheld pursuant to/removed as

s.12;s.13;s.17

Peters, Yvonne TRAN:EX

From: Stone, Todd TRAN:EX
Sent: Monday, November 21, 2016 10:35 AM
To: Hon. Todd Stone
Subject: Fwd: DRAFT Cab Sub - s.12
Attachments: DRAFT Cab Sub - s.12 .docx; ATT00001.htm

Sent from my iPhone

Begin forwarded message:

From: "Main, Grant TRAN:EX" <Grant.Main@gov.bc.ca>
To: "Stone, Todd TRAN:EX" <Todd.Stone@gov.bc.ca>, "Henderson, Kim N PREM:EX" <Kim.Henderson@gov.bc.ca>
Subject: Fwd: DRAFT Cab Sub - s.12

Evening Minister, Kim - latest sub with context as below from Silas. Doug will be reviewing tonight - he was offline for part of today. Please let me know if either of you want to discuss . Am around tomorrow.

Thanks
 Grant

Sent from my Samsung Galaxy smartphone.

----- Original message -----

From: "Brownsey, Silas TRAN:EX" <Silas.Brownsey@gov.bc.ca>
Date: 2016-11-19 5:19 PM (GMT-08:00)
To: "Main, Grant TRAN:EX" <Grant.Main@gov.bc.ca>
Cc: "Kislock, Lindsay M TRAN:EX" <Lindsay.Kislock@gov.bc.ca>
Subject: DRAFT Cab Sub - s.12

Grant,

Here is the latest version of the sub based on our discussion this morning, and with edits incorporated from LSB (I have left a few comments embedded until information is confirmed). We do not have any feedback from Doug yet.

Per James' email today, s.13

so the

versions in the appendices remain draft.

Thanks,
 Silas

Page 713 to/à Page 752

Withheld pursuant to/removed as

s.12;s.13;s.17

Peters, Yvonne TRAN:EX

From: Stone, Todd TRAN:EX
Sent: Monday, November 21, 2016 4:10 PM
To: Hon. Todd Stone
Subject: Fwd: Latest for call now
Attachments: Cab Sub .s.12 .pdf; ATT00001.htm

Sent from my iPhone

Begin forwarded message:

From: "Borschneck, Lindsay TRAN:EX" <Lindsay.Borschneck@gov.bc.ca>
To: "Bell, Jordan TRAN:EX" <Jordan.Bell@gov.bc.ca>, "Stone, Todd TRAN:EX" <Todd.Stone@gov.bc.ca>
Subject: FW: Latest for call now

For 4pm

From: Lewthwaite, Jennifer TRAN:EX
Sent: Monday, November 21, 2016 4:01 PM
To: Borschneck, Lindsay TRAN:EX
Subject: Latest for call now

Page 754 to/à Page 789

Withheld pursuant to/removed as

s.12;s.13;s.17

Peters, Yvonne TRAN:EX

From: Jabs, Ryan GCPE:EX
Sent: Wednesday, November 23, 2016 7:51 PM
To: Stone, Todd TRAN:EX
Subject: Re: CKNW: Stone/Dix - ICBC rates ■

s.13

Ryan Jabs
250-413-7121

On Nov 23, 2016, at 7:14 PM, Stone, Todd TRAN:EX <Todd.Stone@gov.bc.ca> wrote:

Why are they all referring to three forecasts???

Sent from my iPhone

Begin forwarded message:

s.3

Peters, Yvonne TRAN:EX

From: Bell, Jordan TRAN:EX
Sent: Monday, November 28, 2016 3:05 PM
To: Stone, Todd TRAN:EX
Subject: Updated Cab Sub
Attachments: s.12 sub - November 28aft.docx

From: Kislock, Lindsay M TRAN:EX
Sent: Monday, November 28, 2016 3:02 PM
To: Bell, Jordan TRAN:EX; Bishop, Carol TRAN:EX; Brownsey, Silas TRAN:EX; Main, Grant TRAN:EX
Subject: Updated Version

Please find attached the most recent version of the submission. Minor edits required at the back end.

Lindsay Kislock | Assistant Deputy Minister
Phone [+1 250-387-5062](tel:+12503875062) | Mobile: [+1 250-217-6958](tel:+12502176958)
Ministry of Transportation | Partnerships Department
5B-940 Blanshard Street | Victoria, BC

Cabinet Submission – Request for Decision

Minister: Honourable Todd G. Stone

Ministry: Ministry of Transportation and Infrastructure

Date: 28/11/2016 Ministry Document #: CAB/
s.12,s.13,s.17

Page 793 to/à Page 803

Withheld pursuant to/removed as

s.12;s.13;s.17