



February 16, 2017

Reference: 260580

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

Dear Chair Penner:

This Mandate Letter confirms your organization's mandate, provides government's annual strategic direction and sets out key performance expectations for the 2017/18 fiscal year.

On behalf of the Province of British Columbia, thank you for your leadership and the contributions made by the Insurance Corporation of British Columbia (ICBC) over the past year and congratulations on the efforts made towards the following achievements:

- Successful implementation of the new insurance sales system within the approved budget, as part of ICBC's Transformation Program;
- High customer satisfaction levels for Insurance Services, Claims Services and Driver Licensing;
- Working with the Ministry to address claims cost pressures resulting from higher bodily injury cost trends in order to minimize future basic rate increases;
- Under provincial shared priorities, the launch of pilot programs for organ donors and neighbourhood golf carts, implementing Refuse to Issue for provincial debt, implementing systems changes and support for the new distracted driver fines and penalties, and ongoing support of the BC Services Card initiative; and
- Launching a number of new online services including an online driver abstract portal (allowing customers to obtain their driving record within seconds at no charge), and a new online estimating tool that allows customers to determine the impact on their premiums from an at fault crash.

B.C.'s Corporate Governance Framework takes a principles-based approach in providing direction for effective governance of ministries and Public Sector Organizations (PSOs). Since June 2014, the Taxpayer Accountability Principles (TAP) have provided guidance to ensure that the actions taken and services provided strengthen accountability and promote cost control while meeting the public policy objectives established by government on behalf of the citizens of B.C.



It is critical that public sector organizations operate as efficiently as possible, in order to ensure British Columbians are provided with effective services at the lowest cost possible. This requires constant focus on maintaining a cost-conscious and principled culture through the efficient delivery of services that stand the test of public scrutiny and help develop a prosperous economy in an environmentally sustainable manner. This is critical to government's commitment to control spending and balance the budget.

Government is making open information a priority across the public sector to enhance government transparency and accountability in the use of public resources, the delivery of programs and public services.

Government has provided the following mandate direction to the Insurance Corporation of British Columbia under the *Insurance Corporation Act, Insurance (Vehicle) Act and Motor Vehicle Act*:

To provide universal compulsory auto insurance (Basic insurance) to drivers in B.C. with rates regulated by the British Columbia Utilities Commission.

Government remains committed to keeping Basic insurance rates affordable for all British Columbians, and this has been a key focal point for both government and ICBC over the past number of years. There are a number of mitigation strategies currently underway or planned, that will alleviate some of the pressure on rates (including the Province forgoing the annual dividend, transferring \$472 million from Optional to Basic insurance, increasing sanctions for distracted driving, tougher measures to combat fraud and a number of targeted claims management strategies).

In order to achieve this mandate and to increase fairness and affordability in terms of Basic insurance, the Insurance Corporation of British Columbia is directed to take the following strategic actions:

- ICBC's Board of Directors is to commission a comprehensive independent third party review. The objective of this review is to provide a wide range of options for ICBC and government's consideration that would increase fairness and affordability in terms of Basic insurance, to a point that ICBC is able to limit future Basic rate increases in line with the rate of inflation. The Board shall commence work on this review by January, 2017, with a preliminary report being ready by June 30th (so that these may inform ICBC's 2017 Revenue Requirements Application);
- Continue to work on the numerous already approved mitigation strategies (e.g. changes to luxury vehicle insurance, fraud analytics);
- Meet financial targets and reporting requirements identified by government. Inform the Ministry within sufficient time to respond to any pressures in achieving these financial targets and advise of the related mitigation strategy;



- By July 1st, 2017, provide the Ministry an updated digital strategy with specific details outlining how ICBC will engage with the broker community on the development of expanded online insurance services as well as enhanced online claims and driver licensing services;
- Maintain or improve high customer satisfaction levels for Insurance Services, Claims Services, and Driver Licensing; and,
- Work with the Ministry to continue support for provincial shared priority projects, including, but not limited to, the BC Services Card, Road Safety Initiatives, supporting work to update the Administrative Driving Penalties and Vehicle Impoundment system, and meet the expectations outlined in the annual shared priorities letter.

The ongoing culture shift to principled public sector governance remains a priority for government. PSOs are expected to undertake more comprehensive professional development to enhance orientation of their board members and senior executives. Government will be providing programming and resources designed to complement components of orientation to ensure understanding of the accountabilities and expectations of public sector boards and organizations. For detailed information about TAP directives, please refer to the following link: [Taxpayer Accountability Principles](#).

Government is committed to continue to revitalize the relationship between Government and PSOs. This strong focus on increased two-way communication supports and ensures a common understanding of Government's expectations. Timely communication of emerging issues which may affect the business of the Insurance Corporation of British Columbia and/or the interests of government is critical to building trust and the effective delivery of public services, including information on any risks to achieving financial forecasts and performance targets. With the TAP embedded in the Annual Service Plans and Reports, this will support board chairs in assessing and communicating the organization's overall performance.

In addition, it is expected that your organization will continue to be diligent in ensuring familiarity with and adherence to statutory obligations and policies that have broad application across the public sector. Please refer to the following link for a summary of these accountabilities: [Public Sector Organization Accountabilities](#).

Each board member is required to acknowledge the direction provided in the Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website, and a copy signed by all board members provided to the ministry and made available to the public upon request.



I look forward to our regular meetings focusing on strategic priorities, performance against TAP, and working together to protect the public interest at all times.

Todd G. Stone
Minister of Transportation and
Infrastructure and Minister Responsible
for Insurance Corporation of British
Columbia

Date: February 16, 2017

Barry Penner, QC, Chair
Insurance Corporation of British Columbia

Date:

Ron Olynyk, Director
Insurance Corporation of British Columbia

Date:

Catherine Boivie, Director
Insurance Corporation of British Columbia

Date:

Bill Davidson, Director
Insurance Corporation of British Columbia

Date:

Kevin McIntyre, Director
Insurance Corporation of British Columbia

Date:



Maureen Howe, Director
Insurance Corporation of British Columbia Date:

Sheila Orr, Director
Insurance Corporation of British Columbia Date:

Inde Sumal, Director
Insurance Corporation of British Columbia
Date:

cc: Honourable Christy Clark
Premier

Kim Henderson
Deputy Minister to the Premier and Cabinet Secretary

Athana Mentzelopoulos
Deputy Minister and Secretary to Treasury Board
Ministry of Finance

Cheryl Wenezenki-Yolland
Associate Deputy Minister
Ministry of Finance

Grant Main
Deputy Minister
Ministry of Transportation and Infrastructure

Ron Olynyk, Director
Insurance Corporation of British Columbia

Catherine Boivie, Director
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Bill Davidson, Director
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Kevin McIntyre, Director
Insurance Corporation of British Columbia



Maureen Howe, Director
Insurance Corporation of British Columbia

Sheila Orr, Director
Insurance Corporation of British Columbia

Inde Sumal, Director
Insurance Corporation of British Columbia

Mark Blucher
President and Chief Executive Officer
Insurance Corporation of British Columbia

Attachment: Taxpayer Accountability Principles

*The original Mandate Letter has been signed by all board members.
A copy of the original document can be obtained upon request.*



B.C. Taxpayer Accountability Principles

Further information available at: <http://gov.bc.ca/crownaccountabilities>

1	Cost Consciousness (Efficiency)	Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to “bend the cost curve” and support sustainable public policies and programs as a lasting legacy for generations to come.
2	Accountability	Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government’s strategic mandate.
3	Appropriate Compensation	Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government’s taxpayer accountability principles and respectful of the taxpayer.
4	Service	Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs.
5	Respect	Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers’ monies.
6	Integrity	Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles.