

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2023/24 – 2025/26 Service Plan. For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the [latest service plan](#).

Goal 1: To Make Insurance Affordable

ICBC is committed to delivering an affordable and sustainable insurance system for British Columbians.

Objective 1.1: Make insurance more affordable by reducing claims costs and legal expenses

Key results

- ICBC did not increase its Basic rates in 2023/24, an achievement that reflects its commitment to affordability, financial stability and the benefits of [Enhanced Care](#).
- ICBC reduced the number of pending, in-province bodily injury claims from the old legal-based insurance product by 35 per cent, ensuring that reserves previously set aside are sufficient for the payment of those claims.
- ICBC improved the design and delivery of Enhanced Care to ensure the sustainability of the care-based model with a focus on the customer recovery journey and experience.
- ICBC has ensured that 96.1 per cent of claims costs go directly to the customer through appropriate benefit application for customers involved in a crash and requiring recovery from their injuries.
- ICBC has introduced new technology and streamlined business processes to better serve its total loss customers, or those customers whose vehicles have been written off. These enhancements have improved customer service and reduced claims handling costs.

Summary of progress made in 2023/24

Enhanced Care has been in effect for close to three years. Priority has been on the customer journey, focusing on the overall experience of ICBC customers and ensuring quick access to benefits and timely, quality communication. In addition, development of additional recovery programs has resulted in increased support for early management of mild traumatic brain injuries.

ICBC settled nearly 20,000 litigated claims under the former tort model in 2023/24, a 35 per cent reduction in pending bodily injury claims in British Columbia since the start of the fiscal year. ICBC is working to wind down the old legal-based insurance book of business so that its sole focus will be on the delivery of Enhanced Care. Once these claims are fully wound down,

they will require no further increases to reserves. This will provide more financial stability as ICBC's financial results will be tied more closely to the delivery of Enhanced Care.

In response to the global trend of rising costs of vehicle repairs, ICBC is executing its Material Damage Strategy that was developed to mitigate cost pressures. In 2023/24, the strategy focused on providing support for training more repair apprentices to improve capacity and augmenting its claims management systems with the latest technology to improve governance of these repairs.

Performance measure(s) and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
Jurisdictional comparison of year-over-year rate changes ^{1,3,8}	ICBC's rate change is 1.6 percentage points less than the Provincial Rate Change Benchmark	≤ Provincial Rate Change Benchmark	2023/24 comparison will be available in 2025 ²
Percentage of claims costs that goes to customers ^{4,5,8}	96.2%	95.9%	96.1%
Average cost for a vehicle-related claim ^{6,7,8}	\$6,314	\$6,513	\$6,973

¹Data source: The private passenger vehicle (PPV) provincial benchmark and ICBC's personal rate change represent the overall rate level change that PPV/personal customers experienced in fiscal year 2023/24. The PPV provincial benchmark is from Canadian jurisdictions that have publicly available rate change information: Alberta, Saskatchewan, Manitoba, Ontario, and New Brunswick. Note that Manitoba includes some commercial vehicles in their private passenger net written premium.

²This result is unavailable now; the 2024/25 Annual Service Plan Report will report this result after a complete year of data. ICBC expects to perform better than the Provincial Rate Change Benchmark based on rate change information as of December 31, 2023.

³Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as ≤ Provincial Rate Change Benchmark and ≤ Provincial Rate Change Benchmark respectively.

⁴Data source: Analysis of ICBC-incurred claims; plaintiff counsel contingency fees assumed at 25% of settlement amounts on average for represented claimants.

⁵Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 95.8% and 95.8% respectively.

⁶Data source: ICBC claims database.

⁷Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as \$6,994 and \$7,491 respectively.

⁸For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the [latest service plan](#) on the ICBC website.

Jurisdictional comparison of year-over-year rate changes: A key measure of affordability is year-over-year changes in insurance rates. ICBC evaluates its rates each year against a Provincial Rate Change Benchmark, using a weighted average of published rate changes implemented in other provinces. While the 2023/24 results are not yet available, ICBC is on track to meet its target of delivering year-over-year rate changes that are less than or equal to the comparable benchmark based on rate change information as of December 2023. This expected outcome reflects the impact of holding Basic insurance rates at 2022/23 levels.

Percentage of claims costs that goes to customers: The percentage of claims costs that goes directly to customers in 2023/24 (96.1%) remains about the same level as in 2022/23 (96.2%) and is above ICBC's target for 2023/24 of 95.9 per cent. This is following legal-related costs being largely eliminated with introduction of Enhanced Care in May 2021 (partway through fiscal year 2021/22).

Average cost for a vehicle-related claim:

Repair costs continued to increase globally in 2023/24, driven by industry-wide challenges, including inflation, supply chain issues and repair capacity challenges. In 2023/24, the average cost for a vehicle-related claim was higher than targeted. ICBC's Material Damage Strategy is focused on addressing these rising costs and the ability of repair facilities to ensure that auto insurance remains affordable for people in British Columbia.

The average cost for a vehicle-related claim measures the combined average cost for all material damage claims (excluding glass claims). Vehicle repair and replacement costs continue to increase industry wide as vehicles become more complex due to embedded sensors, cameras, and other driver-assistance technologies. This measure quantifies the effect of ICBC's effort to moderate these increasing material damage costs.

Goal 2: To Be Customer Driven

ICBC aims to be more flexible and customer driven and to have the needs of customers drive improvements in the design and delivery of its products and services.

Objective 2.1: Be more flexible, with customer needs driving improvements in the design and delivery of products and services

Key results

- In 2023/24, ICBC completed work on an enterprise-wide customer experience strategy, which is its roadmap to improvements to the consistent delivery of positive customer experiences.
- ICBC improved its digital capabilities, including enhancing [icbc.com](https://www.icbc.com), improved online document submissions, claims status notifications, and improvements to the vehicle settlement process.
- ICBC redesigned how it measures customer satisfaction, including its customer surveys; the results have improved the quality of insights and ability to analyze pain-points and trends.
- In 2023-24, ICBC designed new customer experience training courses tailored for Enhanced Care recovery specialists.
- A new distance-based discount was introduced for Optional insurance. Starting with policies effective June 1, 2023 or later, B.C. drivers are now eligible to save up to 10 per cent if they drive 10,000 kilometres per year or less, resulting in over 550,000 customers

receiving a distance-based discount in fiscal 2024. To qualify, they must share two odometer readings one year apart, have a 12-month Autoplan policy with ICBC Optional coverage and be within an eligible rate class.

Summary of progress made in 2023/24

ICBC is committed to improving our customers' experience. This is why in 2023/24, ICBC remained focused on completing a holistic customer experience strategy anchored on a vision of consistent, easy and helpful interactions that move customers forward. The results of this strategy work have identified key focus areas that will help improve ICBC's digital and self-serve capabilities while also investing in its abilities to manage empathetic customer interactions. To further support these goals, improved measurement of customer satisfaction and customer surveys have enabled ICBC to better identify and resolve customer pain-points. Through improved surveys ICBC can better understand customers' feedback and ensure improvements reflect their needs. Another key area of improvement has been on the digital claims experience. By enhancing the quality of claims information available on icbc.com, increasing claims self-serve online capabilities, and enhancing status updates, customers can better understand and manage their claims.

ICBC surveys customers annually to inform future changes and adapt its products to better serve customers as part of its commitment to make insurance more affordable for everyone in British Columbia and to give customers more control over their insurance premiums. According to surveys conducted on behalf of ICBC, more than half of people in British Columbia expressed interest in usage-based insurance, with cost savings being the top motivating factor.

Performance measures and related discussion

Performance Measure ¹	2022/23 Actual	2023/24 Target	2023/24 Actual
[2a] Customer Satisfaction for Insurance Services ^{2,5}	85%	84%	85%
[2b] Customer Satisfaction for Claims Services ^{3,5}	74%	72%	75%
[2c] Customer Satisfaction for Driver Licensing Services ^{4,5}	77%	75%	74%

Data source: An independent firm is retained to conduct ongoing surveys of customers for the purposes of monitoring transactional satisfaction.

¹Effective 2022/23, ICBC transitioned to using a more calibrated seven-point scale to measure satisfaction, versus the previous four-point scale, as part of its commitment to evolve its customer satisfaction measurement framework. Enlarging the scale has provided customers with more choice and allows them to better distinguish their level of satisfaction. Please refer to the ICBC Service Plan 2022/23 - 2024/25 for a comprehensive description of the new scale. Note that targets for future years have been updated in Service Plan 2023/24-2025/26.

²Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 85% and 86% respectively.

³Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 73% and 74% respectively.

⁴Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 76% and 77% respectively.

⁵For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the [latest service plan](#) on the ICBC website.

ICBC measures customer service based on the percentage of satisfied customers for each major transaction type or service that it provides: insurance product purchase, mid-term changes and renewal, claims service, and driver licensing.

Customer satisfaction for Insurance Services: ICBC's 2023/24 insurance customer satisfaction score is above the target at 85 per cent. This result reflects a high level of satisfaction with Autoplan brokers along with the ability to complete renewal transactions online and over the phone.

Independent insurance brokers process more than four million Autoplan policies each year. The insurance services satisfaction measure evaluates customer experience when purchasing a new policy, renewing a policy, or making a midterm change to an existing policy.

Customer satisfaction for Claims Services: The Claims Customer Satisfaction score for 2023/24 is above the target at 75 per cent, despite ongoing global supply chain challenges that impact the ability to complete repairs in a timely manner. This strong result was due to improvements in call wait times, a more straightforward process for opening new claims, and ongoing efforts in recruitment and optimization of operational processes.

Claims are handled through ICBC's First Notice of Loss contact centre and other specialty departments such as Claims, Material Damage and Rehabilitation Services. Claims surveying, which surveys customers with personal (non-commercial) claims, occurs when a customer opens a claim with ICBC and/or after their claim closes.

Customer satisfaction for Driver Licensing Services: The Driver Licensing customer satisfaction score was below the 2023/24 target of 75 per cent by one percentage point. This is mainly due to rising demands for driver licensing services, affecting both appointment availability and office wait times.

ICBC conducts approximately 3.5 million driver-licensing transactions¹ every year, including issuing and renewing licences, administering driving tests and issuing identification cards.

ICBC remains committed to enhancing and delivering a positive customer experience and has implemented capacity enhancements to address these challenges, including opening a new office in Surrey, standardization of office practices across all driver licensing offices, and reducing the duration of road tests without compromising the integrity of the test.

¹ In some previous Annual Service Plan Reports, the number of transactions was incorrectly stated.

Goal 3: To Be Smart and Efficient

ICBC will invest in data, analytics and technology to improve efficiency and make more-informed better decisions.

Objective 3.1: Invest in data, analytics and technology to improve efficiency and decision-making

Key results

- Improved claims technology to make claims more convenient, simple and quicker for customers and employees.
- Added new predictive analytics into material damage operational activities to reduce handling time.
- Improved the Collision Repair Program by leveraging advanced analytics for more meaningful reporting.
- Improved data quality, availability, accessibility, and data literacy and culture as part of our strategy to become a more data-driven organization.
- Automated some claims reporting and payment processes to reduce room for error and improve efficiency.

Summary of progress made in 2023/24

In 2023/2024, ICBC leveraged predictive modelling to increase objectivity and accuracy in the Collision Repair Program, and to improve its data-driven claim fraud detection tool. ICBC also initiated the design of a total loss prediction model based on machine learning. Use of this model improves ICBC's efficiency resulting in customers being informed that their vehicle is a write-off more quickly and aligns with the overall goal of managing costs using data, analytics, and technology.

Performance measures and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
Operating Expense Ratio ^{1,2,3,4,7}	21.2%	21.8%	23.2% ⁵
Loss Adjustment Expense Ratio ^{6,7}	15.7%	10.0%	12.2% ⁵

Data source: Financial performance measures are derived from actual financial information, forecasted trends and assumptions.

¹Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 21.5% and 21.4% respectively.

²2022/23 actual operating expense ratio is restated to reflect expense reclassification in compliance with new International Financial Reporting Standards 17.

³In the latest 2024/25 – 2026/27 Service Plan and future reports, the operating expense ratio performance measure is referred to as “expense ratio”.

⁴The auto writers' industry benchmark for 2023 was 29.7%. Source: MSA Research Inc., MSA Benchmark Report, Property and Casualty, Canada, 2023. Benchmark name: Auto Writers (excluding ICBC and Saskatchewan Auto Fund).

⁵ICBC issued a rebate (\$398 million); this resulted in lower earned premiums. Excluding the rebate, the 2023/24 actual operating expense ratio would be 21.5% and the 2023/24 actual loss adjustment expense ratio would be 11.3%.

⁶Targets for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 9.9% and 9.7% respectively.

⁷For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the [latest service plan](#) on the ICBC website.

The operating expense ratio is a standard industry measure to assess the operational efficiency of an insurer. A lower operating expense ratio is better. ICBC calculates this as a ratio of insurance expenses and non-insurance expenses (excluding incurred claims and claims-related costs) to premiums earned net of reinsurance. ICBC is unique in providing non-insurance services (driver licensing, vehicle registration and licensing, violation ticket issuance and government fine collections) as other insurance carriers in Canada do not typically provide these services. Even with these added expenses, ICBC continues to be an efficient and low-cost organization, and its operating expense ratio remains over 6 per cent lower than the industry average.

In 2023/24, ICBC's operating expense ratio was 23.2 per cent, higher than target by 1.4 percentage points (ppt) and the prior year's ratio by 2.0 ppt. While the actual was higher than target, ICBC's operating expense ratio remains lower than that of other insurance companies. Without the \$398 million rebate, the operating expense ratio would be in-line with target and the prior year's ratio.

The loss adjustment expense ratio (LAER) compares the cost to settle claims to premiums earned, which is an indicator of the efficiency of the claims settlement process. This measure primarily considers loss adjustment expenses on an incurred basis, which means that it represents costs for losses occurring in the current fiscal year. It can also be affected when there are significant changes in estimated costs to settle outstanding claims from prior years.

The higher LAER in 2023/24 compared to target is mainly from a lower premium and mid-year adjustment that recognized higher loss adjustment expenses will be required to fully resolve all the remaining legal-based claims. With the introduction of the Enhanced Care model and the elimination of most remaining legal costs from the previous system, ICBC expects that the LAER will remain stable with approximately 10 per cent of premiums going towards the cost of settling claims.

Goal 4: To Be Future Focused

ICBC will prepare for the future of insurance and mobility in B.C. through road safety programs and workplace practices

Objective 4.1: Prepare for the future of insurance and mobility in B.C.

Key results

- Advanced the multi-year People Strategy to build a talented, diverse, and engaged workforce.
- Developed a multi-year roadmap for recruitment and retention initiatives that bolsters a diverse, equitable and inclusive workplace.

- Delivered overall year-over-year increases in Employee Opinion Survey scores.
- Ratified a new collective agreement between ICBC and its approximately 4,900 MoveUP members.
- Implemented enhancements to the Road Improvement program and an initiative to address parking lot crashes under ICBC's Crash Prevention Strategy initiatives.

Summary of progress made in 2023/24

ICBC has the opportunity to help shape the future of insurance and mobility in British Columbia through partnerships and workplace practices. As the mobility landscape evolves, proactive planning and implementation of road safety programs to reduce crashes now as well as responding to emerging safety risks becomes even more critical. In 2023/24, ICBC made advancements in planning for [road safety](#) interventions. These advancements included implementing enhancements to ICBC's [Road Improvement Program](#). The enhancements provided additional support for road authorities to accelerate projects that offer the greatest crash reduction benefits and facilitate the implementation of highly effective road improvement interventions. ICBC also ran a campaign to raise awareness of locations where crashes frequently occur, such as parking lots, encouraging people to drive carefully and responsibly in parking lots and to back into parking spots. Discussions with external partners continued to explore future mobility partnerships. ICBC also continued to monitor driver behaviour, shifts in the use of vehicle technology and evolving mobility trends. Changes in cyclist and pedestrian safety were closely monitored to anticipate and plan for trends that may influence future crash rates and better inform future initiatives.

ICBC is now several years into advancing an ambitious People Strategy that supports a talented, diverse, and engaged workforce. Success is reflected in the overall results of the annual Employee Opinion Survey (EOS), and specifically the Employee Engagement score.

In 2023/24, developing corporate leadership capabilities continued to be a priority, including the establishment of a new leadership development program that will offer robust training for frontline leaders. ICBC has worked to ensure the flexible work model continues to support employees and their work and continues to offer a flexible hybrid work model that gives most employees remote work options. This achieves several aims: to remain an employer of choice, lessen commute times, help reduce congestion and crashes on B.C. roads and reduce the corporation's carbon footprint.

ICBC is committed to being an inclusive employer — one that reflects the diversity of the people and communities of British Columbia. The important work done to ensure a diverse, equitable, and inclusive workplace made significant progress this year, including increasing representation of Indigenous people, planning work to augment recruitment and retention initiatives, increasing representation of people with disabilities, and increasing leader awareness through diversity, equity, and inclusion (DEI) training.

Two key enablers of the People Strategy saw significant progress in 2023/24. A new collective agreement was ratified between ICBC and its approximately 4,900 MoveUP members in 2023. The new agreement is a significant accomplishment and key to moving ICBC forward. A

human resources information system for employees was implemented in 2023/24 to better support human resources work. This system has enhanced functionality and improves the employee experience by making it easier for employees to manage HR-related tasks, promoting communication and collaboration, and supporting professional development.

Performance measures and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
Employee Engagement score ¹	62	65	66

Data source: Employee Opinion Survey (EOS) conducted by an independent firm.

¹Target for 2024/25 and 2025/26 were stated in the 2023/24 Service Plan as 67 and 69 respectively.

ICBC's EOS seeks to understand employee opinions about the company and reflects its efforts to attract and retain a talented, diverse, and engaged workforce. In 2023/2024 ICBC's overall engagement score increased 4 points to 66 per cent, up from 62 per cent in 2022/2023. ICBC's EOS survey response rate was 80 per cent, providing ICBC with an effective way to understand the composition and sentiment of its workforce across several intersecting dimensions, and survey results indicate we are moving in the right direction with the People Strategy continuing to focus on the right areas and employees feeling connected with ICBC's purpose. In the preceding year, ICBC implemented several initiatives aimed at increasing overall engagement, including enhancing communication and incorporating EOS goals into performance plans to enhance corporate-wide accountability for employee engagement.

As part of ICBC's commitment to being an inclusive employer that reflects the diversity of B.C.'s people and communities, the EOS includes a DEI index to help understand the employee experience of various groups, a common experience driver of inclusion. All employees have the opportunity to self-identify across a range of different diversity measures including gender, ethnicity, ability, and Indigenous identity.