Insurance Corporation of British Columbia

2023/24 – 2025/26
Service Plan

February 2023

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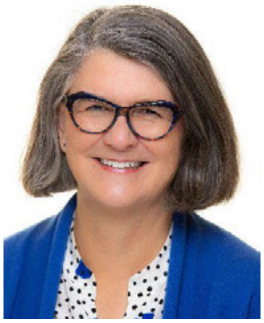
Published by the Insurance Corporation of British Columbia

ICBC's corporate service plans, annual reports and financial reports are available on the ICBC website.

Board Chair's Accountability Statement



The 2023/24 – 2025/26 Insurance Corporation of British Columbia (ICBC) Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of February 2023 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, ICBC's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of ICBC's operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:

Catherine Holt
Board Chair, ICBC
February 16, 2023

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Strategic Direction

In 2023/24, public sector organizations will continue working to make life better for people in B.C., improve the services we all rely on, and ensure a sustainable province for future generations. Government will focus on building a secure, clean, and fair economy, and a province where everyone can find a good home – whether in a rural area, in a city, or in an Indigenous community. B.C. will continue working toward true and meaningful reconciliation by supporting opportunities for Indigenous Peoples to be full partners in an inclusive and sustainable province. The policies, programs and projects developed over the course of this service plan period will focus on results that people can see and feel in four key areas: attainable and affordable housing, strengthened health care, safer communities, and a secure, clean and fair economy that can withstand global economic headwinds.

This 2023/24 service plan outlines how ICBC will support the government's priorities and selected action items identified in the most recent ICBC Mandate Letter.

As B.C.'s public auto insurer, ICBC insures every British Columbian driver with its Basic insurance and many with its Optional products. To support the B.C. Government's commitment to make life more affordable for British Columbians, ICBC is dedicated to providing affordable insurance products and services that customers value.

ICBC's corporate strategy focuses on four key goals: to make insurance affordable, to be customer driven, to be smart and efficient, and to be future focused. This Service Plan covers year four of ICBC's current five-year strategy and ICBC is making good progress on its strategic goals.

After lowering rates for British Columbians who carry both Basic and Optional ICBC insurance by about 28 percent in 2022/23, ICBC continues to focus on affordability. In January 2023, the British Columbia Utilities Commission (BCUC) approved on an interim basis ICBC's request for no changes to the Basic rates for the next two years. The expansion of insurance products for customers who drive less will also improve affordability for those Optional customers.

ICBC remains committed to its goal of being customer driven. The company will focus on improving customer communications and service channels, and will continuously address customer experience gaps and pain points across driver licensing, vehicle registration and licensing, policy sales and service, and claims. There will be a particular focus on continuing to improve how we deliver the still-new Enhanced Care model of insurance, including expanding employee knowledge and improving communication to customers.

ICBC's road safety team will continue its focus on reducing crashes to support the safety of British Columbians and reduce rate pressures. In addition, ICBC will continue to monitor evolving mobility trends and will leverage technology to better understand driver behaviour and promote safe driving.

The B.C. Road Safety Strategy 2025 is a provincial program rooted in the vision of realizing zero fatalities and serious injuries on B.C. roads. ICBC is a steering committee member and key partner in striving to protect all road users, including pedestrians and cyclists.

ICBC expects to finalize an Indigenous Relations and Reconciliation framework in 2023 and embark on mapping a strategy that will align its policies with the United Nations Declaration on the Rights of Indigenous Peoples, Canada’s Truth and Reconciliation Commission Calls to Action, and B.C.’s *Declaration Act* Action Plan. While the framework and strategy are being developed, ICBC is continuing to work with B.C.’s Indigenous communities to provide services that better meet their needs. ICBC acknowledges it is early in its reconciliation journey and there is much work to do.

In 2023, ICBC will launch its first diversity, equity and inclusion (DEI) strategic action plan. The goals of the plan are to build a talented, diverse, engaged and representative workforce; to embed equity, diversity and inclusion into polices, processes and products; and to create meaningful and sustainable change.

ICBC is continuing to implement its People Strategy to improve employee engagement and its ability to attract and retain talent. The People Strategy is ICBC’s multi-year commitment to shape its future for an engaged, empowered and diverse workforce. Work planned for 2023/24 includes developing programs that support the overall well-being and engagement of employees.

Purpose of the Organization and Alignment with Government Priorities

As a B.C. Crown Corporation, ICBC reports to the Minister of Public Safety and Solicitor General, the Hon. Mike Farnworth. It is mandated by 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 Basic insurance rates regulated by the British Columbia Utilities Commission. In addition, ICBC provides British Columbians with Optional auto insurance products.

ICBC champions a safe driving culture by working with communities, law enforcement and other stakeholders on various road safety campaigns and initiatives. As one of B.C.'s largest corporations and one of Canada's largest property and casualty insurers, its insurance products and services are available through a province-wide network of approximately 900 independent brokers. Each year, ICBC processes approximately 760,000 claims through online claims reporting and a 24-hour telephone claims handling service. It works with auto repairers and healthcare professionals throughout the province to support customers after a crash.

ICBC also provides several non-insurance services on the provincial government's behalf including vehicle registration and licensing, driver licensing and fines collection, and issuing the B.C. Services Card.

Operating Environment

ICBC, like other insurance companies, faces a very challenging business environment. With strong inflationary and supply chain pressures, costs are rising rapidly including those to repair and replace vehicles. In effort to offset some of these pressures, ICBC is modernizing its material damage programs and procedures. As a public insurer, ICBC is mindful that compensation to suppliers impacts the premiums customers pay, and is committed to striking a balance between supplier compensation and affordable rates. ICBC is also collaborating with the material damage industry to try to address the shortage of skilled technicians.

As Enhanced Care is still a relatively new product, collaboration has continued across jurisdictions with comparable care models to assist in informing our actuarial forecasts until there is adequate data to establish recovery outcome baselines, which will provide more certainty as to the full costs.

Approximately $9 billion in claims is still open from crashes that occurred under the previous legal-based insurance model. These outstanding claims, about $6 billion of which are complex and high-risk, remain a significant liability.

ICBC's investment portfolio is facing downside risks in the financial markets, including the possible economic slowdown in the upcoming fiscal year. The transition of the investment portfolio to the new asset mix is designed to support Enhanced Care, and is expected to outperform the previous investment portfolio over the longer term. These expected higher returns will allow ICBC to provide lower premiums to customers.

Another way ICBC addresses its claims risk is through the purchase of reinsurance. This insurance passes on some risk to the re-insuring companies and can be claimed against in the event of a large catastrophic event, such as an earthquake.

A number of other external forces impact ICBC's business: extreme weather events due to climate change, changing technology including the electrification of vehicles, and the changing driving habits and insurance needs of British Columbians. In driver licensing, population growth and other external factors are requiring change and adaptation. All these factors are carefully considered when making decisions that affect ICBC's policies, products and services.

To date, these uncertainties have balanced out so that ICBC has not had to forecast higher costs nor needed to charge higher premiums.

ICBC is a self-sustaining entity, prudently managing the insurance business to deliver high quality and affordable auto insurance to British Columbians. ICBC's capital framework takes into consideration both its management operating targets and its regulatory minimums to ensure adequate capital reserves to protect policyholders from financial risk, while moderating rates. The regulation and capital framework is designed and managed to ensure ICBC continues to be self-sustaining. A net loss for ICBC (and negative impact on the provincial budget), would not require tax payer support or funding, nor has it in recent decades. Although recent volatility has impacted ICBC's net income and capital levels, ICBC's reserves are adequate to absorb adverse events, and capital levels are expected to continue to recover over the forecast period.

With thoughtful planning and prudent decision-making, ICBC is well positioned to build on Enhanced Care and other forward-looking initiatives to tackle challenges as it serves British Columbians.

B.C.'s economy has been resilient to pandemic, geopolitical and climate-related disruptions. However, higher interest rates are expected to weigh on the economy in the coming years. Following a rapid recovery from the economic impacts of the COVID-19 pandemic, high inflation led to successive interest rate increases from the Bank of Canada in 2022. The impact of higher interest rates has been evident in housing markets and there is uncertainty over its transmission to the rest of the economy in B.C. and among our trading partners. B.C. is heading into this challenging period in relatively strong position, with a low unemployment rate. The Economic Forecast Council (EFC) estimates that B.C. real GDP expanded by 3.0 per cent in 2022 and expects growth of 0.5 per cent in 2023 and 1.6 per cent in 2024. Meanwhile for Canada, the EFC estimates growth of 3.4 per cent in 2022 and projects national real GDP growth of 0.5 per cent in 2023 and 1.5 per cent in 2024. As such, B.C.'s economic growth is expected to be broadly in line with the national average in the coming years. The risks to B.C.'s economic outlook center around interest rates and inflation, such as the risk of further inflationary supply chain disruptions, the potential for more interest rate increases than expected, and uncertainty around the depth and timing of the impact on housing markets.

Further risks include ongoing uncertainty regarding global trade policies, the emergence of further COVID-19 variants of concern and lower commodity prices.

Performance Planning

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

In alignment with the priority outlined in its mandate letter to support "affordability and the long-term financial sustainability of ICBC, and improved care for British Columbians involved in vehicle accidents," ICBC has implemented the Enhanced Care model and continues to monitor and make improvements. Launched in May 2021, Enhanced Care has moved B.C's. auto insurance to a system that is more affordable, sustainable and focused on injury recovery. ICBC is furthermore focusing on repairing vehicles in a cost-effective manner and on industry partner collaborations that put customers first while we collectively manage the overall health of the system.

Key Strategies

- Improve health outcomes through our Enhanced Care model
- Manage costs associated with legal-based claims
- Manage escalating vehicle repair costs

Discussion

Strategy 1: Improve health outcomes through our Enhanced Care model

In addition to providing better care for customers, ICBC'S Enhanced Care model improves affordability by removing legal costs from the system. This allowed ICBC to reduce rates and give a greater percentage of claims costs back to customers.

To ensure Enhanced Care's ongoing success, ICBC has focused on supporting its people in having the right knowledge, skills and tools to support the customer's recovery journey. Furthermore, ICBC is aligning medical treatments with evidence-based research to help customers return to their daily lives faster. ICBC will continue to work with healthcare providers to improve customer recovery outcomes while supporting affordability goals. As ICBC continues to monitor and evolve the Enhanced Care model, performance measures relating to customer recovery outcomes will be explored for the Service Plan.

Strategy 2: Manage costs associated with legal -based claims

While Enhanced Care has removed significant legal costs from the auto insurance system, ICBC continues to manage the legal-based book of claims for accidents that occurred before May 1, 2021. Claims made under the legal-based system are currently estimated at around $9 billion and are often complex. Managing these claims will be done through ongoing file management strategies and analytics; this is a key component of ensuring that vehicle insurance continues to be affordable for British Columbians.

Strategy 3: Manage escalating vehicle repair costs

Vehicle repair costs continue to increase: vehicles today are more reliant on expensive materials and technology than ever before, the hours of labour required as well as the number and cost of replacement parts are increasing, and supply chain pressures remain. Challenges with the supply chain relate mainly to cost and timely availability of parts, driving up the cost of repairs and leading to repair delays. These conditions in turn increase other costs including those for storage and rental. Inflationary pressures and labour shortages in the repair industry have further added to the challenge.

ICBC continuously improves its material damage programs that help customers deal with vehicle damage and repairs through industry engagement and a focus on streamlining supplier interactions. ICBC is refreshing its material damage strategy to adapt to external conditions and mitigate cost pressures. ICBC also has work underway to review vehicle damage estimates using artificial intelligence, which will increase the speed and accuracy of vehicle damage assessment while reducing subjectivity in the review process. These improvements will allow ICBC to better identify efficient repair shops and decrease claim handling time.

Performance Measures

Jurisdictional comparison of year-over-year rate changes

Performance Measure	2021/22 Actuals	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
[1a] Jurisdictional comparison of year-over-year rate changes	ICBC's Rate Change is 23.6 percentage points less than the Provincial Rate Change Benchmark	≤ Provincial Rate Change Benchmark[1]	≤ Provincial Rate Change Benchmark	≤ Provincial Rate Change Benchmark	≤ Provincial Rate Change Benchmark

Data 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 2021/22. 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. To better align with the publicly available jurisdictional data, ICBC's Rate Change now reflects the change for its Personal customers only, rather than all customers (personal plus commercial).

[1] ICBC is expected to perform better than the Provincial Rate Change Benchmark based on rate change information as of December 31, 2022.

Discussion

A key measure of affordability is year-over-year changes in insurance rates. ICBC's rate affordability is evaluated each year against a Provincial Rate Change Benchmark, calculated using a weighted average of published rate changes implemented in other provinces. Contributing factors to ICBC's result for 2021/22 include the Basic rate decrease (-15%) effective May 1, 2021 and Optional rate decreases in response to Enhanced Care.

Percentage of claims costs that goes to customers

Performance Measure	2021/22 Actuals	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
[1b] Percentage of claims costs that goes to customers	95.0%	96.2%	95.9%	95.8%	95.8%

Data source: Analysis of ICBC-incurred claims.

Discussion

The cost for ICBC to resolve a claim includes costs that support an injured customer's recovery, costs for vehicle repair or replacement and costs of administering the claim (such as towing and storing vehicles, managing payments to treatment providers and investigating fraud). Additionally, for crashes before Enhanced Care was implemented in May 2021, where a customer could hire a lawyer, payments are also made for legal fees and litigation costs (such as medical examinations and expert reports).

The performance measure [1b] Percentage of claims costs that goes to customers is determined by costs paid to customers to support their recovery and repair or replace their vehicle (which does not include amounts that customers pay for legal representation and expert reports, as well as amounts paid to manage and settle claims, including litigation costs). The percentage of claims costs going to customers in future years is expected to remain relatively stable following the introduction of the Enhanced Care model. Having a higher percentage of costs go directly to customers, by reducing other costs, allows more claims cost to be used to ensure that those injured in a crash receive the necessary care and treatment to return to their daily lives as quickly as possible; it also generates savings to be passed on to all British Columbians in the form of lower and more stable premiums.

Average cost for a vehicle-related claim

Performance Measure	2021/22 Actuals	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
[1c] Average cost for a vehicle-related claim	$5,080	$5,991	$6,513	$6,994	$7,491

Data source: ICBC claims database.

Discussion

The average cost for a vehicle-related claim measures the combined average cost for all material damage claims (excluding glass claims) for ICBC's main insurance products. 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 efforts ICBC is making to moderate these increasing material damage costs. In 2023/24, repair costs are expected to continue to rise in alignment with industry trends. A key focus in 2023/24 – 2025/26 will be to manage the rising costs of vehicle repairs, through the material damage strategy and programs described above, to ensure that auto insurance remains affordable to British Columbians.

Goal 2: To Be Customer Driven

ICBC aims to be customer driven and more flexible and to have customer needs 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

In alignment with the principles and priorities outlined in its mandate letter, ICBC is committed to advancing the public interest, with British Columbians central to ICBC's planning as it improves its insights based on customer feedback and ensures that products and services address customer needs.

Key Strategies

- Implement ICBC's customer experience model across the organization
- Introduce usage-based products

Discussion

Strategy 1: Implement ICBC's customer experience model across the organization

ICBC's customer experience strategy involves developing and implementing a model across the organization that ensures customers have interactions with ICBC that are straightforward and helpful. The model will seek to enhance insights around customer expectations and pain points, improve communications regarding ICBC products and services, and create an improved support structure to consistently deliver positive customer experiences. ICBC will continue to build on the changes to the recent claims handling processes to improve the customer experience when working with crash victims, including non-vehicle road users such as pedestrians and cyclists. ICBC will develop a detailed strategy and plan by the end of 2023/24.

Strategy 2: Introduce usage-based products

Usage-based products are insurance products that are priced to reflect vehicle usage such as distance traveled. These products are valued by customers who want insurance that reflects how much they are driving and how they are driving. ICBC is exploring options to introduce more usage-based products in the coming years, informed by customer insights.

Beginning in 2023, more low-mileage drivers will be eligible for discounts on select Optional insurance coverages. Usage-based factors that contribute to the cost of insurance will play an increasing role in how insurance coverages are priced. For example, customers who drive less distance will have the opportunity to access lower individual premiums. To improve the overall affordability of insurance and support those who reduce emissions by driving less, customers will be encouraged to provide their odometer information when renewing their insurance.

Performance Measures

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.

ICBC's Service Plan 2022/23 – 2024/25 included the performance measure "on-time delivery of defined digital capabilities." All identified digital capabilities were delivered in 2021/22; further digital capabilities will continue to be implemented as part of the customer experience strategy.

Performance Measures[1]	2022/23[2] Forecast	2023/24 Target	2024/25 Target	2025/26 Target
[2a] Customer Satisfaction for Insurance Services	84%	84%	85%	86%
[2b] Customer Satisfaction for Claims Services	73%	72%	73%	74%
[2c] Customer Satisfaction for Driver Licensing Services	76%	75%	76%	77%

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

[1]Effective 2022/23, customer satisfaction will be measured based on the portion of customers who select the top two choices on a seven-point scale instead of the portion of customers who select the top two choices on a four-point scale. Enlarging the scale gives customers more choice and allows them to better distinguish their level of satisfaction. The drop in targets starting in 2022/23 is a result of changing the scale, and not an anticipated drop in customer satisfaction. The change in scale was explained in detail in ICBC's 2022/23 – 2024/25 Service Plan.

[2]Seasonality data is not available for forecasting purposes as of result of the change to seven-point scale. 2022/23 results are Q3 scores.

Discussion

Insurance Services Satisfaction — Independent insurance brokers process more than four million Autoplan policies each year. Insurance services satisfaction is typically measured by surveying approximately 5,000 customers over the course of a year. The forecasted result for this measure in 2022/23 is 2 percentage points below the 2022/23 target of 86 percent. Two key factors have contributed to the variance between our previously set target and performance. Firstly, when targets were set for 2022/23, limited testing data was available for the transition to a new seven-point satisfaction scale. As a result, target setting overestimated the expected transition results. Secondly, high inflationary pressures globally are eroding consumer purchasing power and contributing to ICBC customers' perception that the corporation's products are not reasonably priced, which impacts overall customer satisfaction. Inflationary pressures are expected to continue into 2023/24. Additionally, ICBC does not anticipate any material changes to insurance services in the upcoming year that would materially change current results. Based on these factors, ICBC's insurance service satisfaction target for 2023/24 has been set at 84 percent which reflects maintaining current performance. ICBC will seek to achieve incremental improvements of 1 percentage point in subsequent years, demonstrating its commitment to long-term improvements in customer experience.

Claims Service Satisfaction — Claims are processed through ICBC's claims call centre, claims centres and specialty departments such as commercial claims and recovery services. In addition to reporting claims by phone, customers can report and check claim details online. Customer satisfaction for claims services is measured by surveying personal claims, averaging the results of surveys conducted after the First Notice of Loss and after closed claims. In a typical year, approximately 14,000 surveys are completed. ICBC's claims service satisfaction target for 2023/24 is set higher than last year and is consistent with the previously published 2023/24 target of 72 percent. ICBC remains committed to continuing to improve and to delivering a positive customer experience, despite facing a tight labour market and ongoing supply chain challenges.

Driver Licensing Satisfaction — Each year, ICBC conducts approximately 1.6 million transactions related to issuing driver licences and driver exams, including renewing licences, taking knowledge tests and undergoing road tests. This measure is weighted by the number of transactions for each type of service and is drawn from a sample of more than 5,000 customers surveyed throughout the year. ICBC's driver licensing satisfaction target for 2023/24 is set higher than for 2022/23 and is consistent with the previously published 2023/24 target of 75 percent. ICBC continues its significant efforts to improve services and to mitigate impacts from ongoing increases in demand for driver licensing services.

Goal 3: To Be Smart & Efficient

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

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

In its commitment to the efficient use of public resources and affordability, ICBC will maintain a strong focus on managing costs using data, analytics and technology to derive insights, improve efficiencies and manage change. Analytical insights will also help identify at-risk claims more effectively in order to manage future claims as well as the roughly $6 billion in claims liabilities that occurred before the limit on pain and suffering payouts for minor injuries took effect April 1, 2019, which continue to pose risk to ICBC's business.

Key Strategies

- Make informed decisions using quality data
- Integrate analytics into key claims processes
- Streamline claims processes

Discussion

Strategy 1: Make informed decisions using quality data

In ICBC's role as a public insurer, vehicle registrar and driver licence issuer, efficiency and decision-making depends on the quality of data, including accuracy, completeness, reliability, relevance and timeliness. ICBC continues to invest in its data quality and governance program, ensuring processes and capabilities are optimized for effective data management and governance. In 2023/24, this strategy is also focusing on maturing practices to further strengthen the culture of informed decision-making.

Strategy 2: Integrate analytics into key claims processes

Data insights and predictive modeling can improve file-handling and settlement processes to effectively and proactively manage claims liabilities. In 2023/24, work under this strategy will support customer services, material damage claims, legal-based claims and Enhanced Care claims.

Strategy 3: Streamline claims processes

Administrative work increases costs and can be a barrier to better customer service. This strategy will implement a new operating model for non-injury claims operations and handling processes. The new model will deliver efficiencies by streamlining activities and automating routine processes, allowing resources to focus on more complex work and enhancing employee experience. It will also benefit customers by providing them with self-serve tools to access more information about their claims, including claim status.

Performance Measures

Operating expense ratio

Performance Measure	2021/22 Actuals	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
[3a] Operating expense ratio[1,2]	23.4%[3]	20.9%	21.8%	21.5%	21.4%

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

[1]ICBC's 2021/22 Operating Expense Ratio is lower than a comparable 2021/22 benchmark of 31.5 percent from MSA Research (benchmark includes all Canadian auto writers excluding ICBC and Saskatchewan Auto Fund and is on a calendar year basis). Note MSA data is on a calendar basis.

[2]ICBC's Operating Expense Ratio includes more than 3.0 percent for non-insurance services, which other insurance carriers do not have.

[3]The Relief Rebate ($396 million) approved by ICBC resulted in a lower earned premium for 2021/22 and higher loss adjustment expense and operating expense ratios. Excluding the rebate, the 2021/22 ratios would be more favourable.

Discussion

The Operating Expense Ratio is a standard industry measure to assess the operational efficiency of an insurer. All other things being equal, a lower operating expense ratio is better. This ratio is calculated as a ratio of insurance operating expenses and non-insurance expenses (excluding claims and claims-related costs) to insurance premium dollars earned. This includes both insurance and non-insurance lines of business. ICBC is unique in providing non-insurance services (driver licensing, vehicle registration and licensing, violation ticket issuance and government fine collections) as these services are not typically provided by other insurance carriers in Canada. As ICBC continues to be an efficient and low-cost organization, this ratio will continue to remain below the industry average. The 2022/23 Forecast Operating Expense Ratio is lower than expected and lower than outer years, primarily due to lower compensation costs from lower full-time equivalents ("FTE"). Like many organizations, ICBC has experienced attraction, recruitment and retention challenges, particularly in contact centres and driver licensing offices. The slight increase in the Operating Expense Ratio in the outer years reflects the expectation that ICBC will be successful in filling the current vacancies.

Loss adjustment expense ratio

Performance Measure	2021/22 Actuals	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
[3b] Loss adjustment expense ratio	9.0%	13.7%	10.0%	9.9%	9.7%

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

Discussion

The Loss Adjustment Expense Ratio compares the cost to settle claims to total 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. With the introduction of the Enhanced Care model and the elimination of most remaining legal costs from the system, ICBC expects that the loss adjustment expense ratio will remain stable with approximately 10 percent of premiums going towards the cost of settling claims. The higher 2022/23 forecast is caused by a one-time increase in loss adjustment expense reserve recognizing the higher expenses required to service the more complex legal-based 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.

ICBC will support British Columbians as insurance and mobility continue to evolve. As the mobility landscape changes, the implementation of road safety programs to reduce crashes becomes even more critical. To support British Columbians through these changes, ICBC needs workplace practices that attract and retain a talented, diverse and engaged workforce that collaborates to deliver services to our customers.

Key Strategies

- Prevent crashes now and as mobility evolves through existing crash prevention programs and the development of future initiatives
- Build a talented, diverse and engaged workforce that supports a business in transition

Discussion

Strategy 1: Prevent crashes now and as mobility evolves

ICBC is committed to making B.C.'s roads safer and is involved in a number of initiatives to reduce crash rates, which in turn can improve insurance affordability. To anticipate trends that may impact future crashes as well as better inform the planning and design of road safety programs, ICBC is monitoring shifts in the use of vehicle technology and evolving mobility, including the safety of cyclists and pedestrians.

ICBC leverages technology to continuously enhance its understanding of driver behaviours and help promote safe driving outcomes. For example, ICBC's telematics pilot concluded that drivers who used telematics technology had lower incidents of rapid acceleration, hard braking and speeding relative to a control group. ICBC offers an award-winning, state-of-the-art hazard perception training application Street Sense, to help pre-drivers, young drivers and drivers new to B.C. better identify common hazards that can be easily missed when on the road.

Traditionally, ICBC Road Safety programs have focused more on crash injury severity and less on crash frequency. However, changes in the material damage landscape are increasing vehicle repair costs, causing material damage costs to be a larger source of claims cost increases than in the past. To help address this trend, ICBC will focus on both severity and frequency for all crashes (injury and material damage).

Strategy 2: Build a talented, diverse and engaged workforce that supports a business in transition

Work environments and the business of insurance are changing rapidly, and ICBC will continue to evolve its operating model and organizational structures to anticipate and adapt to changing needs. Its success is dependent on the ability to attract and retain a talented workforce that reflects the diversity of its customers and business partners across B.C. ICBC continues to develop programs and tools that support the overall well-being and engagement of its people, and builds a talented, diverse, and inspired workforce that delivers on our customer commitments.

Performance Measures

Employee engagement score

Performance Measure	2021/22 Actuals	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
[4a] Employee engagement score	63	63	65	67	69

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

Discussion

ICBC's Employee Opinion Survey (EOS) seeks to understand employee opinions about the company. The EOS reflects ICBC's efforts to attract and retain a talented, diverse and engaged workforce. ICBC launched a newly designed EOS in 2021/22 and has set new targets against newly established benchmarks.

As part of ICBC's commitment to being an inclusive employer that reflects the diversity of B.C.'s people and communities, the new EOS includes a diversity, equity and inclusion (DEI) index to help understand the employee experience of various groups including common experience drivers of inclusion. DEI considerations are foundational to ICBC's way of doing business, enabling a culture of respect, belonging and empowerment, and helping ICBC serve its customers and communities. As ICBC fine-tunes metrics and their baselines as gathered through the new EOS methodology, it will explore a potential performance measure relating to DEI for the Service Plan.

Crash prevention potential performance measures

As ICBC continues to develop its strategy to "prevent crashes now and as mobility evolves" in 2023/24, it is developing operational performance measures and baselines, and will explore potential performance measures for the Service Plan.

Financial Plan

International Financial Reporting Standard (IFRS) Transition

IFRS 9 will change the accounting and disclosures of ICBC's financial instruments (specifically financial investments such as fixed income and equities). As most of ICBC's financial instruments are carried at fair value already, IFRS 9 will have minimal impact to the financial statements presentation. However, the Net Change in Available for Sale Financial Assets — formerly in Other Comprehensive Income (OCI) — will now be included with Investment and Other income within Net Income.

IFRS 17 will change the accounting and disclosures of ICBC's insurance contracts (primarily premiums, claims costs, broker commissions and premium taxes) and will have significant impact to the financial statements presentation but minimal impact to the bottom line results.

In compliance with IFRS, ICBC will transition to IFRS 9 and IFRS 17 effective April 1, 2023, which will change ICBC's financial reporting. ICBC will apply the new accounting standards retrospectively with prior year comparatives (for fiscal year 2022/23) restated in the 2023/24 Annual Service Plan Report for continuity in its presentation of financial information. The quarterly 2022/23 statements published on icbc.com will be restated in fiscal 2023/24.

The 2021/22 Actual and 2022/23 Forecast figures in the Financial Plan table below do not reflect any changes as a result of IFRS 9 and IFRS 17 as the new standards are not in effect until April 1, 2023. The 2023/24 Budget and Plan figures do however reflect the impact of the changes. While the IFRS changes are reflected in the overall results for 2023/24 – 2025/26, the format and presentation of the financials in the Financial Summary table are unchanged for consistency. The presentation format will be updated for compliance with the new standard for the 2024/25 – 2026/27 Service Plan.

Financial Summary

($Millions)	2021/22 Actual	2022/23 Forecast	2023/24[2] Budget	2024/25[2] Plan	2025/26[2] Plan
Premiums earned	4,784[1]	5,278	5,582	5,923	6,289
Service fees and other	120	136	198	189	192
Total earned revenues	**4,904**	**5,414**	**5,780**	**6,112**	**6,481**
Provision for claims occurring in the current period	2,922	3,680	4,113	4,520	4,822
Change in estimates for losses occurring in prior periods	(430)	424	102	16	(2)
Net claims incurred	**2,492**	**4,104**	**4,215**	**4,536**	**4,820**
Claims service and loss management	504	490	490	499	504
Insurance operations expenses	302	294	313	311	323
Premium taxes and commissions	655	631	722	775	832
Total claims and operating expenses	**3,953**	**5,519**	**5,740**	**6,121**	**6,479**
Underwriting income / (loss)	**951**	**(105)**	**40**	**(9)**	**2**
Investment and other income[3]	1,424	409	134	639	633
Income - insurance operations before impairment loss	**2,375**	**304**	**174**	**630**	**635**
Non-insurance operations expenses	125	141	142	148	152
Non-insurance commissions	36	38	41	41	42
Non-insurance - other income	(9)	(8)	(9)	(9)	(9)
Net income before impairment loss	**2,223**	**133**	**0**	**450**	**450**
Investment impairment loss	(6)	(431)	-	-	-
Net income	**2,217**	**(298)**	**0**	**450**	**450**
Other comprehensive income (OCI)					
Pension and post-retirement benefits remeasurements	485	6	-	-	-
Net change in available for sale financial assets[3]	(854)	(145)	-	-	-
Total comprehensive income	**1,848**	**(437)**	**0**	**450**	**450**

Financial Summary — continued

($m)	2021/22 Actual	2022/23 Forecast	2023/24 Budget	2024/25 Plan	2025/26 Plan
Total equity – beginning of year before IFRS adjustment	1,867	3,715	3,278	3,501	3,951
IFRS adjustment to Opening balance Equity[2]	-	-	223	-	-
Non-controlling interest (NCI) disposition	-	-	-	-	-
Total equity – end of year	**3,715**	**3,278**	**3,501**	**3,951**	**4,401**
Represented by:					
Opening retained earnings (RE)	1,131	3,347	3,049	2,994	3,444
Net income / (loss) excluding NCI	2,216	(298)	-	450	450
IFRS opening adjustment to RE[2]	-	-	223	-	-
IFRS 9 OCE reclass to RE[4]	-	-	(278)	-	-
Ending retained earnings	3,347	3,049	2,994	3,444	3,894
Opening other components of equity (OCE)	730	361	222	500	500
OCI	(369)	(139)	-	-	-
IFRS 9 OCE reclass to RE[4]	-	-	278	-	-
Ending other components of equity	361	222	500	500	500
Non-controlling interest	7	7	7	7	7
Total equity – end of year	**3,715**	**3,278**	**3,501**	**3,951**	**4,401**
Total liabilities[5]	**19,949**	**19,081**	**15,873**	**15,151**	**15,017**
Capital Expenditures[6]	**54**	**43**	**65**	**42**	**49**

[1] The 2021/22 actual premiums earned reflect the $396 million Relief Refund provided to ICBC's customers.
[2] Effective April 1, 2023, the impact of IFRS 17 is reflected in the 2023/24 Budget, 2024/25 and 2025/26 Plan net income results, as well as an IFRS implementation adjustment in the Equity 2023/24. Adjustments to restate 2023/24 ending equity are shown.
[3] For IFRS 9, the "Net change in available for sale financial assets" are included in investment income in 2023/24 and thereafter.
[4] Reclass of net change in available for sale financial assets to retained earnings to comply with IFRS 9.
[5] For IFRS 17, premium receivables will be netted in liabilities as part of what is defined as insurance contract liabilities.
[6] Major categories of capital expenditure include: facilities (land, building, and leasehold), furniture and equipment, IT systems (computer equipment and software). Looking ahead, ICBC expects capital expenditures will change in the planning period as the company maintains or replaces aging infrastructure, including replacement or upgrade of facilities, and as critical business systems are renewed.

Operating Costs by Nature

($m)	2021/22 Actual	2022/23 Forecast[1]	2023/24 Budget[1]	2024/25 Plan[1]	2025/26 Plan[1]
Premium taxes and commission expense	691	669	763	816	874
Compensation and other employee benefits	497	511	531	958	979
Pension and post-retirement benefit	101	66	48		
Professional and other services	45	23	25		
Road improvements and other traffic safety programs	34	32	37		
Building operating expenses	24	25	26		
Merchant and bank fees	39	44	45		
Office supplies and postage	24	22	22		
Computer costs	35	32	35		
Depreciation and amortization	94	92	86		
Corporate Initiative Project expenses[2]	-	40	42		
Other[3]	38	38	48		
Total operating costs	**1,622**	**1,594**	**1,708**	**1,774**	**1,853**

[1] Operating cost targets are not planned in detail beyond the current year.
[2] Corporate Initiative Project expenses are amounts approved annually by the Division Leaders to fund projects that support the delivery of the Corporate Strategy as well as maintain ICBC's operations. 2021/22 Actuals do not contain any planned amounts under Corporate Initiative Project expense because actual project expenses get allocated based on the nature of the expense.
[3] Other primarily includes advertising, telecommunications, outside information processing, bad debt expense and staff related expenses including training.

Key Forecast Assumptions, Risks and Sensitivities

Financial forecasts take into consideration ICBC's plans to address the key strategic risks facing the organization and changes in the external environment. Typical of other property and casualty insurance companies, ICBC faces material risks in the execution of its strategy and conduct of operations. The Board, the Board Committees and the Executive Leadership Team review these material risks, including financial market risk, as part of their governance and oversight function.

ICBC will continuously address these material risks. This includes strengthening information security system controls to protect against evolving cybersecurity threats and continuing to leverage the use of core operational systems. ICBC proactively reviews and updates its security controls on an ongoing basis. These activities, including those in support of Goal 3, are included in ICBC's computer costs. The services/controls that have been included in these activities are driven by risk-based reviews and strategies provided by, or in consultation with, external cybersecurity partners, and not by any recent cyber incidents. Leadership development and succession planning also continue to support the business model. Actual results could vary from these projections depending on actual implementation, actual behavioural changes and associated impacts.

Based on these plans, the following assumptions were developed and incorporated into the financial forecasts on page 19-20.

- Commencing May 1, 2021, the actuals and forecasts reflect Enhanced Care. Given Enhanced Care is a new product that heavily relies on external data, there remains risk to the forecast.
- The summary financial outlook reflects the overall operations of the business, including Basic and Optional insurance and non-insurance activities. It has been prepared considering legislative, regulatory and judicial frameworks. The forecast reflects a number of financial and behavioural assumptions.
- Rate changes are assumed for both Basic and Optional insurance businesses in the forecast period. Any changes to Basic insurance rates are subject to BCUC regulatory approval. Other assumptions that can impact financial forecasts can include the number of additional policies that are sold, vehicle sales and whether people are listing more risky drivers and/or buying more coverage.
- The government-directed legislation includes a capital provision in the Basic rate for policy year 2023 beginning on April 1, 2023 for 24 months ending March 31, 2025, which is expected to make a contribution to rebuilding ICBC's capital reserves.
- The forecast assumes a 0% Basic rate change for policy year 2023, which ICBC has applied to BCUC on December 15, 2022.
- The financial information was prepared based on International Financial Reporting Standards (IFRS). The forecasts include changes from IFRS 9, Financial Instruments and IFRS 17, Insurance Contracts, which will be effective April 1, 2023.
- Investment income, as shown, includes the expected interest, dividends, and other income. From fiscal 2023/24 onwards, it also includes the net market value change in available for sale financial assets.
- Changes in net income and unrealized gains and losses impact to Other Components of Equity will be subject to change when new accounting standards take effect in fiscal 2023/24.
- Claims incurred reflect current claims trends, vehicle population growth and inflation.
- Prior years' claims reflect changes in the discounted value of unpaid claims.

- Assumptions were made with respect to the claims discount rate and the rate used to discount pension and post-retirement benefits. Actual discount rates may be different from these estimates as they are influenced by external market and economy factors.

Risks are inherent in insurance forecasts since they are based on assumptions about the future. These assumptions are based on historical driving, claims and other economic patterns, as well as expert judgment. However, due to the volatile nature and the inherent risks of the insurance business, there are a range of uncertainties in these estimations. The following highlight the effect of variations in the assumptions underlying the financial forecast.

Premiums

- 1 percentage point fluctuation represents approximately $53 – $63 million in net premiums (Basic and Optional combined).

Claims

- 1 percent change in current year claims costs represents approximately $37 – $48 million in current year claims costs.
- 1 percent fluctuation in the unpaid claims balance represents approximately $83 – $137 million in claims costs.
- 1 percentage point fluctuation in the rate used to discount claims represents approximately $340 – $370 million in claims costs.

Investments[1]

- 1 percentage point change in investment return represents approximately $179 – $205 million in investment return.
- 1 percent change in the investment portfolio represents approximately $1 – $7 million in investment return.
- 1 percentage point change in interest rate would result in a change of approximately $309 million in the fair value in ICBC's fixed income portfolio.
- A 10-percent change in equity prices would result in an estimated corresponding change to unrealized investment income of approximately $472 million.
- A 10-percent change in Canadian dollar exchange rate would change the fair value of the non-Canadian equity fund investments and would result in a change to unrealized investment income of approximately $496 million.

[1] Effective April 1, 2023, the investment sensitivities shown above are under IFRS 9.

Market Share

- 1 percentage point change in market share represents approximately $9 – $18 million impact in net income.

Pension

- 1 percentage point change in discount rate represents approximately $460 million impact to the defined benefit obligation.
- 1 percentage point change in discount rate represents approximately $44 million impact to pension expense.

Management's Perspective on Financial Outlook

ICBC forecasts a net loss of $298 million for fiscal 2022/23 compared to a net income of $2,217 million for fiscal 2021/22 and planned net income of $327 million for fiscal 2022/23. The forecasted net income for 2022/23 is $625 million lower than plan, which is mainly due to investment losses that are driven by global market volatility as inflation and interest rates increase. ICBC has experienced significant realized and unrealized investment losses that are reflected in the Q3 Outlook. Specifically, the 2022/23 investment income outlook is lower than originally planned primarily due to expected impairments from the bond and equity funds, realized losses on bonds, and lower than planned equity distributions.

Major considerations for the forecast are the challenging global investment market conditions due to geopolitical events, fears of a further economic slowdown and further attempts by central banks to control heightened levels of inflation with higher interest rates. These factors have significantly impacted ICBC's results and fair values of the investment portfolio, which exists to pay out existing claims.

ICBC earns investment income to help offset the cost of insurance and aims to balance risk and return within its investment portfolio. ICBC's forecast reflects a significant economic slowdown through fiscal 2023/24, impacting its investment return. Recovery from the downturn is expected from fiscal 2024/25 and thereafter.

High inflation also puts considerable pressure on the ability to manage claims costs in terms of higher material and labour costs, delayed repairs due to shortage of parts and skilled technicians. ICBC has also observed some unfavourable emergence on legal-based injury claims. Offsetting the inflationary claims costs pressure has been a higher (favourable) rate to discount the claims liabilities and lower than planned claims emergence from prior year Enhanced Accident Benefits (EAB) claims. However, considerable claims pressures are expected to extend through the forecast period.

Since the claims experience under Enhanced Care is still very early, injury severity forecasts continue to rely on external data and uncertainty in the forecast is high. Claims cost assumptions and forecasts will continue to evolve throughout the years as more experience with the new product is observed.

The forecast assumes moderate policy growth with premium growth coming from higher average premium as older vehicles are replaced with newer, more expensive vehicles.

Similar to other insurance organizations, ICBC has a capital management framework under which it operates. This framework takes into consideration both its management operating targets and its regulatory minimums to ensure that capital reserves are adequate to protect policyholders from financial risk while keeping rates as low as possible over the long term. ICBC is guided by the capital management framework of the Office of the Superintendent of Financial Institutions (OSFI), adopting OSFI's Minimum Capital Test as a means to measure and monitor ICBC's capital levels. While capital levels continue to be below the capital management targets, adequate capital reserves exist to absorb adverse events, and capital levels are expected to continue to recover over the forecast period.

Special Direction IC2 to the British Columbia Utilities Commission B.C. Reg. 307/2004 (section 3(1)(d)) requires the BCUC to ensure that rates are set in accordance with ICBC's most recently approved capital management plan (CMP). The proposed rate change in the 2023 Revenue Requirements Application was determined using the CMP as amended by *Special Direction IC2*, per Order in Council 666/2022 dated December, 12, 2022. Given the amendments to *Special Direction IC2*, ICBC has delayed updating the CMP until the next revenue requirements application due in 2025.

Special Direction IC2 defines Policy Year 2023 as encompassing the 24-month period from April 1, 2023 to on March 31, 2025. As part of the December 12, 2022 amendments to Special Direction IC2, the requirement to set the Basic rate in a manner that allows ICBC to maintain a Minimum Capital Test ("MCT") of 100% was suspended for PY 2023.

On July 8, 2022, the BC Supreme Court ruled the Disbursements and Expert Evidence Regulations — which places restrictions on the recovery of disbursements in vehicle injury actions at 6 percent of a settlement or court award — as unconstitutional. As a result of this decision, ICBC has included no savings in the provision for unpaid claims. The Attorney General of B.C. filed a notice to appeal and at this stage of the proceedings the outcome cannot be determined and can vary depending on the outcome.

Appendix: Mandate Letter from the Minister Responsible

BRITISH
COLUMBIA

VIA EMAIL

March 31, 2021

Joy MacPhail
Board of Directors
Executive Office
Insurance Corporation of British Columbia
517 - 151 West Esplanade
North Vancouver BC V7M 3H9
Email: BM-Joy.MacPhail@icbc.com

Dear Joy MacPhail:

On behalf of Premier Horgan and the Executive Council, I would like to extend my thanks to you and your board members for the dedication, expertise and skills with which you serve the people of British Columbia.

Every public sector organization is accountable to the citizens of British Columbia. The expectations of British Columbians are identified through their elected representatives, the members of the Legislative Assembly. Your contributions advance and protect the public interest of all British Columbians and through your work, you are supporting a society in which the people of this province can exercise their democratic rights, trust and feel protected by their public institutions.

You are serving British Columbians at a time when people in our province face significant challenges as a result of the global COVID-19 pandemic. Recovering from the pandemic will require focused direction, strong alignment and ongoing engagement between public sector organizations and government. It will require all Crowns to adapt to changing circumstances and follow Public Health orders and guidelines as you find ways to deliver your services to citizens.

This mandate letter, which I am sending in my capacity as Minister responsible for the Insurance Corporation of British Columbia, on behalf of the Executive Council, communicates expectations for your organization. It sets out overarching principles relevant to the entire public sector and provides specific direction to the Insurance Corporation of British Columbia about priorities and expectations for the coming fiscal year.

…/2

I expect that the following five foundational principles will inform your agency's policies and programs:

- **Putting people first:** We are committed to working with you to put people first. You and your board are uniquely positioned to advance and protect the public interest and I expect that you will consider how your board's decisions maintain, protect and enhance the public services people rely on and make life more affordable for everyone.

- **Lasting and meaningful reconciliation:** Reconciliation is an ongoing process and a shared responsibility for us all. Government's unanimous passage of the *Declaration of the Rights of Indigenous Peoples Act* was a significant step forward in this journey – one that all Crown Agencies are expected to support as we work in cooperation with Indigenous peoples to establish a clear and sustainable path to lasting reconciliation. True reconciliation will take time and ongoing commitment to work with Indigenous peoples as they move towards self-determination. Guiding these efforts, Crown agencies must also remain focused on creating opportunities that implement the Truth and Reconciliation Commission through your mandate.

- **Equity and anti-racism:** Our province's history, identity and strength are rooted in its diverse population. Yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms – and every public sector organization has a role in this work. All Crowns are expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure equity is reflected in your operations and programs. Similarly, appointments resulting in strong public sector boards that reflect the diversity of British Columbia will help achieve effective and citizen-centred governance.

- **A better future through fighting climate change:** Announced in December 2018, the CleanBC climate action plan puts our province on the path to a cleaner, better future by building a low-carbon economy with new clean energy jobs and opportunities, protecting our clean air, land and water and supporting communities to prepare for carbon impacts. As part of the accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your organization aligns operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk, including the CleanBC target of a 50 per cent reduction in public sector building emissions and a 40 per cent reduction in public sector fleet emissions by 2030. Your organization is expected to work with government to report out on these plans and activities as required by legislation.

…/3

- **A strong, sustainable economy that works for everyone:** I expect that you will identify new and flexible ways to achieve your mandate and serve the citizens of British Columbia within the guidelines established by the Provincial Health Officer and considering best practices for conducting business during the pandemic. Collectively, our public sector will continue to support British Columbians through the pandemic and economic recovery by investing in health care, getting people back to work, helping businesses and communities, and building the clean, innovative economy of the future. As a public sector organization, I expect that you will consider how your decisions and operations reflect environmental, social and governance factors and contribute to this future.

The Crown Agencies and Board Resourcing Office (CABRO), with the Ministry of Finance, will continue to support you and your board on recruitment and appointments as needed, and will be expanding professional development opportunities in 2021/22. The Governing in the Public Interest online certificate program is now available, and all board members are encouraged to complete this new offering.

As the Minister Responsible for the Insurance Corporation of British Columbia, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures in your 2021/22 Service Plan:

- In cooperation with the Ministry of Public Safety and Solicitor General (PSSG) and the Crown Agencies Secretariat (CAS), and under the direction and guidance of the Shareholder's Committee, implement Enhanced Care Coverage in May 2021 to support affordability and the long-term financial sustainability of ICBC, and improved care for British Columbians involved in vehicle accidents. Work with PSSG and CAS to closely monitor the new insurance model after implementation in May 2021 to resolve emerging issues and ensure that it is achieving expected results. Continue to monitor changes to ICBC's Basic insurance product that came into effect April 1, 2019.

- Develop and implement measures to create greater accountability and improve transparency in ICBC's services to its customers, including the new Fairness Office, improved plain language reporting, an enhanced commitment to gain customer perspectives and insights, greater stakeholder engagement and others as agreed upon with the PSSG and CAS.

- In coordination with PSSG and CAS, continue work toward implementing online insurance renewals by 2022, including assessing potential business, operational and financial requirements and seeking input from stakeholder groups.

- Provide comprehensive quarterly reports to PSSG, and Ministry of Finance including CAS on the status of ICBC finances and multi-year forecasts, as well as the Enhanced Care Coverage project and other initiatives approved by the ICBC Board and the Solicitor General as the minister responsible. As and when appropriate, ensure that the Deputy Solicitor General and Deputy Minister of CAS are apprised of emerging trends and made aware of potential issues as they occur.

Each board member is required to sign the Mandate Letter to acknowledge government's direction to your organization. The signed Mandate Letter is to be posted publicly on your organization's website in spring 2021.

I look forward to continuing to work with you and your Board colleagues to build a better B.C.

Sincerely,

Mike Farnworth
Minister of Public Safety
and Solicitor General

Date: March 31, 2021

pc: The Honourable John Horgan, Premier
Lori Wanamaker, Deputy Minister to the Premier and Cabinet Secretary
Douglas S. Scott, Deputy Minister, Ministry of Finance
Mark Sieben, Deputy Solicitor General, Ministry of Public Safety and Solicitor General
Heather Wood, Deputy Minister, Ministry of Finance
Nicolas Jimenez, President and Chief Executive Officer, Insurance Corporation of British Columbia
Joy MacPhail, Board Member, Insurance Corporation of British Columbia
Jeremy Bell, Board Member, Insurance Corporation of British Columbia
Paulette Flamond, Board Member, Insurance Corporation of British Columbia
Raj Khatar, Board Member, Insurance Corporation of British Columbia
Jill Leversage, Board Member, Insurance Corporation of British Columbia
Cathie McLay, Board Member, Insurance Corporation of British Columbia
Jennie Moushos, Board Member, Insurance Corporation of British Columbia
Bonnie Pearson, Board Member, Insurance Corporation of British Columbia
Janet Wood, Board Member, Insurance Corporation of British Columbia

Joy MacPhail, Board Member Insurance Corporation of British Columbia	Date: April 1, 2021
Jeremy Bell, Board Member Insurance Corporation of British Columbia	Date: April 5, 2021
Paulette Flamond, Board Member Insurance Corporation of British Columbia	Date: April 14, 2021
Raj Khatar, Board Member Insurance Corporation of British Columbia	Date: April 14, 2021
Jill Leversage, Board Member Insurance Corporation of British Columbia	Date: April 1, 2021
Cathy McLay, Board Member Insurance Corporation of British Columbia	Date: April 1, 2021
Jennie Moushos, Board Member Insurance Corporation of British Columbia	Date: April 2, 2021
Bonnie Pearson, Board Member Insurance Corporation of British Columbia	Date: April 5, 2021
Janet Wood, Board Member Insurance Corporation of British Columbia	Date: April 1, 2021