



RECEIVED
Sept 11/19

Cariboo Regional District

File No. 400-50-02

AUG 30 2019

SEP 11 2019

Referred To CAO
Sept 13 Board CC

Lara Beckett
President
North Central Local Government Association
206 - 155 George Street
Prince George BC V2L 1P8

Dear Lara Beckett:

Thank you for your letter of June 18, 2019, regarding the North Central Local Government Association Resolution R17, which requests information from the Insurance Corporation of British Columbia (ICBC). I welcome the opportunity to respond.

Our government has been clear we want to create a sustainable auto insurance system which strikes the balance between increased care for the injured, and affordable and fair rates for all. I understand there is a keen interest in the rates ICBC uses in the different insurance territories in British Columbia.

Currently, ICBC is focused on implementing the first overhaul of how insurance premiums are set for individuals in more than 30 years. As of September 1, 2019, ICBC will be moving to an insurance model that is more driver-based. Under the new system, there will be a greater impact on premiums for drivers who cause crashes and the premiums will be affected for a longer period of time. Driving experience, along with crash history and who will be driving the vehicle, will have a greater impact on premiums than they do under the current system. This overhaul also includes elements of rebalancing rates among territories. This is a huge undertaking, which is consuming extensive resources at ICBC.

A comprehensive examination of territory rates and boundaries is also a very large undertaking, requiring careful and thoughtful analysis, followed by regulatory approval. I am advised that ICBC will not be in a position to begin any analysis until after the current initiatives are fully implemented. That said, ICBC is updating rate class and territory factors within the existing boundaries. The revised territory rate, which comes into effect on September 1, 2019, will provide North Central British Columbia residents with a reduction in the territory component of their Basic auto insurance premiums. This component of their insurance premium will be dropping over a period of 10 years.

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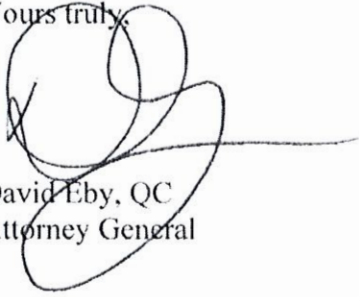
Lara Beckett
Page 2

It should be noted the amount of premiums collected or claims paid out by community is not an accurate representation of how insurance premiums are determined. Current premiums are based on expected claims costs and take into account a number of factors that include, but are not, limited to, territory.

These significant changes coming in September will affect the amount every driver will pay for their insurance, no matter where they live. The result will mean two-thirds of drivers across the province will be better off than they are today. This is a positive change. More information about these changes and how our government is going to make ICBC work for people again is available online at: www.icbc.com/change.

I appreciate your taking the time to write.

Yours truly,



David Eby, QC
Attorney General