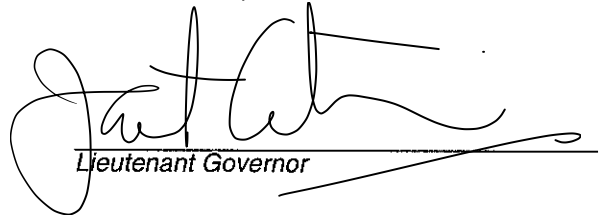


PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

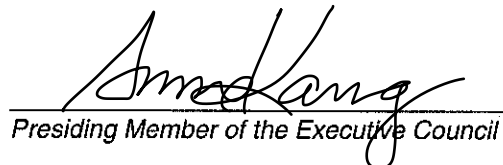
Order in Council No. 666

, Approved and Ordered December 12, 2022


Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that Special Direction IC2 to the British Columbia Utilities Commission, B.C. Reg. 307/2004, is amended as set out in the attached Schedule.


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Insurance Corporation Act*, R.S.B.C. 1996, c. 228, ss. 44 and 47

Other: OIC 647/2004

R20640711

SCHEDULE

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

(a) in the definition of “capital management plan” by repealing paragraph (b) and by adding the following paragraph:

(b.1) includes the capital provision; ,

(b) in the definition of “policy year” by repealing paragraph (b.1) and by adding the following paragraph:

(b.3) the period beginning on April 1, 2023 and ending on March 31, 2025; , *and*

(c) by adding the following definitions:

“capital available for rate setting” means the amount of universal compulsory vehicle insurance capital available after deducting the following:

(a) the effect of present value in relation to the corporation’s universal compulsory vehicle insurance claims liabilities;

(b) adjustments to reflect risks in relation to the corporation’s universal compulsory vehicle insurance claims liabilities;

“capital provision” means, in relation to a policy year, an amount equal to 7% of the required premium for that policy year;

“required premium” means, in relation to a policy year, the total present value of the projected amount of each of the following for that policy year:

(a) loss and loss adjustment expense;

(b) general expenses;

(c) road safety costs and loss management costs;

(d) broker fees;

(e) tax payable by the corporation under the *Insurance Premium Tax Act*;

(f) income from the following:

(i) miscellaneous revenue;

(ii) investment returns on capital available for rate setting;

(g) allowance required to build and maintain capital.

2 Section 3 is amended

(a) by repealing subsection (1) (a.3),

(b) in subsection (1) by adding the following paragraph:

(a.6) during the 2023 policy year, refrain from issuing a general rate change order for that policy year unless the corporation applies for the order; ,

(c) in subsection (1) (c) by striking out “(g) and (j) to (y)” and substituting “(g), (j), (u), (v) and (y),” ,

- (d) in subsection (1) (c) (i) (B) by striking out “March 31, 2020” and substituting “March 31, 2022” and by striking out “November, 2020” and substituting “November 2022”,*
- (e) by repealing subsection (1) (c) (i) (C),*
- (f) in subsection (1) (c) (ii) by striking out “August 21, 2020” and substituting “April 1, 2023”,*
- (g) in subsection (1) by repealing paragraphs (e), (k), (l), (m), (n), (o), (p), (q), (r), (s), (t), (w) and (x),*
- (h) in subsection (1) by adding the following paragraph:*
 - (e.2) despite paragraph (d), for the 2023 policy year, ensure that rates are set in accordance with the capital management plan in existence on May 27, 2016,*
 - (i) excluding the capital maintenance and build or release provisions of that plan, and*
 - (ii) substituting the capital provision; ,*
- (i) in subsection (1) (h) by adding “other than the 2023 policy year,” after “insurance rates”,*
- (j) by repealing subsection (1.1),*
- (k) by adding the following subsection:*
 - (1.11) Despite subsection (1) (c) and (e.2) of this section, for each policy year for which the commission fixes universal compulsory vehicle insurance rates, other than the 2021 policy year, the commission must not decrease existing rates. , and*
- (l) in subsections (1.2) and (1.3), by striking out “2020 and 2021” and substituting “2020, 2021 and 2023”.*

3 *Section 3.2 is repealed.*

4 *The following section is added:*

Directions relating to the 2023 policy year

- 3.4** Despite section 3, the commission must, by June 30, 2023, exempt the corporation from the requirement to apply for a general rate change order by December 15, 2023.