

## Letter from the Board Chair & CEO

The Insurance Corporation of British Columbia (ICBC) works closely with the provincial Government to ensure all British Columbians have access to the auto insurance products and services they need and rely on, at the lowest rate possible. As a Crown corporation, ICBC is bound by overall Government expectations included in an annual mandate letter.

ICBC worked with Government to accomplish the priorities in the [2019/20 Mandate Letter](#) and continues to focus on meeting financial targets and Government's public policy objectives.

This year, Government and ICBC together implemented some of the most significant changes to auto insurance in the province's history – with further transformative changes planned for 2021.

In April 2019, a new model was introduced to manage the increasing costs of injury claims, by increasing benefits available to customers who are injured in a crash while setting a limit on pain and suffering payouts for minor injuries and introducing a new independent claims dispute resolution process for minor injury claims through the Civil Resolution Tribunal.

As of September 1, 2019, ICBC changed the way it sets insurance premiums to ensure that the rates a customer pays better reflects their risk. In early 2020, ICBC modernized its material damage program to help reduce material damage cost pressures and better serve drivers with a continued focus on safe, quality repairs, as new vehicles contain more technology and cost more to repair. Additionally, work continues on road safety initiatives to prevent crashes in the first place.

Despite the improvements over the last year, British Columbians are still paying too much for auto insurance. That is why Government announced a new auto insurance model for B.C. that, if passed by the Legislature, will launch in 2021. Enhanced Care coverage will significantly lower premiums, provide even more generous care and recovery benefits to any British Columbian injured in a motor vehicle crash, and improve the long-term affordability and stability of auto insurance for our customers.

ICBC continues to work hard to deliver high-quality auto insurance to British Columbians at the lowest cost possible. The reforms that occurred in 2019 along with decreasing crash rates put ICBC on the path to a more sustainable financial footing, supporting the corporation's position as a valuable public asset for British Columbians. That said, this was offset by the continued cost pressures associated with settling older claims and equity impairment following the downturn in global markets from the COVID-19 pandemic at the end of the fiscal year.

ICBC's Board members, executive leadership team and Government are actively working together with a focus on affordability, stabilizing ICBC's financial position and improving the Corporation's long-term sustainability. In addition to regular meetings between the minister, the ICBC Board Chair and CEO, representatives from ICBC meet regularly with senior staff from the Ministry of Attorney General, working together to achieve our collective goals and objectives.

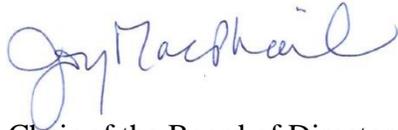
The Board Directors continue to receive ongoing education and evaluation opportunities intended to expand their individual and collective understanding of ICBC and their role in

overseeing its operations. This included a number of presentations to the Board of Directors by ICBC staff.

As part of our commitment to fiscal responsibility and to ensure the best possible use of Government resources, ICBC will continue to work with Government to meet all objectives set out in the Mandate Letter.

Sincerely,

Joy MacPhail



Chair of the Board of Directors ICBC  
June 25, 2020

Nicolas Jimenez



President and Chief Executive Officer ICBC  
June 25, 2020