

Report on Performance: Goals, Objectives, Measures and Targets

Goal 1: To Make Insurance Affordable

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

Objective 1: Reduce legal expenses and the costs to manage claims

Key Highlights

- Started the implementation of Enhanced Care coverage, in effect May 1, 2021.
- Positioned to offer leading injury management practices by strengthening its relationships with key healthcare providers. Stakeholders now have a better understanding of Enhanced Care coverage and its focus on recovery which will lead to better health outcomes for injured customers and will, in turn, build trust in ICBC.
- Continued to build stronger industry partnerships and processes to manage escalating vehicle repair costs.

Performance Measure(s)	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
1.1a ICBC rates are affordable					
Jurisdictional comparison of year over year rate changes ¹	ICBC's Rate Change is 4.0 ppt lower Compared to Provincial Benchmark	Rate change at or below jurisdictional average	FY2021 comparison will be available in 2022 ²	Rate change at or below jurisdictional average	Rate change at or below jurisdictional average
1.1b ICBC helps injured British Columbians return to their daily lives after a loss					
Percentage of claims costs that goes to customers ³	82.2%	81.5%	80.8%	91.4% ⁴	93.4% ⁴
1.1c ICBC repairs vehicles in a cost effective manner					
Average cost for a vehicle-related claim ⁵	\$4,391	\$4,723	\$4,718	\$4,941 ⁴	\$5,220 ⁴

1 Data Source: Benchmark relies on publicly available rate information for Canadian jurisdictions; ICBC's Basic rate change is based on the 2019 Revenue Requirements Application adjusted for the impacts from the rate design changes that were implemented on September 1, 2019 and Optional rate changes are based on the accumulated rate changes that were implemented during the 12 month period.

2 This result is unavailable now and will be reported in the 2021/22 Annual Service Plan Report after a complete year of data.

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

4 Targets were developed during the 2020/21 reporting period and set in the 2021/22 Service Plan.

5 ICBC claims database.

Discussion of Results

- ICBC began to implement Enhanced Care coverage, a fundamental part of ICBC's 2025 Strategy, on May 1, 2021. The new auto-insurance model is designed to improve rate affordability by removing legal costs from the system.
- Along with starting the implementation of Enhanced Care coverage and completing the Material Damage reforms under the 2019 product reforms, ICBC succeeded in making insurance more affordable by reducing insurance rates.
- Enhanced Care coverage builds on the April 1, 2019 product reforms, further improving care and recovery benefits to ensure that anyone injured in a crash will get the care they need, for as long as they need it. For those injured in a crash, their recovery plan will be directed by their choice of care provider.
- The ruling by the Chief Justice on the constitutionality of the expanded Civil Resolution Tribunal (CRT) jurisdiction over bodily injury claims meant higher-than-anticipated legal representation and litigation costs in 2020/21. While this decision is being appealed, it impacted claims reserves and led to the percentage of claims costs that goes to customers being off target by less than 1 per cent.
- ICBC continued to modernize its material damage programs and developed new tiering models for collision repair and glass suppliers that focus on safe repairs, customer experience, performance standards and operational efficiencies. The redesigned programs, developed after more than a year of consultation with industry, are generating savings and encouraging high-performing shops to serve customers better.
- The average cost of a vehicle-related claim was \$4,718 in 2020/21 which is \$5 better than the target. The improvement is thanks in part to changes to the material damage tiering models and to a continued focus on operational activities.

Goal 2: To be Customer Driven

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

Objective 2: Be more flexible, with customer needs driving improvements in the design and delivery of products and services

Key Highlights

- Used customer feedback to inform better online claims experiences.
- Laid the foundations for digital options to purchase and renew insurance by building on the Estimation Tool rolled out for Enhanced Care coverage, building online process flows and introducing e-payment and e-signature. Online renewals will be introduced in 2022.
- Rolled out products to support transportation network services and taxis, such as the Taxi Modernization project which offers both flat-rate and pay-as-you-go products to

be more flexible in this evolving industry, and new products to serve peer-to-peer car-sharing platforms.

Performance Measure(s)	2019/20 Actuals	2020/21 Target	2020/21 Actuals		2021/22 Target	2022/23 Target
2.1a	Customers choose digital options to purchase and renew their insurance					
	On-time delivery of defined digital capabilities	N/A	Foundational digital capabilities in place	Developed the foundational digital capabilities to provide online access to products and services (starting with online renewals in May 2022).	Project milestones on track to support online insurance renewals in 2022 ¹	Online insurance renewals delivered ¹
2.1b	Customers value their experience with ICBC					
	Customer Satisfaction for Insurance Services ²	96%	93%	96%	95%	95% ³
	Customer Satisfaction for Claims Services	92%	92%	92%	92%	93%
	Customer Satisfaction for Driver Licensing Services	92%	93%	92%	94% ³	95% ³

¹ Targets were developed during the 2020/21 reporting period and set in the 2021/22 Service Plan.

² Data Source: Ongoing surveys for the purposes of monitoring transactional satisfaction are conducted by an independent firm. As customers transition to the new insurance model, policy transactions may take longer to process as more information is required to rate a customer's policy. This process is expected to affect transactions in 2019/20 and 2020/21.

³ Target has been updated to 96 per cent in the 2021/22 Service Plan.

⁴ ICBC is transitioning survey programs to a new research vendor in 2020 which may affect the accuracy of forecasting techniques used to establish 2020/21 to 2022/23 targets. As a result, future targets may need to be adjusted.

Discussion of Results

- ICBC began work with its broker partners to prepare to offer online insurance renewals in May 2022. A broker task force, established with brokers in early 2020 to work out features of online insurance, will continue to be consulted throughout 2021/22.
- Introduced capability to capture customer email through brokers (with consent) to enable ICBC to establish more direct communication channels with customers.
- Improved online premium calculator so customers can view their Enhanced Care coverage refund and new insurance premium.
- The online claims portal was enhanced to allow some non-policy holders to log in and have their claim details displayed, and an option to upload documents directly to the claim.
- Expanded our customer panel to be more representative of the B.C. population. The Insight Panel provides an opportunity for customers to regularly share their experiences and opinions and give feedback on a variety of topics throughout the year. The feedback is used to ensure the customer perspective is incorporated in the design of products and services. A campaign leveraged social and digital media to recruit more participants and target a younger demographic to help make the panel more representative of B.C.'s overall population. The campaign was successful in that the 19 to 34 age group grew from 9 per cent to 23 per cent (age group represents 24 per cent of B.C.'s population).
- ICBC quickly expanded its digital platforms and services in response to the challenges posed by COVID-19. As a result, Customer Satisfaction (CSAT) scores were better than the target for Insurance services and on target for Claims services. Scores slightly missed the stretch target for Driver Licensing services due to the many challenges associated with public health restrictions, such as reduced operating capacity and suspension of non-essential services which led to longer customer wait times.
- ICBC engaged a new research vendor to ensure we have access to the expertise, capabilities and technology required to improve our customer experience measurement program. Having the right partnerships is critical to improving the quality of our customer feedback.
- More transparent ways to communicate with customers were developed, including expanded crash and vehicle data which were published on icbc.com and new customer-friendly reports which were made available such as the COVID-19 quarterly updates and the Year in Review report.
- Insurance Services Satisfaction:
 - Independent insurance brokers process more than three million Autoplan policies each year. The insurance services satisfaction measures customer experience when purchasing a new policy, renewing a policy or making a mid-term change to an existing policy.
 - In response to the pandemic, ICBC introduced measures to allow Autoplan brokers to use phone and email to help customers renew or purchase their insurance. This new option, along with ICBC's Optional rate decrease,

Enhanced Care coverage and the COVID-19 rebates, resulted in ICBC exceeding its target for customers' insurance experience.

- Claims Services Satisfaction
 - Claims are handled through ICBC's claims contact centres, claim offices and specialty departments such as commercial claims and rehabilitation services. Claims surveying draws upon personal claims only and is based on the average of First Notice of Loss and closed claims.
 - ICBC met its customer satisfaction score. ICBC developed a new internal incident management process to improve the online customer experience. In addition, decreased claims volumes associated with COVID-19 had a positive impact.
- Driver Licensing Services Satisfaction
 - Each year, ICBC conducts approximately 1.6 million driver licence-related transactions including renewing licences, administering driving tests and issuing identification cards.
 - Given the in-person nature of services provided by ICBC's driver licensing, the pandemic had the most significant impact on this area of operations. ICBC quickly implemented numerous measures including:
 - using stringent safety measures at all driver licensing offices to ensure customer and employee health and safety;
 - temporarily offering drivers licence renewals by phone;
 - using a phased approach at reinstating road tests;
 - hiring additional driver examiners and extending hours when possible, to address road test demand;
 - expanding road testing services to 10 additional existing locations (claims centres);
 - and, introducing a new online booking system for all driver licensing transactions to help reduce the number of customers visiting its offices on a drop-in basis.
 - In addition, ICBC worked with the provincial government and stakeholders to help introduce the Province's mandatory entry-level training program for commercial drivers.
 - Despite the significant number of measures implemented during the pandemic to ensure ICBC continued to deliver its essential services and keep the public and employees safe, ICBC achieved a CSAT score of 92 per cent, narrowly missing its target of 93 per cent.

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

Key Highlights

- Implemented a data governance program to proactively manage the quality of critical data and improve decision-making.
- Used analytics to improve some claims processes. For example, a new predictive analytics tool is helping identify risks and improve decision-making in injury claims.
- Automated some of ICBC's simple and routine claims processes. For example, ICBC launched a new data platform to streamline financial reconciliation processes.

Performance Measure(s)	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
3.1a The cost to run ICBC is below industry standards/average					
Expense Ratio (total) ^{1,2}	19.4%	19.2%	22.5% ³	22.4% ⁴	21.1%
Loss Adjustment Expense Ratio ^{1,5}	16.1%	13.5%	15.9% ⁵	14.0%	12.9%
Loss Adjustment Expense Ratio for post April 1, 2019 claims ¹	TBD	TBD	12.2%	14.0%	12.9%

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

¹ Targets were developed during the 2020/21 reporting period and set in the 2021/22 Service Plan.

² The property and casualty industry benchmark for 2020 was 30.4 per cent. Source: MSA Research Inc., *MSA Benchmark Report, Property and Casualty, Canada, 2020. Total Canadian Property Casualty Industry (including Lloyds, excluding ICBC and Saskatchewan Auto Fund)*.

³ The Expense ratio would be on target without the two COVID-19 rebates (totalling \$950 million for 2020/21) given that the rebates significantly reduced ICBC's earned premiums.

⁴ The 2021/22 target is higher than previous year's due to a reduction in forecasted premium as a result of the introduction of Enhanced Care coverage.

⁵ If the loss adjustment expense ratio were calculated before the COVID-19 premium rebates, it would be lower (13.5 per cent). Industry benchmark unavailable.

Discussion of Results

- In 2020/21, ICBC laid the foundation for becoming a more data-driven and efficient organization. A predictive analytics and automation tool was implemented to help identify risks and improve decision-making in injury claims.

- The Corporation used data insights to more effectively identify high risk and emerging claims and implement appropriate file-handling and settlement processes in order to proactively and effectively manage claims liabilities, in particular those that still need to be settled under the full tort system.
- ICBC piloted new technologies to help with routine claims processes and improve corporate functions.
- Certain manual processes were automated to further enhance ICBC's governance of medical payments. This also enabled timely release of \$47 million in Accident Benefits reserves allowing for a more accurate view of the value held in reserves.
- The Corporate expense ratio is 22.5 per cent (3.3 percentage points off target) due to the payout of COVID-19 rebates.
- With the B.C. Supreme Court (BCSC) ruling removing Civil Resolution Tribunal (CRT) jurisdiction for minor injury claims, a higher proportion of current-year claims are now expected to incur greater legal costs and internal handling costs due to the more complex and time-consuming court process. While the decision is being appealed, a partial stay has been granted that allows for disputes to proceed to either the CRT or the BCSC, which mitigates the decision's negative effect on ICBC.
- The loss adjustment expense ratio for post April 1, 2019 claims (those affected by the 2019 product reforms) is lower than the target (13.5 per cent). It is also lower than the full loss adjustment ratio, as the reserve for loss adjustment expenses for prior year claims (pre-2019 reforms) was increased to reflect the relatively high complexity of the remaining outstanding claims.

Goal 4: To be Future Focused

ICBC will help shape the future of insurance and mobility in B.C. through partnerships and workplace practices.

Objective 4: Shape the future of insurance and mobility in B.C. through partnerships and workplace practices

Key Highlights:

- Telematics pilot in place to determine impact on driving behaviour and crash prevention.
- Developed a future mobility strategy to position ICBC to partner with stakeholders in transforming transportation in B.C.
- Accelerated plans to become a more flexible employer, promoting workplace practices to reduce commutes.

Performance Measure(s)	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
4.1a ICBC is seen as a valued partner					
A future mobility strategy is developed with identified plans for key partnerships	N/A	Customer and partner feedback	Planned customer/partner feedback was postponed while ICBC and our partners focused on pandemic response.	Under Development	Under Development
4.1b ICBC's workplace practices attract, engage and retain people to deliver service to our customers					
Employee Opinion Survey results ¹					
Aligned	81	82	83	Index scores will be maintained.	Index scores will be maintained.
Enabled	68	82	73		
Motivated	65	81	71		
Accountable	87	90	88		
Leadership ²	n/a	n/a	n/a		

¹ Data Source: Employee Opinion Survey (EOS) conducted by an independent firm. ICBC will continue to evolve employee measures to reflect strategic goals.

² The leadership index can only be updated in a full survey year. **Score Legend:** 80-100 = extremely positive. 60-79 = moderately positive. 40-59 = moderately negative. 0-39 extremely negative.

Discussion of Results

- ICBC is piloting telematics technology that collects and transmits data about individual vehicles to determine whether this technology can improve road safety outcomes and change driver behaviour among inexperienced drivers. A small telematics device is installed in the vehicle and together with a smartphone app, data such as distance, speed and braking is gathered. In 2019/20, the telematics pilot was launched to help determine if telematics programs and technology have an impact on driver behaviour and improve road safety. The pilot will end in October 2021 with results expected by end of March 2022.
- ICBC developed a Future Mobility Strategy, to be embedded in the corporation's Crash Prevention Strategy in 2021/22. These are some of the first steps in shaping the future of insurance and mobility in B.C.
- The 2020/21 Employee Opinion Survey (EOS) scores were better in all areas than those in the prior year. However, only Aligned (83) exceeded the target for 2020/21. Enabled (73), Motivated (71) and Accountable (88) missed their targets.
 - Targets were set before results were in from the prior year. Therefore a considerable increase (+15 and +16 points) would have been needed to achieve the targets.
 - ICBC went through a significant transformation to move to Enhanced Care coverage in 2020/21. The transition, when combined with the concurrent pandemic, would have caused some uncertainty for employees.

- Overall, results improved across all indices which was a positive achievement and shows progress in the right direction.
- Flexible work arrangements were accelerated to keep our employees safe during the pandemic. This involved enabling over 3,500 employees to work from home. In addition, ICBC supported and engaged its workforce by having open conversations and continuously promoting physical and mental health. Introducing a Diversity, Equity and Inclusion Charter demonstrated the organization's commitment to being a diverse and inclusive workplace.
- Other achievements included implementing Microsoft Teams to improve remote collaboration and outlining new leadership behaviours to help ICBC have even greater focus on the customer.