

Chair/CEO Report Letter



ICBC works closely with government to deliver on products, services and initiatives that are important to British Columbians. As a Crown corporation, ICBC is bound by overall government expectations included in an annual Mandate Letter and the [Taxpayer Accountability Principles](#), and is required to report out on its performance against those expectations.

ICBC and insurance providers across the industry are facing some very challenging times. This period, ICBC saw more crashes, more vehicle damage and injury claims, and higher repair costs than expected, which continued to put financial pressure on the corporation.

ICBC accomplished its [2016/17 Mandate Letter](#) requirements and complied with government direction regarding the capital management frameworks for Basic and Optional insurance and continues to work with government to meet financial targets and reporting requirements.

To help mitigate the impacts of the increased claims costs, the Minister of Transportation and Infrastructure directed the ICBC Board of Directors to commission a comprehensive independent review of the affordability and sustainability of Basic insurance rates. This review will help ICBC identify key factors impacting Basic insurance rates and provide a broad range of options available to keep Basic rates as affordable as possible. The review will be based on the principles of maintaining public ownership of ICBC and operating under the current model. A preliminary report is anticipated to be provided to the Board by June 30th.

While ICBC continues to look for ways to reduce the impact of claims pressures, work is also progressing to improve products and services for customers. 2016/17 marked the completion of the multi-year Transformation Program with the launch of a new policy administration system for brokers to sell and ICBC employees to service Autoplan insurance. Now fully completed, the Transformation Program has enabled ICBC to improve its customer service and develop better, quicker and more efficient administrative processes. Overall, the Transformation Program is forecasted to provide annual savings of approximately \$90 million to ICBC – savings which are long-term and ongoing.

Other initiatives include stepping up efforts to combat fraud, continuing the fight against distracted driving, and modernizing ICBC's professional services procurement process. In 2016/17, government and ICBC announced a new windshield repair program, which improves services to customers while also reducing costs, and also announced changes to the way ICBC insures luxury vehicles.

Maintaining high customer satisfaction levels for Insurance Services, Claims Services and Driver Licensing remains a strong focus for the Corporation. Work continued, using a variety of mediums, on a service strategy for customers, which included digital initiatives. In 2016/17, ICBC released a new customer claims portal. The online claims service enhances customers' ability to report their claims through icbc.com. Claims submitted online are saved directly into ICBC's claims system to further increase claims handling efficiency; customers can also now check the status of their claim online in addition to contacting our call centre.

Placing value on its partnerships, ICBC continued to work with its partners to enhance business processes that help improve the delivery of products and services for customers. This included

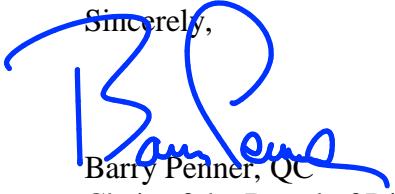
working with government and police to support B.C.'s new, stronger penalties for distracted driving and work on various road safety campaigns. ICBC continued its collaboration with government in implementing a number of shared priority projects, including supporting BC Transplant's organ donation registration program and a new B.C. parks licence plate offering. In 2016/17, ICBC also continued to assist with the BC Services Card initiative.

ICBC, with government, has established an active communication structure to promote further accountability for outcomes and measures. In addition to frequent scheduled and ad hoc meetings between the Minister and the ICBC Chair and CEO, representatives from the Corporation participate in regularly scheduled meetings with senior Ministry of Transportation and Infrastructure officials, contribute to the Shared Priorities Management Committee, and attend other operational meetings as scheduled.

Our Board of Directors continued 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. Members of the ICBC Board of Directors also attended the Public Sector Board Governance Professional Development Forum in December 2016, organized by the Crown Agency Resource Office. Topics within this full day session included discussion of best practices in strategic planning and effective stakeholder engagement. In addition, an annual review of Board effectiveness undertaken by its Governance Committee resulted in new directions to staff to enhance the quality of the orientation program for new Directors and improve the effectiveness of Board meetings. The directions focused on opportunities to enhance the presentation and delivery of key information to the Board.

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 by government in the Mandate Letter and Taxpayer Accountability Principles.

Sincerely,



Barry Penner, QC
Chair of the Board of Directors



Mark Blucher
President and Chief Executive Officer