



Technical briefing

Changes to ICBC

February 6, 2018

Suite of changes needed

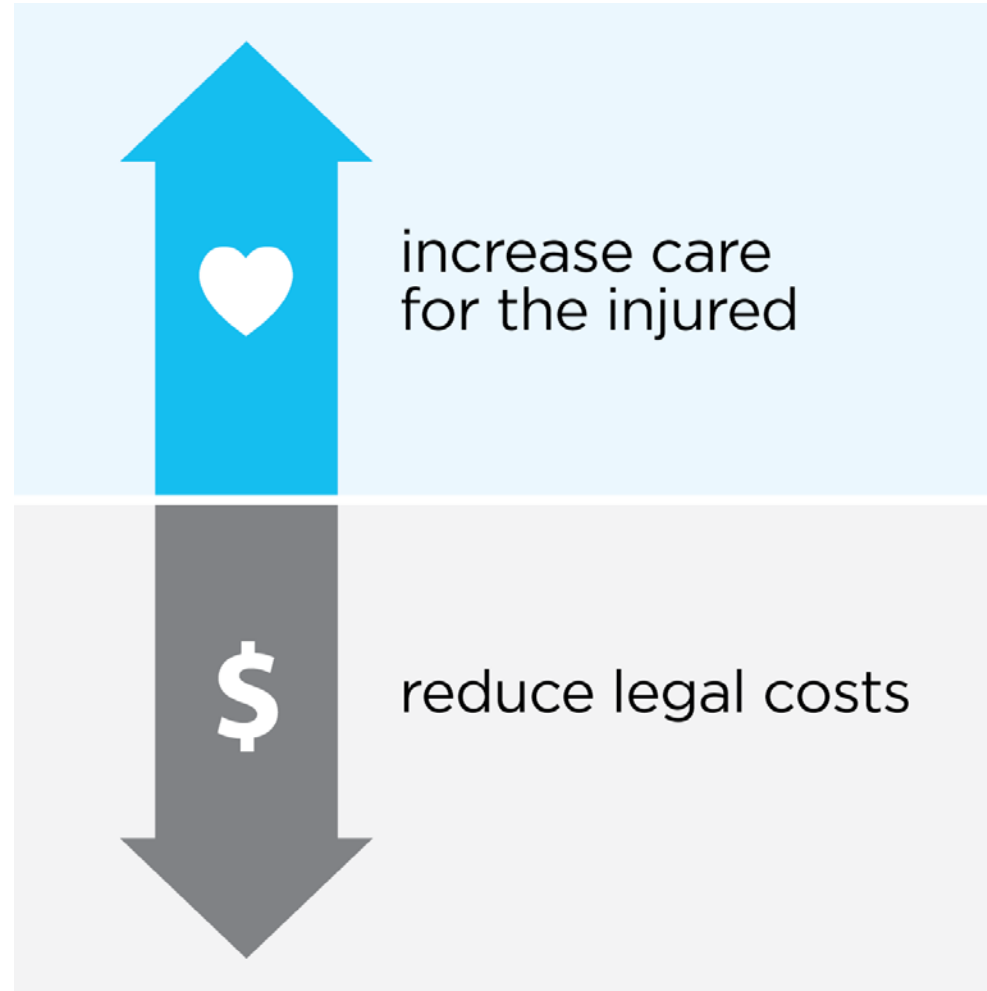


Changes announced today



increase care
for the injured

Changes announced today



Changes are necessary

Cost of full insurance

2017

\$ 1 7 0 0

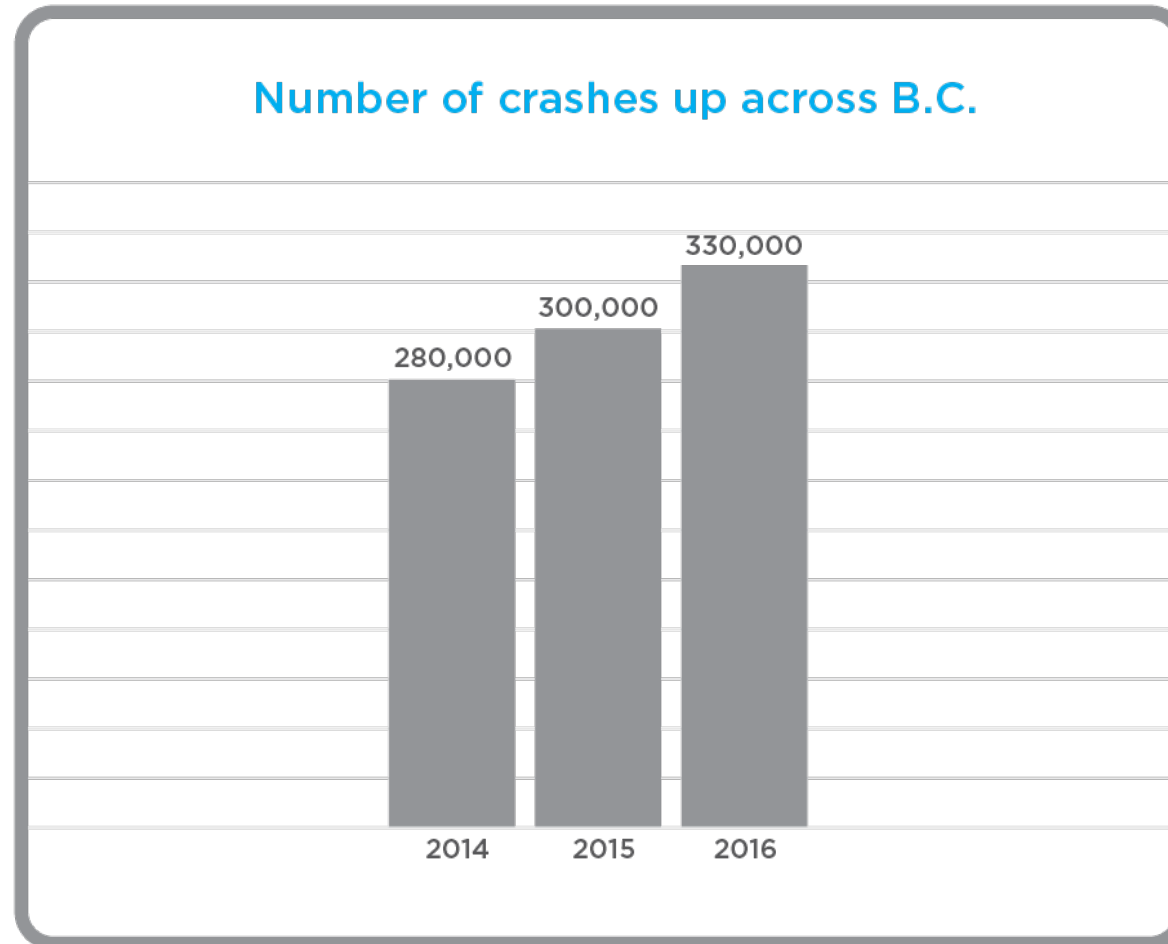
2019

\$ 2 1 0 1

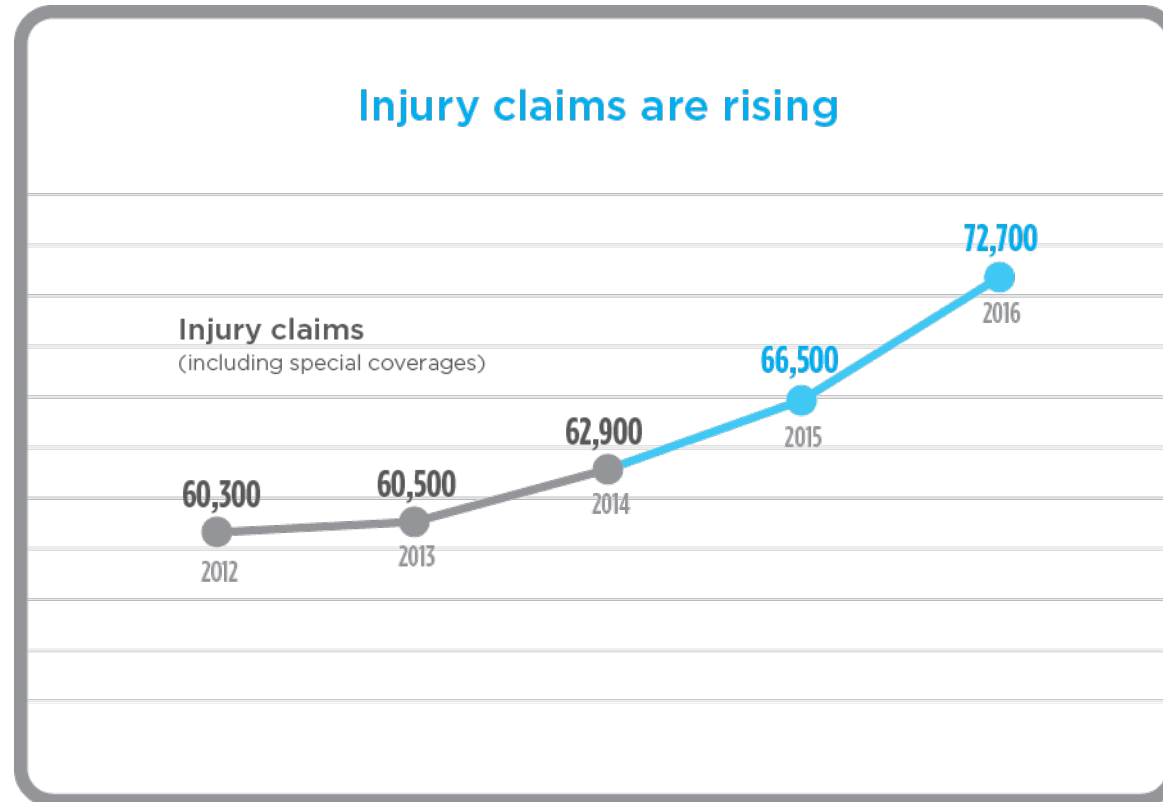
ICBC's financials

	2017/2018
Earned revenue	\$4.1 billion
Net claims incurred	\$4.25 billion
Prior year's adjustment	\$443 million
Investments	\$396 million
Net loss (Q3)	\$935 million
Net loss (projected year-end)	\$1.3 billion

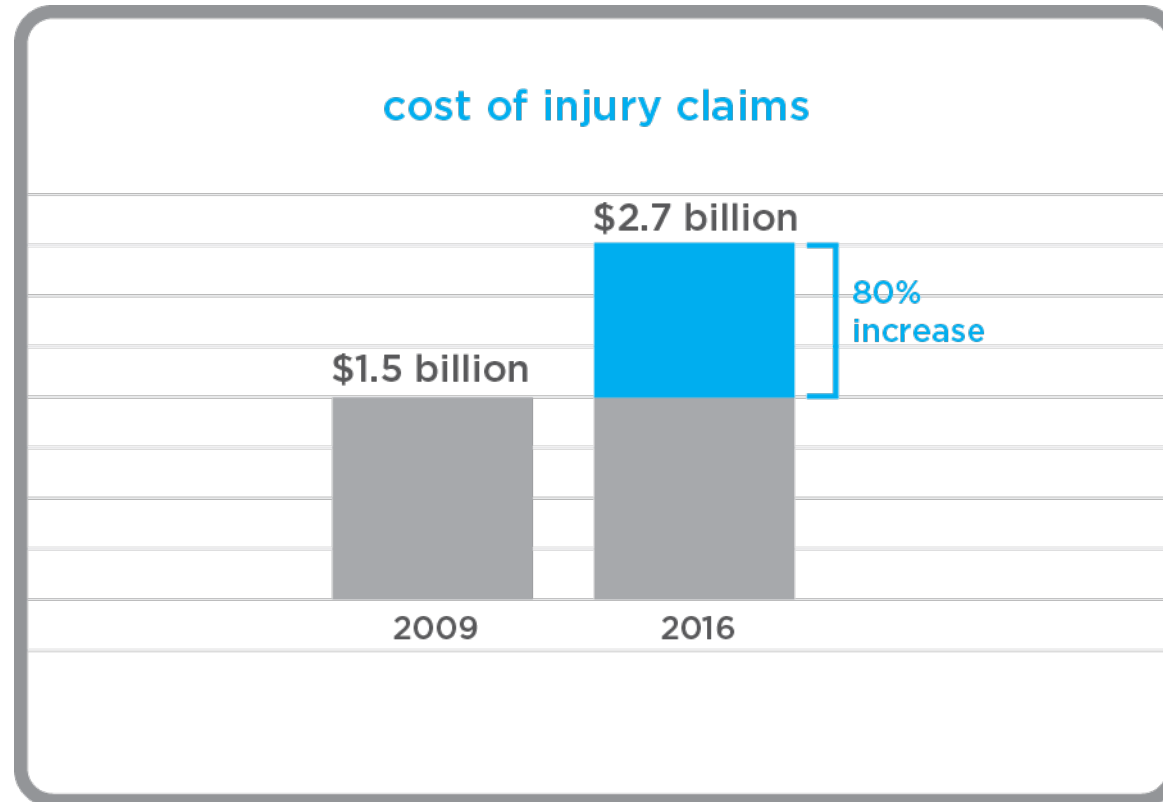
More crashes



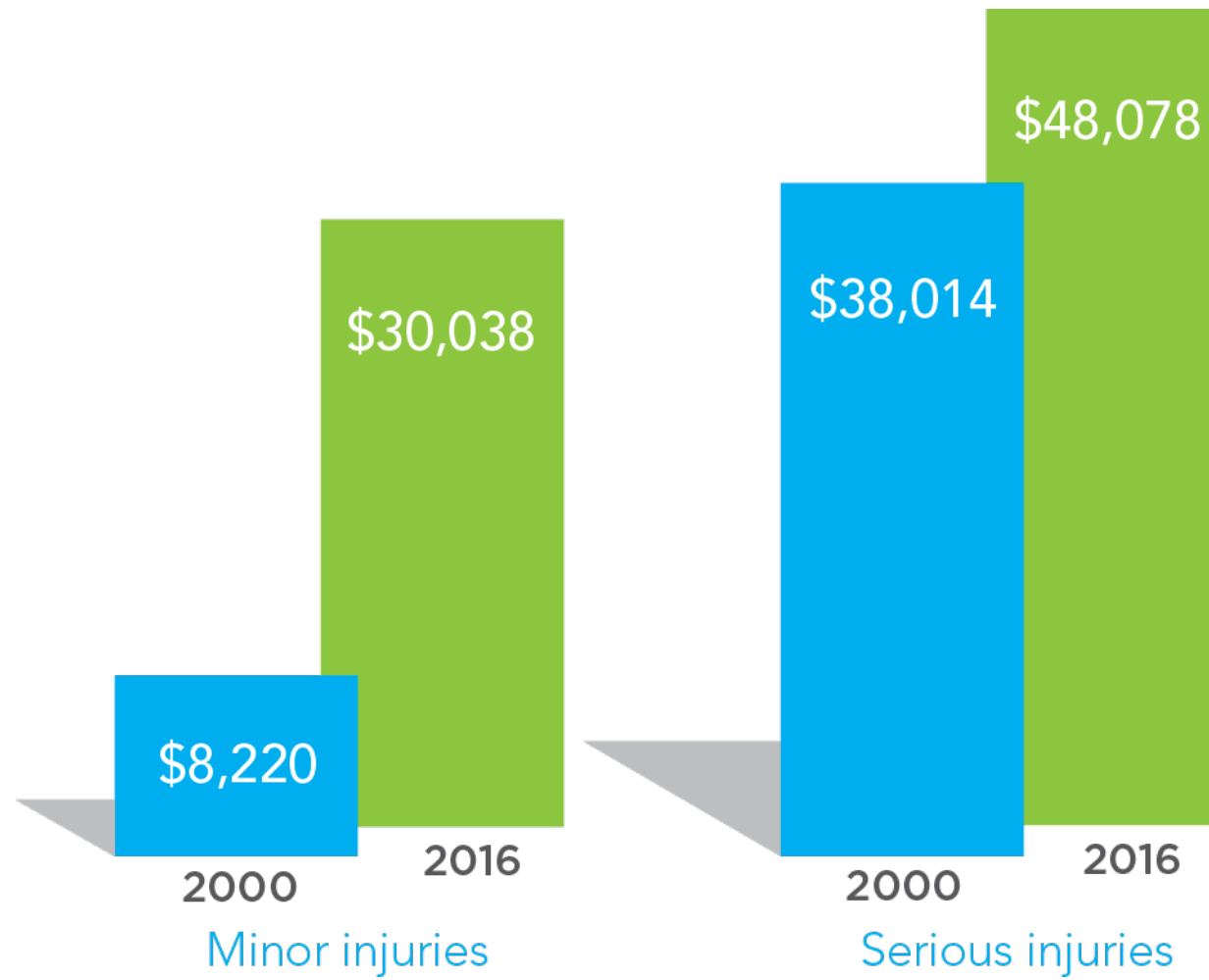
More injury claims



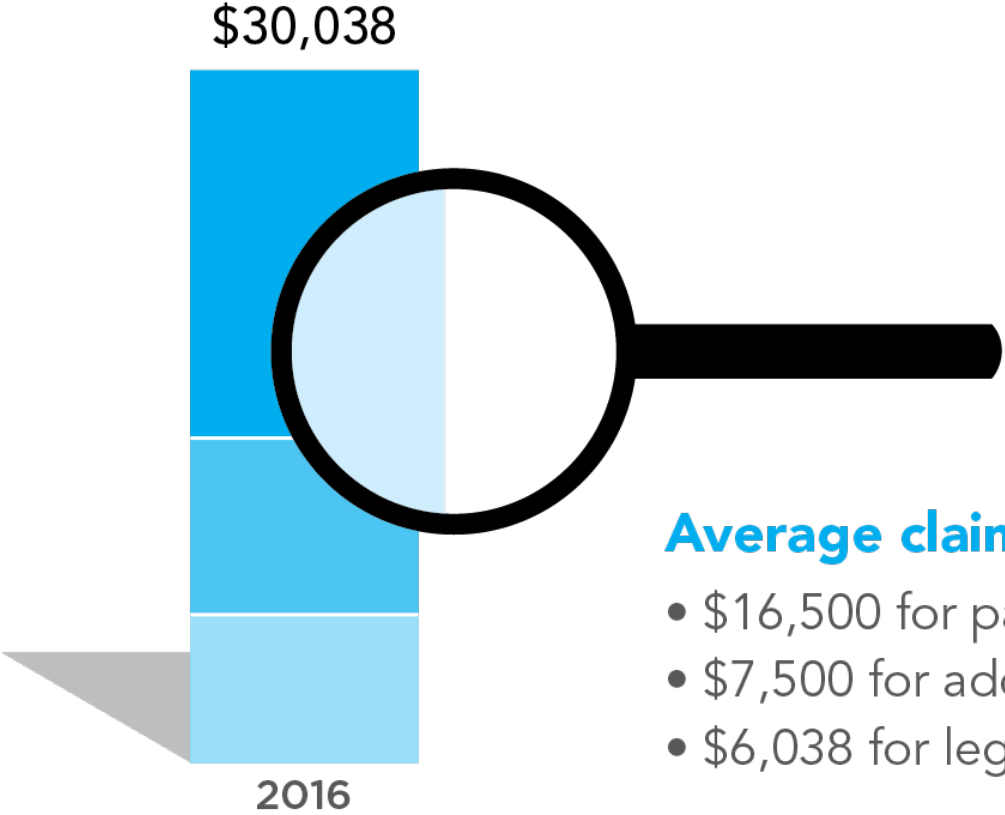
Rising cost of injury claims



Injury claims



Breakdown of a minor injury claim



Average claim paid out for minor injury claim is \$30,038

- \$16,500 for pain and suffering
- \$7,500 for additional wage loss and medical care
- \$6,038 for legal costs, including expert reports

An example of a settlement distribution



Legal costs

What your insurance pays for



Not recovery focused

Accident benefits have not increased since 1991

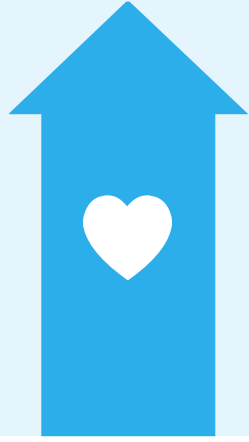
- ICBC currently pays \$23 per visit and customer pays the rest (up to \$50/visit)
- Extra charges reimbursed only if customer is not at-fault

Not fair

Plan to improve fairness

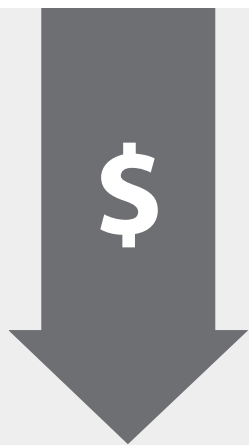
- Make high-risk drivers pay more; low-risk drivers pay less

Changes announced today



increase care
for the injured

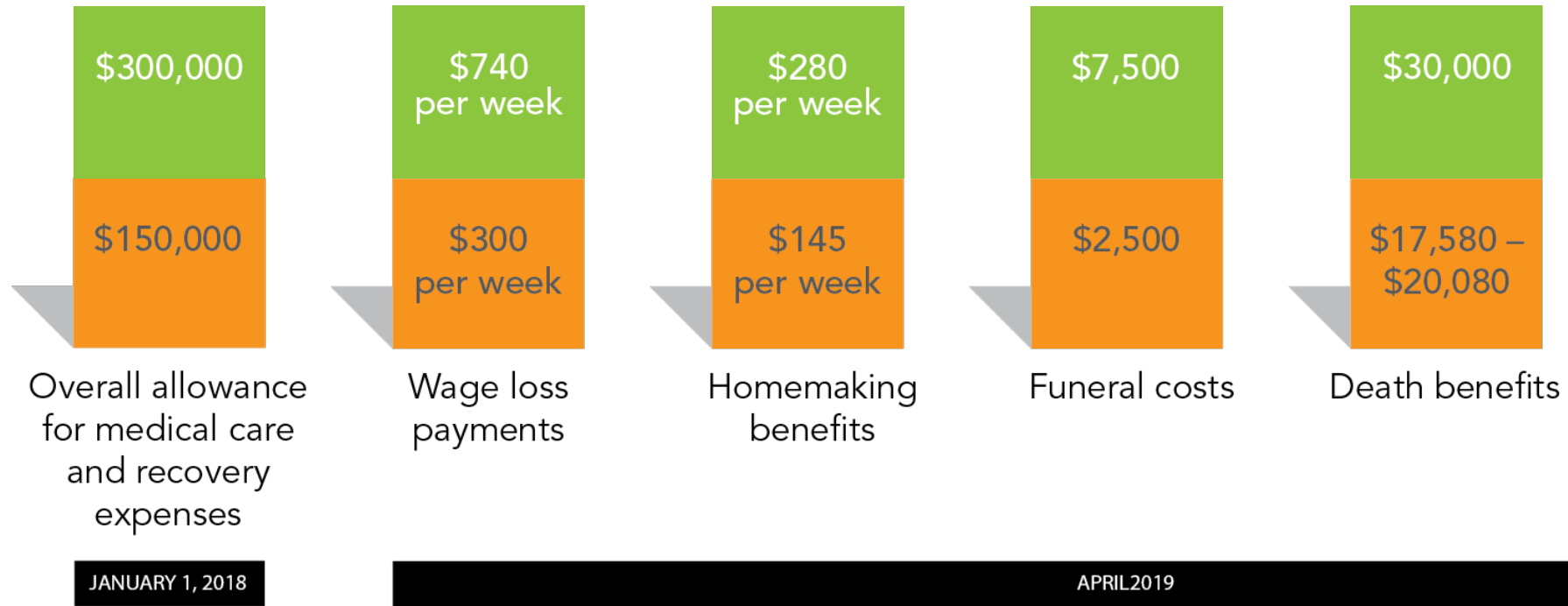
- ✓ double the money for care and recovery
- ✓ more money per treatment
- ✓ more types of treatments covered
- ✓ wage loss payments increased
- ✓ increases to other benefits
- ✓ available to everyone



reduce legal costs

- ✓ \$5,500 limit on payouts for pain and suffering on minor injuries
- ✓ new independent dispute resolution process

Increased accident benefits for all



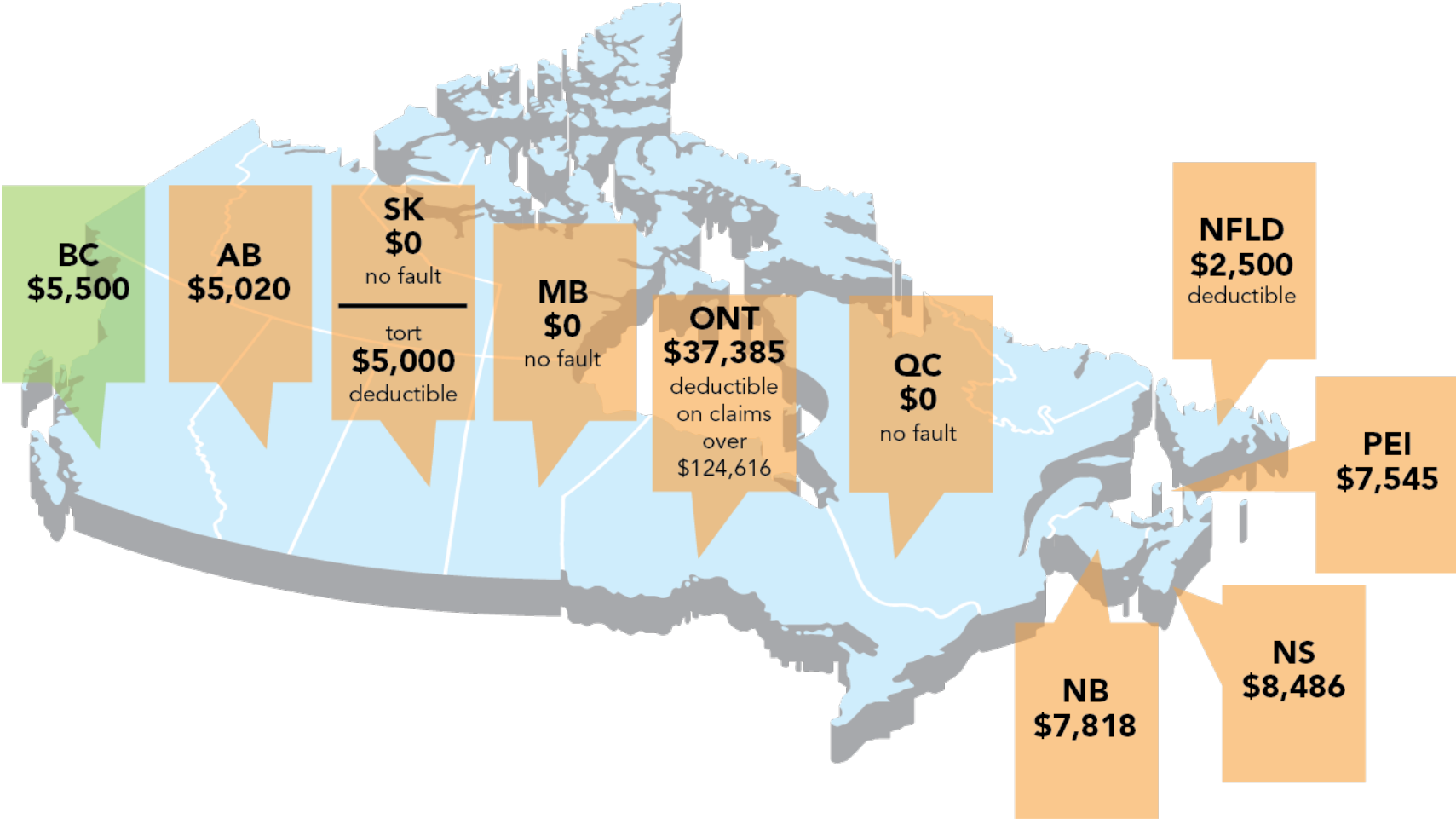
Limit on payouts for pain and suffering

\$5,500 limit will apply to minor injuries only, effective April 1, 2019

- Payments for pain and suffering are entirely separate from compensation for any medical treatments

Savings of approximately \$1 billion by introducing the limit along with other changes

Provincial comparison



Definition of a minor injury

- “Minor injury” will likely include sprains, strains, general aches and pains; mild whiplash; cuts and bruises; anxiety and stress from a crash
- If these symptoms persist beyond 12 months and have a significant effect on daily life, the injury may no longer be considered minor – and the limit would not apply
- A medical professional – not ICBC – will determine the severity of injuries and therefore if it falls under the definition of a minor injury

New independent dispute resolution process



Civil Resolution Tribunal

- Disputes related to certain motor vehicle injury claims
 - ✓ Online, accessible and efficient
 - ✓ Independent from ICBC
 - ✓ Reduce reliance on courts and legal system
 - ✓ Faster decisions for customers

Timeline

