



## changes to auto insurance in B.C.

factsheet and conversation guide for fleet customers

To get the car insurance system back on track and better for B.C., ICBC is making changes to it. As of September 1, ICBC is moving to an insurance model that's more driver-based where each driver's experience and crash history will play a bigger role in determining premiums.

### Do these changes impact my fleet insurance policy?

For the most part, fleet policies will continue to be rated the same. Key points include:

- You will not be required to list the drivers that use your fleet vehicles.
- At-fault crashes will continue to be factored into your policy which looks at the loss experience of the fleet.
- Starting January 1, 2020, at-fault crashes may impact your driver (employee), depending on the rate class of the vehicle.
- Claim repayment rules are not changing for fleet owners but there are changes to the non-fleet claim repayment rules which may allow for individual drivers to repay claims.
- Two new discounts are available for fleets. A discount for vehicles driven less than 5,000 km per year and a discount for vehicles equipped with autonomous emergency braking.

### Tell me more about the low kilometre discount

Fleet customers will benefit from a new 10% Basic insurance discount for vehicles that are driven less than 5,000 kilometres per year. Customers who think they have a vehicle that may qualify for the discount are encouraged to provide their Autoplan broker with proof of the vehicle's current odometer reading at their annual renewal. This discount recognizes vehicles that are used rarely, and that are therefore less likely to be involved in an at-fault crash. This discount also applies to Third Party Liability coverage and Collision coverage.

### Tell me more about the discount for autonomous emergency braking

Fleet customers will benefit from a new 10% discount on Basic insurance and Third Party Liability coverage for vehicles that have original manufacturer-installed autonomous emergency braking (AEB). AEB was selected as it is a technology proven by external studies to mitigate crashes up to 56%, unlike warning systems or other crash avoidance systems that can be easily turned off or ignored by the driver.

### There are changes which may impact your employees

Moving to an insurance model that's more driver-based means crashes will now follow the driver. So beginning January 1, 2020 if one of your employees or customers has had an at-fault crash while driving a fleet vehicle that crash may now follow them and impact their own non-fleet insurance policy. Whether there is an impact depends on the rate class of the fleet vehicle involved in the crash and whether that claim has been repaid.

Your fleet vehicles belong to a rate class and these can be divided into three categories – personal rate classes, commercial rate classes, and rate classes that do not belong to a profile. The table below shows the rate classes within each category.

"Personal" rate classes	"Commercial" rate classes	Rate classes that do not belong to a profile
<ul style="list-style-type: none"> <li>• Pleasure/Commute/ Business/Artisan (001-007, 012)</li> <li>• U-Drive (008, 018, 058)</li> <li>• Motorhomes (051)</li> <li>• Motorcycles (310s)</li> <li>• Collectors (700s)</li> <li>• Decommissioned (005, 20s, 055, 320s, 705, 720s)</li>   <li>• APV16 (850, 851, 852-859, 860s)</li> </ul>	<ul style="list-style-type: none"> <li>• Light Comm. (009, 011, 013-015, 017)</li> <li>• Heavy Comm. (100s, 110s, 120s, 150s, 170s)</li> <li>• U-Drive (160s)</li> <li>• Delivery (400s)</li> <li>• Bus/Taxi/Limo (600s)</li> </ul>	<ul style="list-style-type: none"> <li>• ORV (030, 035, 036),</li> <li>• Trailers (500s)</li> <li>• Insurance exempt (919)</li> <li>• TOP (852 exclusively Type 6)</li> <li>• Storage (APV345 RC 200s)</li> <li>• Garage (800)</li> <li>• Fleet Reporting (900-906)</li> <li>• Emergency Vehicles (040, 041, 140, 141)</li> </ul>

Figure 1: Rate Class Groups

**Scenario 1:** If a driver causes a crash while driving a fleet vehicle with a **personal rate class** – for example a company car rated for business use – the claim may impact all policies where the driver is listed, including their own personal insurance with personal or commercial rate classes where the driver is listed (non-fleet).

**Scenario 2:** If a driver causes a crash while driving a fleet vehicle with a **commercial rate class** – for example, a bus – the claim will not impact the driver’s personal policies. It may only impact other policies with commercial rate classes where the driver is listed (non-fleet).

**Scenario 3:** If a driver causes a crash while driving a vehicle in a rate class that **doesn’t belong to a profile**, the claim will not follow the driver on any policy where they are listed.

**Talking to your employees about this change...**

Employees driving in personally rated vehicles:

- “If you cause a crash from January 1, 2020 onward it may impact all policies where you are listed as a driver, including your personal insurance policies. Employees driving a commercially rated vehicles:
- “If you cause a crash **from January 1, 2020 onward** while driving a commercially rated vehicle, the crash will impact other policies with commercial rate classes where you are listed as a driver. Fleets do not list drivers so this would only apply to policies for non-fleet commercially rated vehicles where you are listed.”

Additional information

- “Crashes where you are not at-fault (25% or less liable) will not have any impact on your driving record.”
- “You will be able to find out the impact of an at-fault crash when you go to renew your insurance with your Autoplan Broker.”

## How are emergency vehicles and first responders impacted?

Police officers and other first responders don't need to worry their personal insurance premiums will go up if they get into accidents while responding to emergencies. ICBC amended its rate tariff to ensure first responders will not be personally penalized for at-fault crashes that occur while performing their duties in personal class vehicles, including motorcycles and rental cars or a first responder's own private car.

Crashes will not follow the driver of an emergency vehicle (rate class 040, 041, 140, 141; and any other vehicle that is an emergency vehicle as defined in the Motor Vehicle Act). These changes recognize that first responders may be required to drive at a high speed or under hazardous circumstances in emergency situations.

## Changes to claim repayment rules

When an employee causes a crash in a fleet vehicle, there are two parties who may have an interest in repaying this claim – the fleet owner and the fleet driver. Both parties can have the ability to repay the claim and if either party repays the claim, the claim disappears and no longer has any premium impact to either party. However the rules are different depending which party wants to repay the claim.

**Fleet owners** continue to be able to repay fleet claims with no dollar limit, as long as the claim has not already impacted their fleet renewal premiums. While fleet claim repayment rules are not changing for fleet owners, **fleet drivers** who have claims from January 1, 2020 onwards may choose to repay their claim to avoid an impact on their personal and non-fleet commercial insurance. To be eligible for repayment the claim must be:

- \$2,000 or less and,
- the most recent chargeable claim

## What should I do to get ready for these changes?

- Contact your Autoplan broker with questions, including the two new discounts and what you'll need when you renew your policy.
- Talk to your employees or customers so that they are aware that they might be impacted by these changes from January 1, 2020. Encourage your employees to speak to their Autoplan broker if they have questions about what this means for them.