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Hansard "Blues"

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## AUTOMOBILE INSURANCE RATES AND ICBC REVENUES

**J. Horgan:** In 2012, before the last election, the government knew it had big, big problems at ICBC. So the Premier did a quick review, asking Liberals to tell Liberals what Liberals wanted to hear. After that, the Premier said: "No worries. We've got it under control." Then we had an election, and after the election, ICBC rates went up 30 percent for basic auto insurance.

Now it looks like we have problems again at ICBC. In 2015, when the Minister of Finance tabled his budget, ICBC was projected to have net revenues of \$678 million over a three-year period. Unfortunately, in the document tabled yesterday by the Minister of Finance, those surpluses are now a deficit to the tune of \$833 million.

My question is to the Minister of Transportation. Is he going to tell the drivers of British Columbia how much they're going to have to pay for his bad choices?

**Hon. T. Stone:** Our government has made very clear to ICBC that their number one priority is to do everything they possibly can to keep rates as affordable as possible for British Columbians.

This is why we directed BCUC to approve an increase no greater than 4.9 percent, which took place earlier this year. This is also why we have launched a wide range of initiatives with ICBC to apply as much downward pressure on costs and rates as we possibly can. This is why we directed the ICBC board to commission an independent third-party review to look at all facets of ICBC and their operations and how they do what they do to ensure that they are employing every strategy, every initiative possible to drive costs down and, for the long term, to protect the ratepayer.

**Madame Speaker:** Leader of the Official Opposition on a supplemental.

**J. Horgan:** For the uninitiated, they might not be aware that the minister who just took his seat was responsible for ICBC over the past three years, and instead of returning \$600 million to the treasury, they're in the hole \$800 million. When you add it all up, it's a \$1.5 billion blunder, and the only people who are going to have a tough time of it are not the senior executives appointed by Liberals, not the people that the Liberals found to tell the Liberals what they wanted to hear. It's going to be the drivers in British Columbia.

We had a review by the B.C. Utilities Commission. Now, I know that's an institution that that side of the House doesn't like to call upon, because it's independent and it's tasked by legislation to do that work. They prefer to find a campaign contributor, ask them to do the work and then report to the former Liberal minister, who is now the chair, and have him tell the current minister that everything's fine. Not good enough.

We're coming up to another election. The Premier wants to go behind the curtain and say everything's fine. The drivers of British Columbia want the truth this time. Will the minister have

the jam to stand up and tell people just how much his boondoggle is going to cost the drivers of British Columbia?

**Hon. T. Stone:** Well, if you want to talk about boondoggles, let's talk about the boondoggle of the 1990s, when insurance rates went up 34 percent. When they had the opportunity in the 1990s, the combined rates of auto insurance.... The cost to the ratepayers went up 34 percent in that time frame.

[1405]

There is no question that the pressures on ICBC and its costs are enormous. These are pressures that are being experienced by insurance companies right across North America. As we are seeing the number of collisions increase, we're seeing the cost of those repairs increase. The bodily injury claims cost is increasing. All of this is applying a lot of pressure to ICBC and insurance companies across the country.

That is why we are resolute in doing everything we can to protect the ratepayer. That is why we are getting tough on fraud. That is why we have amongst the toughest distracted-driving penalties across Canada right here in B.C. That's why we are moving forward on a number of fronts, including this independent third-party review.

Working with ICBC, we're going to continue to throw everything we can at keeping rates as affordable as possible for B.C.'s families.

**Madame Speaker:** The Leader of the Official Opposition on a final supplemental.

**J. Horgan:** I appreciate accountability is not something that the B.C. Liberals take seriously, but in this instance, surely the minister understands that we had an independent third-party review happening just before Christmas. It was called the B.C. Utilities Commission.

Now, I know B.C. Hydro doesn't have to do anything at the B.C. Utilities Commission anymore, but surely to goodness, ICBC should, after this document, tabled by the Minister of Finance, shows a \$1.5 billion swing in what they said they were going to do and what the actuals are going to be. The solution from the B.C. Liberals: blame drivers; blame British Columbians.

Never, in the time I've been in this House, has a Liberal taken accountability for a darn thing on their watch.

I'm asking the member for Kamloops–South Thompson to be a trendsetter on that side of the House: stand up, be responsible before an election campaign, and tell drivers how much your incompetence, your bad choices, are going to cost them.

**Madame Speaker:** Through the Chair, hon. Member. Members know that all comments are directed through the Chair.

**Hon. T. Stone:** The only members that we hear from that actually support tax increases are the members that sit opposite. We heard it again from the member for Victoria–Swan Lake.

The government just delivered a budget that provided British Columbians with \$1 billion of tax relief.

Interjections.

**Madame Speaker:** Members.  
Please continue.

**Hon. T. Stone:** I am proud to be part of a government that just tabled a budget that will provide British Columbians with \$1 billion of tax relief.

I know that the members opposite do not want to focus on any of the underlying challenges that face ICBC: the fact that bodily injury claims are rising — they're up 10 percent year over year — or the fact that there are more crashes taking place on British Columbia's roads, which is a trend we're seeing across North America. These pressures are applying an immense amount of pressure on ICBC's costs.

We are doing and will continue to do everything we can, with ICBC, whether it's cracking down on fraud, whether it's distracted-driving penalties, whether it's hiring more claims staff, whether it's the transformation upgrades that we're making — a wide array of initiatives to keep rates down for British Columbia's drivers.

**A. Dix:** Underlying? This was the government that took \$1.2 billion meant to pay claims out of ICBC, the first government in the history of B.C. to do it, and that's the minister responsible for that.

They stood up in 2015, that Finance Minister and that minister, and they said ICBC — all the same factors were in place — was going to make \$210 million. They lost \$293 million. That's a \$503 million mistake that drivers will pay for.

[1410]

Not to be outdone, the minister stepped it up the next year. He said: "We're going to make \$231 million." They lost \$396 million. That's a \$627 million mistake.

Now in their budget, tabled yesterday, they're claiming \$280 million in savings from a review that hasn't even started yet.

They aren't watching what's going on; they're not witnesses to rising insurance costs. They're driving the car. When will the minister finally take responsibility for those bad choices that B.C. drivers are going to have to pay for?

**Hon. T. Stone:** Look, the choices that this government has made have resulted in a fifth consecutive balanced budget. The choices that this government has made have resulted in amongst the lowest personal, corporate and small business tax rates in the country. And the choices that this government has made have been to invest strategically in infrastructure in every corner of our province, including a record level of infrastructure on our highways — which is mostly about road safety.

We are going to continue to apply everything that we possibly can towards the pressures that are very real and that the member for Vancouver-Kingsway doesn't want to talk about. He doesn't want to talk about bodily injury claims rising as steadily as they are. He doesn't want to talk about the rising costs of tin. He doesn't want to talk about the rising costs of claims that ICBC has. The volumes are up; the costs are up. Those pressures are real. This government, working with ICBC, is going to continue to throw everything that we possibly can to drive the pressures down and to keep rates affordable for British Columbia's families.

**Madame Speaker:** The member for Vancouver-Kingsway on a supplemental.

**A. Dix:** Well, the same charade took place before the last election. They were "protecting drivers" — that was what they said — and then they soaked drivers. They did a review before the last election. And we've heard this before, even this session: "We accept all the recommendations" from this Liberal review. "We accept them all. We're taking action."

Things haven't changed since then. What's changed is the position of ICBC. What's changed is that they've soaked ICBC. They've taken away their money They've scooped away the capital. They need to take responsibility for this. It's drivers; it's hydro customers; it's people who pay premiums, rising fees. It is becoming harder and harder.

British Columbians can't afford this minister, and they can't afford this Premier. His \$1.5 million blunder is \$1,000 a family. That's how much it is. How are they supposed to pay for his blunder, for his bad choices?

**Hon. T. Stone:** What British Columbians cannot afford is the reckless spending and the increased taxes that the opposition represents. The member from Kingsway stands up every opportunity he gets, and he talks about all these hundreds of millions of dollars which were scooped out of ICBC, as if they went off into some never-never land. These dollars went into critical health and education programs for British Columbians. So I'd be interested to know: which health programs and which education programs would the members opposite say we shouldn't have invested in with those dollars?

Interjections.

**Madame Speaker:** Members. Members.  
Please continue.

**Hon. T. Stone:** Which programs would the members opposite not have supported with those dollars? The member from Kingsway knows that these dollars are generated on the optional side of the insurance business, and that excess capital has been used to fund critical education and health programs.

[1415]

He also knows that during that same period of time, \$1.4 billion was transferred from the optional side of the auto insurance to the basic side to help keep rates as low as possible.

Interjections.

**Madame Speaker:** Please continue, quickly.

**Hon. T. Stone:** Well, I know that the members opposite have been flirting with alternative facts for quite some time now. They just make it up as they go.

Yesterday British Columbians were provided \$1 billion of tax relief. We're going to continue to work as hard as we possibly can to also keep ICBC rates affordable for the long term.