

5th Accord

July 1, 2019 to January 1, 2027

ICBC | CUISA | IBABC



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5th Accord

Since the earliest days of ICBC's inception, insurance brokers and representatives from ICBC have met regularly with one goal in mind: working to improve one of the most efficient and customer accessible automobile insurance distribution systems in North America. The Autoplan system benefits from the advice that the broker sales force offers to reduce risks to the consumer and to ICBC.

With the relationship now approaching 50 years, this partnership has developed one of the best auto insurance systems in Canada. In order to further develop the offering to consumers, ICBC met with representatives from the Insurance Brokers Association of BC (IBABC) and the Credit Union Insurance Services Association (CUISA) in early 2019 to discuss the future of ICBC's Autoplan distribution system and to anticipate further improvements in delivery and effectiveness.

ICBC is heading into a period of significant change and transition over the coming years. ICBC continues to face unprecedented cost pressures that directly impact customers in terms of both Basic and Optional insurance rates. ICBC's strategic priorities over the term of this Accord will focus on implementing the Rate Affordability Action Plan (RAAP), while working with our brokers to continue to provide great service to our customers. ICBC will engage and seek advice through consultation and collaboration with its broker sales force in the development and discussion on this transformational change that is key to the long term sustainability of ICBC. This Accord is designed to guide and facilitate this journey with brokers.

The broker is the sole distributor of Autoplan. The three parties recognize a need to be responsive to changing customer expectations on how a complex insurance product can be delivered in a cost effective manner while at the same time ensuring that the customer has the right coverage for their unique circumstances.

The financial health and stability of the distribution system is critical to fulfill our joint vision of the future for serving our customers, ensuring that ICBC's Autoplan distribution system remains viable and easily accessible for customers.

Therefore, this Accord will cover a seven year term, from July 1, 2019 to January 1, 2027. This will allow ICBC and brokers to plan and build for the future and proceed with significant and potentially transformational investments in our people, our customers, and our products and our systems.

The parties agree to reconvene in early 2026 to discuss the renewal of this Accord.

Terms of the Accord

1. Commitment to serving British Columbians

ICBC and brokers agree that the objectives of the Accord can only be met if the customer's best interests are paramount in everything we do. This section outlines the commitment of all parties to better serve British Columbians.

1.1 IBABC and CUISA recognize the benefits of the current distribution system: low cost, high efficiency, highly accessible, low uninsured rates, and high level of customer satisfaction; are of significant value to the motoring public of BC.

ICBC believes the role of the broker is essential in the distribution of Autoplan. The broker's in-depth insurance knowledge teamed with their ability to make insurance understandable for the customer is critical to their role as the primary point of communication between the customer and ICBC. IBABC and CUISA agree that brokers will continue to promote the value of ICBC's products and services at the point of sale so that customers fully understand the features, advantages and benefits of ICBC products and services.

ICBC will support the broker's role at the point of sale by developing easy to understand products and services at affordable prices, and continue to speak positively about the valuable role the Autoplan broker has in the customer experience.

1.2 ICBC and brokers will continue to collaboratively develop and implement all programs and strategies designed to improve the customer experience.

IBABC and CUISA will continue to work with ICBC and support ICBC programs and strategies that focus on improving customer experience and metrics that drive improvement in customer experience.

This will also include continuing to improve ICBC training and support for brokers to ensure excellent customer service and effective and efficient delivery of ICBC's products.

1.3 ICBC and brokers acknowledge customers' demand for even greater convenience. Independent advice and access to insurance information, products and services through brokers will continue to evolve.

The parties agree that customer demand for convenience and broad access to services is changing. ICBC and brokers further acknowledge and respect that ICBC's current business model requires a financial investment from brokers in licensed accessible locations as they serve as the primary point of sale and service. The parties will move forward together to respond to customer expectations in delivering auto insurance through brokers.

The parties will table these discussions beginning at the Memorandum of Understanding Council (MOUC) in the fall of 2019, and form a task force by December 31, 2019 to jointly develop a roadmap. The parties anticipate that the roadmap will outline a phased approach to implementation and will take into account continued customer demand for accessible "bricks and mortar" locations, as well as growing demand for mobile, telephone and online options.

The parties recognize careful planning, consultation, and regular communication are critical elements for developing plans to ensure fairness and equal opportunity for all brokers.

1.4 As broker business models evolve and additional service options for customers are explored, it is imperative that the contractual framework be enforced to maintain a positive customer experience.

The parties agree that careful implementation and effective change management is essential to ensure a consistent customer experience. ICBC commits to managing change in an effective manner that maintains the stability and reliability of the distribution system and clarity of service options for customers. ICBC will consult with IBABC and CUISA prior to making changes to service options.

ICBC will continue to enforce the Autoplan Agency Agreement and provisions of the Autoplan Procedures. IBABC and CUISA agree to support ICBC in this regard.

1.5 IBABC and CUISA acknowledge the necessity of ICBC to take significant steps to make insurance rates more affordable and sustainable. The parties will actively and fully support all initiatives including the rate design changes, the shift towards more care and treatment options, updates to the vehicle repair industry and road safety initiatives.

ICBC will continue to consult with brokers through the implementation of rate design and changes to increase care and treatments available after a crash. ICBC recognizes that further iterations of rate design will be necessary, and additional changes and refinements to BC's auto insurance system will continue on an ongoing basis. Brokers will continue to be part of the development process of future changes through the Rate Design Task Force and through regular updates at MOUC. IBABC and CUISA will continue to advocate the necessity for these changes to their members and stakeholders.

1.6 ICBC and brokers recognize that the brokers' relationship with the customer is of value and assistance to the customer in the claims process.

All parties recognize that the broker supports the customer with independent advice in the delivery of ICBC's products. As a member of the insurance team they, along with ICBC's other partners, can also support the customer in their claims process. ICBC will support brokers with clear procedures, training, job aids, and other initiatives as identified by the parties, to assist front-line brokers in engaging in the claims process at the request of customers.

1.7 ICBC will continue to respond to customers immediately in the event of a premium or coverage dispute due to a broker keying error.

The parties agree that ICBC has responded well to situations where a customer has communicated their purchase decision to a broker but the broker has committed a keying error while generating the policy. This policy has resulted in increased customer confidence in Autoplan and ICBC intends to continue to respond to claim disputes as quickly as possible.

ICBC will continue to communicate with brokers to raise awareness of common errors and will assist in preventing error recurrences in other offices by regularly revising training materials as needed. ICBC will also review the broker's conduct, performance history, and adherence to procedures, and may exercise its rights under the Autoplan Agency Agreement and Autoplan Procedures as it deems necessary.

ICBC acknowledges that during times of significant change, such as system or rate design changes, the frequency of customer disputes may increase. ICBC will consider this broader context in its review of premium or coverage disputes, and will use its discretion in making determinations on a case-by-case basis. IBABC and CUISA agree to encourage brokers through regular communication channels to complete all education and training in advance, and to continue to carefully review all policies in detail with customers prior to completing a transaction.

1.8 Together ICBC and brokers will champion a safe driving culture in BC since fewer crashes not only help reduce claims costs, but most importantly prevent injuries and save lives.

ICBC will provide opportunities for brokers to participate in road safety programs, ranging from the distribution of road safety materials, to community speaking at road safety events, or sponsorship opportunities.

Brokers will be provided with the opportunity to "opt in" to these programs on a voluntary basis. There will be no mandatory funding requirements from brokers. ICBC may provide brokers road safety materials for display in their offices and may consider co-branding opportunities when practical. Programs will be administered by ICBC and any discussions or inquiries will be managed through MOUC.

1.9 The parties recognize the importance of training and support for brokers to enable the success of major initiatives such as system or product changes.

ICBC will continue to leverage technology as a key platform for the delivery of education and training for brokers, and acknowledges that for major initiatives such as rate design, a multi-platform training strategy may be necessary. ICBC will incorporate other platforms such as webinars, "Train the Trainer" options and in-person office visits, and will consult with brokers through MOUC on the development of these plans, including the amount of time training is made available, to ensure brokers are as prepared as possible to serve in customers' best interests. IBABC and CUISA will commit to encouraging and reinforcing the completion of training requirements prior to the implementation of any major initiative through a "call to action" message and through other regular communication channels.

2. Distribution

ICBC and brokers will efficiently manage the auto insurance system in the best interests of all British Columbians. This section outlines the commitments of all parties with respect to the Autoplan system with continuing improvements to better serve the motoring public.

2.1 ICBC will give its brokers an unqualified guarantee that the broker will remain the sole distributor of Autoplan over the horizon covered by this Strategic Accord. The parties also recognize the current existence of ICBC's Autoplan Sales unit operating at its Head Office and other face to face insurance sales through Government Agents and Appointed Agents.

ICBC, the broker associations and Autoplan brokers recognize and acknowledge the benefit of their partnership for numerous reasons including:

1. Universal coverage and limits at an affordable price for every driver in BC over their entire driving lifecycle;
2. Non-discriminatory rating which does not base rates on age, gender or marital status;
3. Availability province wide;
4. 24/7/365 claims service including online access;
5. Product stability relative to other jurisdictions;
6. There are far fewer uninsured motorists in BC than other jurisdictions in Canada because basic insurance and vehicle licensing are one function;
7. BC ownership (funds stay in province);
8. Economies of scale through the combined delivery of the product and vehicle registration;
9. Independent advice through an extensive broker network.

2.2 IBABC, CUISA and ICBC agree that the right and ability of an Autoplan broker to represent insurers competing with ICBC must continue. IBABC, CUISA and ICBC also agree that the Autoplan Agency Agreement obligates a broker to act faithfully in the best interests of ICBC, and that such obligation requires a broker to fairly represent ICBC products to the customer.

The parties agree that brokers are expected to present an ICBC quote to the customer and outline the features and benefits of the ICBC product.

If ICBC believes its products are not being fairly represented at the point of sale, ICBC will meet with the broker principal to develop a plan to ensure the broker fairly represents ICBC products to customers. If that fails, ICBC will actively enforce section 3.4 of the Autoplan Agency Agreement through the provisions contained in the Autoplan Agency Agreement.

2.3 ICBC acknowledges the contractual right of an Autoplan broker to assign an Autoplan Agency Agreement.

IBABC and CUISA acknowledge the contractual right of ICBC to require approval in advance of assigning an Autoplan Agency Agreement, and ICBC reserves the right to withhold permission for the assignment of an Autoplan Agency Agreement. This permission shall not be unreasonably withheld. The parties acknowledge the restricted nature of mobility for Appointed Agents as those agents provide additional service to ICBC's driver licensing customers.

The current operational requirements regarding assignment/mobility will remain, although ICBC reserves the right to unilaterally change this policy at any time. Any policy changes will be announced at the MOUC prior to implementation by ICBC.

3. Remuneration

BC's insurance distribution system is one of the most cost effective in North America, and has proven its adaptability to change. This section outlines the process for maintaining a low cost system with fair remuneration to brokers as its primary guiding principle.

3.1 ICBC acknowledges the value of the broker role in the distribution of Autoplan, and believes that fair remuneration is required to ensure the continued existence of the Autoplan broker distribution network to meet the needs of ICBC and its customers.

Over the term of this Accord, it is possible that ICBC will propose and implement changes such as the ongoing implementation of rate design and changes to increase the care and treatments available to anyone injured in a crash that may result in impacts to broker workloads. In the event of any material product or ease of business change, ICBC remains committed to fair remuneration.

ICBC will assess the impacts of additional activities or processes undergoing significant change, in consultation with brokers through MOUC, and will establish fair remuneration prior to the implementation of any changes.

Brokers will continue to be consulted during the impact assessment process; however these consultations will not include the discussion of or establishment of remuneration.

Remuneration includes Basic fees, Optional commissions, and at times, performance awards and transition workload remuneration, and will be set and announced unilaterally by ICBC on an annual basis. The process for establishing remuneration is outlined in section 5.1.

3.2 ICBC's remuneration policies apply to Appointed Agents and other services.

The principle of fair remuneration and the annual remuneration review extends to the provision of Driver Services performed by Appointed Agents and to the provision of other services as mandated by other provincial government agencies.

3.3 ICBC acknowledges the negative impact to brokers of remuneration error calculations as a result of PolicyCenter. ICBC is committed to take utmost care in testing and coding efforts in every release, and will avoid making retroactive adjustments to broker remuneration where possible.

The parties acknowledge that PolicyCenter has brought an increased risk of remuneration errors in the future; whenever it is updated during a release, there is a chance that remuneration coding may be impacted. ICBC understands that retroactive adjustments may impact broker employee compensation, financial results, and is an administrative burden for all parties. ICBC commits to net any adjustments annually, on a provincial basis, to minimize the impact to individual brokers, but reserves the right to make immediate adjustments if necessary. When possible, ICBC will offset any adjustments against one-time payments to brokers such as performance awards or transition workload remuneration. ICBC commits to updating MOUC on an expedited basis.

4. Working relationship and change management

The parties have agreed that the challenges of rising customer expectations, evolving technology and changing regulatory and legislative environments have increased the necessity for brokers and ICBC to work collaboratively to support all British Columbians. All parties will leverage their strategic stakeholder relationships to effectively manage change, mitigate adverse impacts, and enact improvements in the distribution system.

4.1 The parties recognize the importance of planning and collaboration with a focus on continuously improving the products, service and value provided by the auto insurance system in BC.

ICBC will continue to engage brokers in consultation as early and as often as practical prior to the introduction of additional activities, significant change in processes, or making a material product change or reform.

All parties will continue to commit to regular meetings, namely MOUC, for policy and strategic issues and Liaison Committee for operational issues. These meetings are held regularly as per the Terms of Reference. Whenever appropriate, ICBC will include executives and senior Insurance division representatives in these discussions.

MOUC will retain primary oversight over the consultation process and responsibility for all task forces and/ or subcommittees that may be established.

The parties acknowledge and understand that there are circumstances where early consultation is not possible for reasons outside of ICBC's control. ICBC commits to openness and transparency at the earliest opportunity in these situations.

4.2 ICBC and the associations recognize the importance of regularly reviewing the process of collaboration and agree that all parties are accountable for its success.

The parties will review progress on the terms of this Accord annually at MOUC during the 4th quarter of the calendar year, and to review the terms of reference for MOUC, Liaison Committee and Task Forces. The parties will also review the requirement and benefit to continue or initiate task force activity.

4.3 ICBC acknowledges that the implementation of PolicyCenter has been challenging for brokers, and is fully committed to continuous improvement of the point of sale system.

While ICBC's current priority is the implementation of rate design initiatives, ICBC will continue to invest resources to improve PolicyCenter. ICBC will continue to consult with brokers at monthly Liaison Committee meetings to prioritize PolicyCenter changes and to refine the communication of known defects and workarounds to brokers. IBABC and CUISA understand that some defects may be impractical to fix immediately and that brokers will commit to following the authorized workarounds provided by ICBC in consultation with the Liaison Committee. IBABC and CUISA will encourage brokers through their normal communication channels to provide feedback to ICBC on an ongoing basis through Broker Talkback and Broker Account Representatives.

4.4 ICBC acknowledges that the provision of accurate and timely Autoplan data to brokers through improved reporting tools remains a high priority for all parties. The parties acknowledge that competing priorities are a challenge for ICBC, and ICBC intends to make as much progress as possible toward better reporting tools during the term of this Accord.

ICBC will prioritize the development of defect fixes and ease of business initiatives through consultation at Liaison/MOUC. The parties agree that portal access to broker data is the long term goal with the understanding that accurate transactional information is of significant value to both ICBC and brokers in managing their businesses and the ability to analyze sales information will allow all parties to better serve the needs of their customers. The parties recognize that the current system changes will assist in clarifying timelines and deliverables.

5. Governance/external environment

ICBC is a provincial Crown corporation mandated by legislation and subject to external forces shaped by government priorities and both provincial and federal laws. The parties agree to strict standards of compliance to maintain the highest levels of public confidence.

5.1 It is acknowledged that ICBC, IBABC and CUISA are committed to full regulatory compliance, including the federal Competition Act. As part of its ongoing commitment to regulatory compliance, ICBC has adopted guidelines for meetings and a model for the exchange of competitively sensitive information with its brokers.

ICBC, IBABC and CUISA have adopted a model for discussions amongst the parties on issues of remuneration and the exchange of competitively sensitive information. The full details will be set out in the MOUC Terms of Reference and available to all brokers. In brief, ICBC will make decisions on remuneration and competitively sensitive topics independently and unilaterally. From time to time, ICBC will seek information from broker associations and brokers using an independent third party who will collect and aggregate the information such that ICBC will not know the identity of the brokers who have provided the information. ICBC will receive submissions from IBABC and CUISA on the aggregated data prior to making decisions.

IBABC and CUISA will be invited annually to make suggestions for improvement to this process.

5.2 ICBC and brokers agree that the highest standards must be followed in the protection of customer information.

The importance of strict protection of customer data has continued to gain prominence in today's society. ICBC and brokers will continue to explore methods to heighten awareness of the importance of protecting customer information and will continue to work with outside agencies such as the Insurance Council of BC and the Information and Privacy Commissioner of BC to ensure all possible steps are taken to safeguard this information.

5.3 The parties operate in a regulatory and legislative environment, and their ability to respond effectively to changing customer needs requires flexibility in their business strategies.

This Accord is written in good faith for a seven year term. If, however, a significant legislative or regulatory change occurs, the parties agree to reconvene within 30 days of formal notice of the change to discuss the impact to this Accord. If, within 180 days of reconvening, the parties agree, the Accord will continue in its present or in an amended form.

In witness whereof the parties have hereunto set their hands as of the date set out below.

Credit Union Insurance Services Association

Per:



Heather Olson, President

Insurance Brokers Association of British Columbia

Per:



Shawn Fehr, President

Insurance Corporation of British Columbia

Per:



Nicolas Jimenez, President and CEO

Appendix A

Accord negotiation teams

1st Accord (1998–2002)

ICBC	IBABC	CUISA
Terry Condon	Brent Atkinson	Angus Lawsom
John Hancock	Chuck Byrne	Shirley Neudorf
Glen Pentland	Roger Tellier	Doug Sweeting
	Kristo Zorkin	

2nd Accord (2003–2007)

ICBC	IBABC	CUISA
John Dickinson	Brent Atkinson	Joyce Jackson
Steve Kaukinen	Chuck Byrne	Shirley Neudorf
Harry Pylman	Colin Hunt	Rick Parent
	Kevin McIntyre	Jim Sigurdson

3rd Accord (2008–2012)

ICBC	IBABC	CUISA
John Dickinson	Chuck Byrne	Roberta Kelly
Jim McGinnis	Doug Guedes	Rick Parent
Tim O'Brien	Kevin McIntyre	Jim Sigurdson
Glenda Ouellette	Steve Sache	Jean Sparkes

4th Accord (2012–2020)

ICBC	IBABC	CUISA
Mike Dakin	Chuck Byrne	Shelly Mauer
John Dickinson	Doug Guedes	Rick Parent
Jim McGinnis	Kevin McIntyre	Kevin Sigouin
Glenda Ouellette	Lorne Perry	Jean Sparkes
	Steve Sache	

5th Accord (2019–2027)

ICBC	IBABC	CUISA
John Dickinson	Chuck Byrne	Jason Brunelle
Jonathan Hoey	Doug Guedes	Heather Olson
Alden Li	David Moon	Kevin Sigouin
Sarah Morton	Lorne Perry	John Sullivan
	Steve Sache	