



4th Session, 37th Parliament

OFFICIAL REPORT OF

DEBATES OF THE
LEGISLATIVE ASSEMBLY

(HANSARD)

Thursday, November 20, 2003

Morning Sitting

Volume 18, Number 11

THE HONOURABLE CLAUDE RICHMOND, SPEAKER

ISSN 0709-1281

PROVINCE OF BRITISH COLUMBIA
(Entered Confederation July 20, 1871)

LIEUTENANT-GOVERNOR
Honourable Iona Campagnolo

4TH SESSION, 37TH PARLIAMENT

SPEAKER OF THE LEGISLATIVE ASSEMBLY
Honourable Claude Richmond

EXECUTIVE COUNCIL

Premier and President of the Executive Council.....	Hon. Gordon Campbell
Minister of State for Intergovernmental Relations.....	Hon. Greg Halsey-Brandt
Deputy Premier and Minister of Education	Hon. Christy Clark
Minister of Advanced Education	Hon. Shirley Bond
Minister of Agriculture, Food and Fisheries.....	Hon. John van Dongen
Attorney General and Minister Responsible for Treaty Negotiations.....	Hon. Geoff Plant
Minister of Children and Family Development.....	Hon. Gordon Hogg
Minister of State for Early Childhood Development.....	Hon. Linda Reid
Minister of Community, Aboriginal and Women's Services.....	Hon. George Abbott
Minister of State for Community Charter.....	Hon. Ted Neibling
Minister of State for Women's Equality	Hon. Lynn Stephens
Minister of Competition, Science and Enterprise	Hon. Rick Thorpe
Minister of State for Deregulation	Hon. Kevin Falcon
Minister of Energy and Mines.....	Hon. Richard Neufeld
Minister of Finance	Hon. Gary Collins
Minister of Forests	Hon. Michael de Jong
Minister of Health Planning.....	Hon. Sindi Hawkins
Minister of Health Services.....	Hon. Colin Hansen
Minister of State for Mental Health.....	Hon. Gulzar S. Cheema
Minister of State for Intermediate, Long Term and Home Care.....	Hon. Katherine Whittred
Minister of Human Resources.....	Hon. Murray Coell
Minister of Management Services.....	Hon. Sandy Santori
Minister of Provincial Revenue.....	Hon. Bill Barisoff
Minister of Public Safety and Solicitor General	Hon. Rich Coleman
Minister of Skills Development and Labour.....	Hon. Graham P. Bruce
Minister of Sustainable Resource Management.....	Hon. Stan Hagen
Minister of Transportation.....	Hon. Judith Reid
Minister of Water, Land and Air Protection.....	Hon. Joyce Murray

LEGISLATIVE ASSEMBLY

Deputy Speaker.....	John Weisbeck
Leader of the Opposition	Joy MacPhail
Deputy Chair, Committee of the Whole	Harold Long
Clerk of the Legislative Assembly	E. George MacMinn
Clerk Assistant	Robert Vaive
Clerk Assistant and Law Clerk	Ian D. Izard
Clerk Assistant and Clerk of Committees.....	Craig H. James
Clerk Assistant/Committee Clerk.....	Kate Ryan-Lloyd
Sergeant-at-Arms.....	A.A. Humphreys
Director, Hansard Services	Anthony Dambrauskas
Legislative Librarian.....	Joan A. Barton
Legislative Comptroller	Peter Bray

Published by British Columbia Hansard Services, and printed under the authority of the Speaker by the Queen's Printer, Victoria. Rates: single issue, \$2.85; per calendar year, mailed daily, \$298. GST extra. Agent: Crown Publications Inc., 521 Fort St., Victoria, B.C. V8W 1E7. Telephone: (250) 386-4636. Fax: 386-0221.

www.leg.bc.ca

Hansard Services publishes transcripts both in print and on the Internet. Chamber debates are broadcast on television and webcast on the Internet.

ALPHABETICAL LIST OF MEMBERS

Abbott, Hon. George (L)	Shuswap
Anderson, Val J. (L)	Vancouver-Langara
Barisoff, Hon. Bill (L)	Penticton-Okanagan Valley
Bell, Pat (L)	Prince George North
Belsey, Bill (L)	North Coast
Bennett, Bill (L)	East Kootenay
Bhullar, Tony (Ind. L)	Surrey-Newton
Bloy, Harry (L)	Burquitlam
Bond, Hon. Shirley (L)	Prince George-Mount Robson
Bray, Jeff (L)	Victoria-Beacon Hill
Brenzinger, Elayne (L)	Surrey-Whalley
Brice, Susan (L)	Saanich South
Bruce, Hon. Graham P. (L)	Cowichan-Ladysmith
Campbell, Hon. Gordon (L)	Vancouver-Point Grey
Cheema, Hon. Gulzar S. (L)	Surrey-Panorama Ridge
Chong, Ida (L)	Oak Bay-Gordon Head
Christensen, Tom (L)	Okanagan-Vernon
Chutter, Dave (L)	Yale-Lillooet
Clark, Hon. Christy (L)	Port Moody-Westwood
Cobb, Walt (L)	Cariboo South
Coell, Hon. Murray (L)	Saanich North and the Islands
Coleman, Hon. Rich (L)	Fort Langley-Aldergrove
Collins, Hon. Gary (L)	Vancouver-Fairview
de Jong, Hon. Michael (L)	Abbotsford-Mount Lehman
Falcon, Hon. Kevin (L)	Surrey-Cloverdale
Hagen, Hon. Stan (L)	Comox Valley
Halsey-Brandt, Hon. Greg (L)	Richmond Centre
Hamilton, Arnie (L)	Esquimalt-Metchosin
Hansen, Hon. Colin (L)	Vancouver-Quilchena
Harris, Roger (L)	Skeena
Hawes, Randy (L)	Maple Ridge-Mission
Hawkins, Hon. Sindi (L)	Kelowna-Mission
Hayer, Dave S. (L)	Surrey-Tynehead
Hogg, Hon. Gordon (L)	Surrey-White Rock
Hunter, Mike (L)	Nanaimo
Jarvis, Daniel (L)	North Vancouver-Seymour
Johnston, Ken (L)	Vancouver-Fraserview
Kerr, Brian J. (L)	Malahat-Juan de Fuca
Krueger, Kevin (L)	Kamloops-North Thompson
Kwan, Jenny Wai Ching (NDP)	Vancouver-Mount Pleasant
Lee, Richard T. (L)	Burnaby North
Lekstrom, Blair (L)	Peace River South
Les, John (L)	Chilliwack-Sumas
Locke, Brenda (L)	Surrey-Green Timbers
Long, Harold (L)	Powell River-Sunshine Coast
MacKay, Dennis (L)	Bulkley Valley-Stikine
McMahon, Wendy (L)	Columbia River-Revelstoke
MacPhail, Joy (NDP)	Vancouver-Hastings
Manhas, Karn (L)	Port Coquitlam-Burke Mountain
Masi, Reni (L)	Delta North
Mayencourt, Lorne (L)	Vancouver-Burrard
Murray, Hon. Joyce (L)	New Westminster
Nebbeling, Hon. Ted (L)	West Vancouver-Garibaldi
Nettleton, Paul (Ind. L)	Prince George-Omineca
Neufeld, Hon. Richard (L)	Peace River North
Nijjar, Rob (L)	Vancouver-Kingsway
Nuraney, John (L)	Burnaby-Willingdon
Orr, Sheila (L)	Victoria-Hillside
Penner, Barry (L)	Chilliwack-Kent
Plant, Hon. Geoff (L)	Richmond-Steveston
Reid, Hon. Judith (L)	Nanaimo-Parksville
Reid, Hon. Linda (L)	Richmond East
Richmond, Hon. Claude (L)	Kamloops
Roddick, Valerie (L)	Delta South
Sahota, Patty (L)	Burnaby-Edmonds
Santori, Hon. Sandy (L)	West Kootenay-Boundary
Stephens, Hon. Lynn (L)	Langley
Stewart, Ken (L)	Maple Ridge-Pitt Meadows
Stewart, Richard (L)	Coquitlam-Maillardville
Suffredine, Blair F. (L)	Nelson-Creston
Sultan, Ralph (L)	West Vancouver-Capilano
Thorpe, Hon. Rick (L)	Okanagan-Westside
Trumper, Gillian (L)	Alberni-Qualicum
van Dongen, Hon. John (L)	Abbotsford-Clayburn
Visser, Rod (L)	North Island
Weisbeck, John (L)	Kelowna-Lake Country
Whitred, Hon. Katherine (L)	North Vancouver-Lonsdale
Wilson, John (L)	Cariboo North
Wong, Patrick (L)	Vancouver-Kensington

LIST OF MEMBERS BY RIDING

Abbotsford-Clayburn	Hon. John van Dongen
Abbotsford-Mount Lehman	Hon. Michael de Jong
Alberni-Qualicum	Gillian Trumper
Bulkley Valley-Stikine	Dennis MacKay
Burnaby North	Richard T. Lee
Burnaby-Edmonds	Patty Sahota
Burnaby-Willingdon	John Nuraney
Burquitlam	Harry Bloy
Cariboo North	John Wilson
Cariboo South	Walt Cobb
Chilliwack-Kent	Barry Penner
Chilliwack-Sumas	John Les
Columbia River-Revelstoke	Wendy McMahon
Comox Valley	Hon. Stan Hagen
Coquitlam-Maillardville	Richard Stewart
Cowichan-Ladysmith	Hon. Graham P. Bruce
Delta North	Reni Masi
Delta South	Valerie Roddick
East Kootenay	Bill Bennett
Esquimalt-Metchosin	Arnie Hamilton
Fort Langley-Aldergrove	Hon. Rich Coleman
Kamloops	Hon. Claude Richmond
Kamloops-North Thompson	Kevin Krueger
Kelowna-Lake Country	John Weisbeck
Kelowna-Mission	Hon. Sindi Hawkins
Langley	Hon. Lynn Stephens
Malahat-Juan de Fuca	Brian J. Kerr
Maple Ridge-Mission	Randy Hawes
Maple Ridge-Pitt Meadows	Ken Stewart
Nanaimo	Mike Hunter
Nanaimo-Parksville	Hon. Judith Reid
Nelson-Creston	Blair F. Suffredine
New Westminster	Hon. Joyce Murray
North Coast	Bill Belsey
North Island	Rod Visser
North Vancouver-Lonsdale	Hon. Katherine Whitred
North Vancouver-Seymour	Daniel Jarvis
Oak Bay-Gordon Head	Ida Chong
Okanagan-Vernon	Tom Christensen
Okanagan-Westside	Hon. Rick Thorpe
Peace River North	Hon. Richard Neufeld
Peace River South	Blair Lekstrom
Penticton-Okanagan Valley	Hon. Bill Barisoff
Port Coquitlam-Burke Mountain	Karn Manhas
Port Moody-Westwood	Hon. Christy Clark
Powell River-Sunshine Coast	Harold Long
Prince George North	Pat Bell
Prince George-Mount Robson	Hon. Shirley Bond
Prince George-Omineca	Paul Nettleton
Richmond Centre	Hon. Greg Halsey-Brandt
Richmond East	Hon. Linda Reid
Richmond-Steveston	Hon. Geoff Plant
Saanich North and the Islands	Hon. Murray Coell
Saanich South	Susan Brice
Shuswap	Hon. George Abbott
Skeena	Roger Harris
Surrey-Cloverdale	Hon. Kevin Falcon
Surrey-Green Timbers	Brenda Locke
Surrey-Newton	Tony Bhullar
Surrey-Panorama Ridge	Hon. Gulzar S. Cheema
Surrey-Tynehead	Dave S. Hayer
Surrey-Whalley	Elayne Brenzinger
Surrey-White Rock	Hon. Gordon Hogg
Vancouver-Burrard	Lorne Mayencourt
Vancouver-Fairview	Hon. Gary Collins
Vancouver-Fraserview	Ken Johnston
Vancouver-Hastings	Joy MacPhail
Vancouver-Kensington	Patrick Wong
Vancouver-Kingsway	Rob Nijjar
Vancouver-Langara	Val J. Anderson
Vancouver-Mount Pleasant	Jenny Wai Ching Kwan
Vancouver-Point Grey	Hon. Gordon Campbell
Vancouver-Quilchena	Hon. Colin Hansen
Victoria-Beacon Hill	Jeff Bray
Victoria-Hillside	Sheila Orr
West Kootenay-Boundary	Hon. Sandy Santori
West Vancouver-Capilano	Ralph Sultan
West Vancouver-Garibaldi	Hon. Ted Nebbeling
Yale-Lillooet	Dave Chutter

CONTENTS

Thursday, November 20, 2003
Morning Sitting

Routine Proceedings

	Page
Petitions	8061
Hon. J. Murray	
Second Reading of Bills	8061
Insurance (Motor Vehicle) Amendment Act, 2003 (Bill 93)	
Hon. G. Collins	
K. Stewart	
H. Bloy	
J. Nuraney	
P. Wong	
T. Christensen	
D. Jarvis	
J. Kwan	
R. Sultan	
Hon. G. Collins	

THURSDAY, NOVEMBER 20, 2003

The House met at 10:02 a.m.

Prayers.

Petitions

Hon. J. Murray: I'd like to table a petition opposing the closure of St. Mary's Hospital.

Orders of the Day

Hon. G. Collins: I call second reading of Bill 93.

Second Reading of Bills

INSURANCE (MOTOR VEHICLE) AMENDMENT ACT, 2003

Hon. G. Collins: I move that the bill now be read a second time.

Bill 93 completes the legislative process required to implement the decisions of core review for ICBC. Those decisions were:

(1) ICBC is to continue to be the monopoly supplier of basic vehicle insurance in British Columbia.

(2) The cabinet will no longer set ICBC basic vehicle insurance premiums, and ICBC will be regulated as a monopoly by an independent regulator.

(3) Greater competition in the optional vehicle insurance market will be encouraged to increase choice and keep premiums as low as possible by regulating the Insurance Corporation of British Columbia to ensure that it competes fairly.

[1005]

Bill 58, introduced and passed by this House earlier this year, provided the British Columbia Utilities Commission with the responsibility and authority to independently regulate ICBC's basic vehicle insurance premiums and supervise its service levels. It also partly addressed the decision to encourage greater competition in the optional vehicle insurance market by establishing a regulatory framework for the Utilities Commission to regulate ICBC's competitive behaviour.

Bill 93 continues the implementation of the decision to encourage more competition by putting optional vehicle insurance sold by ICBC and by private insurers on the same legal basis. At present ICBC's basic and optional insurance products are defined by the Insurance (Motor Vehicle) Act and the regulations under that act. The insurance is not provided by way of contract but through rights and obligations imposed by the legislation. Private insurers' optional insurance, however, is contractual in nature, with contracts limited in certain respects by provisions in part 6 of the Insurance Act.

In many ways, the provisions of the two pieces of legislation are similar or in some cases identical, but not in all respects. To the extent that there are substantive differences, some place ICBC at an advantage, and

others place private insurers at an advantage. The lack of a common legal framework for basic and optional vehicle insurance that applies equally to ICBC and private insurers is an impediment to greater competition and fairer competition in the province's optional vehicle insurance market.

The changes being proposed by this bill provide that common legal framework. The framework will apply equally to ICBC and private insurers, and it will ensure that optional vehicle insurance products provided by ICBC and private insurers will be governed by the same statutory provisions. We made a commitment in the *New Era* document to introduce greater competition in auto insurance. With this legislation, we're taking yet another step towards fulfilling that promise.

K. Stewart: I am pleased to rise to support this bill with regard to ICBC. One of the issues has always been in the fixing of rates of ICBC. The movement to the B.C. Utilities Commission to do such is, I think, a very progressive move and allows for some reality into the price structure of ICBC. Over the years we've looked at ICBC from various different lenses. One, of course, is that of the public interest. ICBC has to be accountable to the citizens of British Columbia. ICBC has got to be competitive.

Quite frankly, in the past I think ICBC had some issues which certainly needed some attention. I am pleased to say that as I look at ICBC over the past couple of years, we see some very positive movements in the way they're not only dealing with their customers but dealing with the fairness of insurance for the citizens of British Columbia.

One of the things we looked at as a government is the whole notion of a private insurance carrier in British Columbia. In the past few years, as a result of having an organization that's just based on the insurance business in British Columbia and not necessarily as affected by some of the world events that have occurred and have caused great difficulties with some of the larger international and national carriers, we've been fortunate that we do have ICBC in British Columbia. We look at some of the world events — the bombing of the Trade Center, hurricanes on the coast, some of the terrorist activities with regard to shipping — and insurance claims have gone up dramatically around the world and across Canada. That's basically because of those events having a significant impact on the insurance of automobiles through their corporate affiliates.

As I say that, though, we also have to be very concerned about competitiveness. It's easy for an organization that has a monopoly in a marketplace to take over and basically get a little slack, if I might use that term. I believe that's what happened with ICBC. They got out of line with some of their competitive issues within the corporation. Some of the benefits and packages for some of their employees were way out of line with the corporate world that's out there. A lot of the packages were enriched beyond what someone would consider to be normal business packages for their employees.

[1010]

Also, as a result of having a monopoly and having the ability to adjust the cash they spent with little control within their organization, there were some areas that were less than efficient. I believe the government has taken some direction to ensure that the citizens of British Columbia will have fair insurance premiums for their automobiles and other products that are covered by ICBC. I believe the fact that the B.C. Utilities Commission is now moving in has an impact on it.

I also like to believe the committee I had, the Select Standing Committee on Crown Corporations, will have some impact on the accountability of ICBC to the citizens of British Columbia. We just recently did a review of ICBC and presented it in the House earlier this week, and I would hope the organization will have a look at some of those recommendations. Again, this is another opportunity for transparency and evaluation of a Crown corporation by the public through their elected members.

In conclusion, I'd just like to endorse the actions of this bill and highlight, of course, those two components. One is the B.C. Utilities Commission now setting the rates on a competitive basis instead of being politically motivated as they have been in the past and, also, with the extra scrutiny of organizations such as the Select Standing Committee on Crown Corporations as an opportunity for more transparency within the business and workings of ICBC.

H. Bloy: I am pleased to stand up here today and support Bill 93, the Insurance (Motor Vehicle) Amendment Act, 2003, and to give it my full support. Insurance has been run over the last number of years — which was started in the early seventies — and has been maintained as an insurance company without competition in British Columbia. We are now levelling the playing field. In our *New Era* document, we said we would level the playing field with insurance, but we also wanted to protect all the citizens of British Columbia.

In November 2002 the government's core services review for ICBC decided to maintain ICBC as the sole provider for auto insurance. However, to further its commitment to increased competition, ICBC would be subject to an arm's-length regulator, which is the B.C. Utilities Commission, which takes it out of political hands and puts it into an independent review panel.

I believe that ICBC is coming on track and is being run as an insurance company, not buying property in Surrey or buying the Telus building in Burnaby and going outside their mandate. ICBC is going to concentrate on insurance. They do an exceptional job. They're a leader in the field. In fact, people are coming from across Canada and North America to see how we run our auto insurance. There's a province that would like us to run their auto insurance.

This may be where we would expand, to the benefit of all citizens of British Columbia — to have a business that's operating by providing a service in British Columbia with their expertise and also providing that to

other jurisdictions. The B.C. Utilities Commission, I believe, has been the focal point in this legislation to allow an independent voice to set the rates, and I just wanted to say I fully support the bill and the minister in the direction he's going.

J. Nuraney: I, too, rise in support of Bill 93. As we know, ICBC has been a matter of great contention in the past, and after a great deal of thought and review that this government undertook for the past two years, I think they have now come up with very good legislation. The B.C. government is working toward the new-era commitment to introduce greater competition to auto insurance, to create increased choice and to reduce motor vehicle premiums.

In November of 2002 the government's core services review for ICBC decided to maintain ICBC as the sole provider for basic auto insurance. However, to further its commitment to increased competition, ICBC would be subject to an independent arm's-length regulator who would approve basic insurance rates and ensure that ICBC does not use its dominant position to compete unfairly against the private sector companies in the optional insurance market. This, in my opinion, is a lofty goal, because this government's attempt for the past years has been to stay away from business corporations, even though they are Crown corporations, but to enable them to operate like businesses devoid of any political interference.

[1015]

In May of 2003 the Insurance Corporation Amendment Act, 2003 appointed the British Columbia Utilities Commission as the regulator responsible for setting ICBC's basic insurance premiums. The BCUC will monitor ICBC's operations to ensure that the corporation and the private insurers have fair and equal opportunities to compete for optional insurance business. To help create a level playing field, the government issued a discussion paper in July of 2003 and engaged in public consultations to amend the Insurance (Motor Vehicle) Act and the Insurance Act to ensure that both ICBC and the private insurers are subject to the same general rules and legal requirements regarding optional auto insurance.

Bill 93, the Insurance (Motor Vehicle) Amendment Act, 2003, is expected to come into effect by the fall of 2004, once regulations are passed and industry is ready to implement the changes. These changes will create a level playing field for both ICBC and private insurers in the optional auto insurance market and will help to achieve our commitment to introduce greater competition and choice in auto insurance. ICBC and private insurers will be subject to the same legal requirement in the optional insurance field.

Although these amendments do not have a direct impact on insurance premiums, they should encourage more competition in optional auto insurance and help keep rates as low as possible. ICBC will continue to be the sole provider of basic mandatory vehicle insurance for every licensed driver and vehicle. This is critical, because there should be no drivers on the road without

the very basic insurance, and in an open competitive market it is possible that this could happen. This bill is protecting those drivers who would and must have the basic mandatory insurance to drive on the roads.

Rates for basic mandatory insurance are now regulated by the B.C. Utilities Commission. For the first time ever, the consumer can participate in the rate-setting process through an open public consultation. This is once again an attempt by this government to open up competitive fairness in all fields of endeavour this government is involved in, and I have great pleasure in supporting Bill 93.

P. Wong: I rise to support Bill 93 because it provides the same legal basis between ICBC and the private insurers. It is the government's mandate that we should provide the lowest premiums and competitive rates to car owners. To do this, we need to provide business opportunity and perfect competition between ICBC and other private insurers. This legislation will give an opportunity to do just that.

Bill 93 requires ICBC to provide basic insurance products. I'm glad that with the recent increase of only 4 percent in the premiums, the majority of the car owners are required to pay less than \$10 for the rate increase. I am pleased to see that we're opening up these insurance products in respect to the rate for products other than basic insurance — the optional insurance products.

[1020]

Because of this opening up of opportunities, we will be able to see that there will be more competitors in the rate for basic mandatory insurance now regulated by the B.C. Utilities Commission. For the first time ever, consumers can participate in the rate-setting process through open, public consultation.

I am pleased to take this opportunity to comment on ICBC's recent programs such as the bait car program, which has contributed a great deal to a reduced number of stolen cars. As well, ICBC has provided and invested a lot of time and effort in providing education on safe driving. I am also very pleased to see that ICBC is able to provide and get involved in many community activities such as bicycle patrols and community policing.

Mr. Speaker, I agree and would also like to support Bill 93.

T. Christensen: It's my pleasure to rise and speak in favour of and support of Bill 93.

As a number of other speakers have mentioned but I think is well worth repeating, the government, during the last election campaign, promised to introduce greater competition in auto insurance to create increased choice and to reduce motor vehicle premiums. That's a pretty tough set of factors to bring together. I am extremely pleased that in fact that's exactly what has happened in terms of the government's dealing with ICBC through a number of bills, culminating now with Bill 93.

As anybody who has looked at their auto insurance policy will recognize quite quickly, there are many parts to it. You've got your basic auto insurance that covers your basic liability. You've got your third-party liability. You've got your collision insurance. You've got your comprehensive insurance. We tend to pay different premiums for each of those factors that make up our insurance policy. There are opportunities in looking at each of those parts to say who's best to provide that part of insurance so that British Columbians have the broadest range of options and have choice where choice will result in competition and in lower prices for British Columbians.

At the end of the day, once we strip away all of the legalese around insurance contracts and whether it's provided by a public insurer or a private insurer, the vast majority of people in this province want one thing. They want an insurance policy that provides them the protection they desire, and they want it at the lowest price possible. I firmly believe that Bill 93 takes us very much in that direction.

As the Minister of Finance reminded us in his comments at the beginning of second reading, this comes about as a result of the core review process. Certainly, I know very well that the core review process was an in-depth review of what was happening with ICBC and the type of coverage it provided. There was a strong desire to see if we could improve upon the scheme for auto insurance in the province and to bring in competition, when that would benefit the public.

[1025]

The end result of the core review, the conclusion that was come to, was that the best way to provide a comprehensive basic insurance policy was through the public insurer, ICBC. I think that was quite appropriate, and particularly in hindsight it was appropriate if we look at what's happened in terms of insurance rates in other jurisdictions across Canada over the last couple of years. While here in British Columbia we've benefited from pretty much steady automobile insurance rates — perhaps some small increases — if we look to our neighbours in other provinces, they have in fact suffered extremely high insurance premium increases — in many cases, or at least in some cases, almost a doubling of insurance premiums. That has resulted in a great deal of consternation in a good number of provinces. In fact, as anybody who has been observing will certainly note, it's been a significant issue in a number of the provincial elections last year. I think hindsight certainly tells us that the conclusion the core review came to in terms of maintaining ICBC as the single insurer for basic automobile insurance was very much the correct decision at this time.

There are benefits, certainly, beyond simply price to having a single insurer that is a public insurer in respect of our basic insurance. One of the benefits that has been pointed out to me by folks working in the insurance industry, primarily by brokers, is that there's a close link between your basic insurance and the licensing of motor vehicles in the province. What many believe that has resulted in is a very low incidence of

uninsured drivers in British Columbia. Obviously, it's in all of our interests as a society to ensure that those using our roads in fact have insurance so that all of us are protected.

I think B.C. can be proud that we do have a history of a very low incidence of non-insured drivers. As others have indicated, though, it's important when you're going to allow a monopoly to continue — and that's certainly what is happening with basic automobile insurance in the province — that there be some impartial and independent means of setting the rates. I think we all know that, unfortunately, part of the history of ICBC has been a significant amount of political interference in the setting of rates. Quite frankly, that's no way to run an insurance company. It certainly shouldn't be any way to run a Crown corporation if the public is to continue to have faith that the Crown corporation is being run well and being run appropriately.

I am very pleased this government has moved in a different direction and has said that with all Crown corporations what we want is a board of competent people, experienced in the management of large companies, that can ensure the company is fulfilling its purposes and is not subject to political manipulation such as rebates six months before an election. As I said, we have that impartial and independent means of ensuring that rates are fair and appropriate in light of insurance claims history in the province through the B.C. Utilities Commission. Certainly, the B.C. Utilities Commission has a proud history of determining rates of other utilities, and I am absolutely confident they will do an outstanding job in reviewing ICBC's submissions in terms of what its rates should be.

Now for the optional insurance portion. Let's get back to that discussion of the importance of competition. What this bill does is confirm the ability for there to be a broader range of competition in optional coverage so that the market and the wonderful forces of competition will set the appropriate rates for things like our collision insurance and our comprehensive insurance. I think all of us — particularly those that, through our good driving habits and perhaps a little luck at times, have had safe driving histories — want to ensure that we have the opportunity to go out in the marketplace and say to private insurers: "Listen, I've been doing my part. I haven't driven recklessly. I haven't had a number of driving infractions on my driving history, so I should benefit from being safe on the roads and from not causing problems on the roads, and I should see that benefit when I go to renew my insurance." Those elements will certainly be there in an increasing way in the optional coverage market.

[1030]

To have effective competition, it's important that everybody competing in that marketplace is playing by the same rules. That's really where we get to the nub of Bill 93. Bill 93 is a pretty comprehensive piece of legislation that has a great number of sections. It accomplishes a lot. At the end of the day, though, once we wade through the details of Bill 93, what we have in essence is a bill that replaces a scheme where the insur-

ance that a driver had through ICBC was governed by an act of the Legislature, and an insurance policy they had with a private insurer for part of their optional coverage was governed by a contract.

What's going to happen, moving forward with Bill 93, is that ICBC and those private insurers, in providing optional coverage, are all going to be governed, in terms of their relationship with their customer, by an insurance contract. That's certainly a first in terms of our individual driver's relationship with ICBC, but it also ensures that everybody is playing by the same rules when it comes to what governs their rights and obligations in respect of their insurance. That is a critical component in terms of ensuring that competition is fair, and certainly, if we're going to have competition, we must ensure that it's fair. It doesn't make much sense to encourage competition if others are playing by different rules.

Bill 93 is critical to moving this forward. I am pleased that we're able to deal with it in this fall session, and I think we can look forward in the future to continuing to have a very strong automobile insurance regime in this province and, in fact, an improved automobile insurance regime that offers a broader variety of choices to consumers in British Columbia.

D. Jarvis: I'd like to rise and say a few words about Bill 93, the Insurance (Motor Vehicle) Amendment Act, 2003. Just over 30 years ago, Mr. Speaker, if you drove your vehicle in British Columbia, you had a choice with whom you could insure your vehicle. Then the scene changed in 1973 with the adoption of government insurance and the formation of a Crown corporation on auto insurance, also known as ICBC. For 30 years ICBC has, therefore, dominated the auto insurance market in British Columbia.

Heretofore, auto insurance has been basically split in the categories of the optional and compulsory ends of it. Most people are not too familiar with that situation, and they go down and buy their insurance and don't realize that it is now divided into a compulsory end of it and the optional end. The compulsory end of the insurance policy is, basically, that all the public liability and public damage features are compulsory. That protects or insures the individual car owner for third-party damage, should you as an insured hit an object or injure, say, a third party. Whereas for the optional aspect of the coverage you would receive.... Should you be involved in an accident, it insures your own vehicle in that sense — also for damage due to collision or physical damage to your car and for fire, theft and vandalism, etc.

Heretofore, you could only buy insurance through the Insurance Corporation of British Columbia, and it was a monopoly — under the compulsory aspect, that is. The optional was almost what you would call a monopoly, as well, through ICBC. Basically, there was no competition, and there was no choice to the people in British Columbia until presently, as private insurers have now started getting into the optional end of the auto insurance side.

[1035]

They were very reluctant to do so, because when they entered into that sort of aspect of the market, they all felt that ICBC, first of all, would not share any of their rates. They were unable to ascertain what the rates would be or how ICBC went about giving their rates. Whereas the private insurance companies all had to report to the superintendent of insurance, ICBC doesn't have to report to the superintendent. In that sense, they all felt that the monopoly really wasn't fair, and they were at a disadvantage when it came to selling auto insurance.

Lately they have been coming into the optional insurance to a certain degree, and lo and behold, ICBC suddenly realized there's competition out there. Their rates have suddenly started to change somewhat — those being the optional for your collision damage, fire, theft, vandalism, etc. Suddenly we saw ICBC become more aware there was some competition and there was a need, so they decided there was a need for a change. I'm glad to see they finally have started to smarten up on that aspect.

Here we are today with Bill 93. This bill will put ICBC on the same level as the private insurance company with respect to the optional end of auto insurance. As this bill relates, the private insurers will ostensibly be able to compete on the same footing, and I believe it will be good for the consumers of this province.

When you have competition, you always see downward pressures on your rates and the costs. There will be innovative ways, I'm quite sure, that the private people will come up with to go forward, to give the insureds — the consumers — a better deal.

It's amazing. This province was built on entrepreneurship, and we've been too long with a monopoly. I'm sure you're going to see something different come down the line in the next few years. The private insurance companies in B.C., now that they have a level playing ground, will compete. As I say, it will be a benefit to all of us — the consumers in British Columbia.

Another aspect of this bill is the new requirement that ICBC will now have to put forward, for the first time in 30 years, a written policy from your insurer that you will receive, rather than just being verbally told that you have coverage. Now no one has the specific advantage, and everyone is now subject to the same rules and regulations when it comes to optional insurance.

Perhaps down the line we will see more changes when it comes to auto insurance in this province so that we will have full competition in the insurance business, rather than a halfway sort of situation that we have now in which the private insurance can only get in on the optional end of it. Perhaps one day we will see full competition in the compulsory end of it again.

To sum up, I want to say again that I think this is a good move, and I think the insurance industry itself will benefit. I think the province will benefit from the fact that the auto insurance companies will now come

back into British Columbia, and there will be revenue to the province — more so than what we've had in the past years, I should say. Now the consumers themselves, who we're here to represent, will probably get a better deal out of the whole situation. I support this bill thoroughly. Thank you for the opportunity to speak.

J. Kwan: Bill 93, the Insurance (Motor Vehicle) Amendment Act, 2003, is about what I think are tiny steps this Minister of Finance is taking to dismantle ICBC. He wants to take big steps; he promised to take big steps. His party took financial donations to ease its way down the road to ridding B.C. of the best auto insurance rates in the country, but the facts keep getting in the way.

[1040]

ICBC is a good deal for B.C. drivers. ICBC delivers a quality product at a fair price. Some of the things that ICBC provides to British Columbians — some of the values, if you will — have been documented in a booklet issued by the auto insurance brokers association of British Columbia. In this documentation they highlighted the values of ICBC and what we stand to lose if we keep going down the road of the notion of what the Minister of Finance and the Liberal government like to call introducing competition into the auto insurance sector.

Let me just review for a moment the mandate of ICBC as a public insurer and the benefits it provides to British Columbia drivers that are worth maintaining. I will elaborate on some of these as I continue, but in short form, from a public interest point of view, ICBC provides for mandatory insurance for all drivers, thereby virtually eliminating the number of uninsured drivers and the attendant high costs of uninsured motorist protection. It provides for a non-discriminatory rating, which does not base rates on age, gender or marital status. It provides for universally available coverage and limits whereby no risks are refused coverage. It provides for a coordinated, effective and efficient approach to road safety involving ICBC and brokers. It delivers through the broker's door, which has provided customers with personal, point-of-sale, one-stop convenience. Brokers are able to provide all relevant documents at one time to the consumer. It provides for efficient linkage between licensing, motor vehicle registration and basic liability coverage. Redundancy has been eliminated. And B.C. ownership of a substantial investment.

Let me also touch on some of the issues around affordability. ICBC spreads the cost of insurance over the driver's lifetime. It is made possible by ICBC's monopoly, one might say, on basic coverage, but that monopoly provides an advantage to the consumers.

The ICBC operation as a Crown corporation also provides for premium cost stability. In British Columbia we have avoided the cyclical roller-coaster once again being exhibited in other provinces — Ontario, Alberta and the Atlantic provinces — in terms of rates and cost to the consumer in terms of auto insurance.

It provides for market stability and ease of access. The Autoplan broker force provides for consistent, convenient and personal service.

In terms of comparing accident benefits, most medical costs are therefore covered by the injured person's insurance policy and to a lesser extent by the provincial health care system. Because ICBC provides for basic coverage, it allows ICBC to maintain the historical data on all claims and reduces the number of fraudulent claims and further keeps costs down.

The last thing about the way ICBC now operates in conjunction with the brokers is that it provides for an efficient collection of motor vehicle debts and fines by the broker force.

[1045]

Let me just go into some of these items in a little bit more detail. With respect to the mandatory insurance for all drivers, one of the key things that I think we all value is to ensure that people have equal access for insurance protection. B.C.'s regulation making insurance mandatory for all drivers has virtually eliminated the number of uninsured drivers on B.C.'s roads. In other parts of North America the number of uninsured drivers can be in the range of 10 percent or higher. If we lose ICBC's system of mandatory insurance — which we will if we keep going in the direction of introducing competition into the system — drivers will have to buy uninsured motorist protection. This would mean drivers will have to buy extra insurance to cover increased possibility that the other driver in a crash in which they are both involved has insufficient insurance or none at all.

Why not have mandatory insurance and a private auto insurance system, and presumably have the best of both worlds, some may say — a competitive market and every motorist on the road insured? In fact, many jurisdictions do have mandatory insurance regulations, but they are largely unenforceable. What makes B.C.'s system work is ICBC's linkage between the primary insurance coverage and the vehicle's registration and licence plate. The data collected by the Autoplan broker flows through to the police to assist in enforcing the regulations.

On the issue around non-discriminatory rating in setting its rates, ICBC does not discriminate on the basis of age, gender or marital status. To be able to do this cost-effectively, ICBC spreads the risk over the driver's entire driving lifetime so that the good drivers aren't entirely subsidizing the high-risk drivers. All drivers subsidize themselves at some point in their lives.

I just want to pause for a moment here, Mr. Speaker, because I heard from the member for Okanagan-Vernon who said that he's a good driver and does not drive recklessly. I can appreciate that concept, and I certainly can appreciate that those who are on the road and drive recklessly put themselves in danger and others in danger. But I may add that from time to time, with us being human beings, accidents do happen.

I'll give you a personal example. This almost happened to me yesterday. I was driving my daughter and

my mother home from the ferry last night. My daughter... I love her; I really do. But boy oh boy, some days she challenges me, and yesterday was one of them. She hates riding in the car. I don't know what it is. She hates riding in the car seat. This little eight-month-old, every time I put her in the car seat for any length of time, gets very upset. As a mother I find it really difficult with her in the back crying — an inevitable thing that happens every time I come over to Victoria — as she sits in the car seat, driving from the ferry.

Last night I was at wit's end. She was crying; she was very upset. It was late at night, and momentarily I looked to the back seat just to glance at her, to make sure everything was okay. It's one of those mother-instinct things that you do, you know. The minute I did that — and I looked back immediately — the person in front of me suddenly pressed on the brakes. I thought, oh God, I'm going to crash into this person, and I jammed on my brakes. Luckily I was an inch away from hitting this person.

I sat and collected myself and thought: okay, pay attention to the road now. Never mind that your daughter's crying. Just pay attention to the road and do not be distracted. That distraction almost caused an accident. It was entirely my fault if an accident had occurred. I'm a good driver. I've had RoadStar and the extra RoadStar that allows me to have an accident, by the way, since I got my driver's licence.... I have a good track record, and I don't drive recklessly. But the point is this: accidents do happen, and they may happen to the best of people.

When we're talking about auto insurance, it is critical that the insurance coverage is provided for all people with equal access and that it doesn't penalize people unfairly. This is why ICBC has been held up, I would say, across North America if not in the world, as one of the best auto insurance providers. If we want to introduce the notion of competition, we have to stop and think about what we stand to lose. What do we stand to lose?

Let me continue on, as I sidetracked on my own little personal story around this issue, on the non-discriminatory rating. The non-discriminatory rating aspect can only be achieved in a public system that can mandate through legislation an environment that guarantees a long-term, large-volume customer base.

[1050]

The senior drivers in B.C. — and there are over 326,000 of them; this is as of 1999 — who paid a little extra during their middle years to offset the higher rates they will be faced with in their later years.... They will find that with the change to a private system, they will be facing the higher rates. That is for certain.

Maintaining non-discriminatory rating in a private insurance system would not deliver the cheaper rates some people expect from increased competition. Why? Because the private insurance industry sets its rates based on its ability to discriminate, thereby giving the best customers the best rate today without being bound to give that customer a comparable rate on future policies or even to do business with that customer if it is

not in their best interests to do so. The private companies have a mandate to make a profit. ICBC has a mandate to break even — and with that, consumer protection.

ICBC provides for universal access to coverage and limits. ICBC does not refuse coverage to anyone — that is, up until now. The government has just recently changed the policy, and I will touch on that, because a constituent of mine has written to me. It's on the optional coverage side, which is where this government is going further in providing so-called more competition into optional insurance, thereby hurting consumers. I will put on record my constituent's concern with this individual situation in just a moment.

Continuing on the notion that ICBC does not refuse coverage to anyone, provinces with private auto insurance systems have facility associations that provide coverage for hard-to-place risks but at substantially higher rates. The driver profile must often be cited as one of the issues. One facing higher insurance costs in a private system is the young male driver, but they're not the only ones in the family who will be impacted. Parents of young drivers under 25 in B.C., of which there were about 400,000 as of 1991, will face higher rates to have their kids drive the family car even occasionally.

The size of the auto insurance market for ICBC, thanks to its monopoly on basic coverage and its approach to mandatory insurance, makes it possible for Autoplan brokers to operate in some of the tiniest of B.C.'s communities, like Port Alice. In a public insurance system, small independent brokers throughout the province and the brokers in very small communities may not have enough volume to sustain an agency contract with a private insurer. Since private insurers choose when, where and with whom they wish to do business, some sizeable communities may find private insurance unavailable to them.

The optional portion of the auto insurance market in B.C. is about 40 percent of the total market and is open to private competition today, yet private coverage is not consistently available to consumers beyond the southern part of Vancouver Island, the lower mainland and the southern interior. Residents in communities who suddenly find themselves without an insurance broker close at hand will have lost a valuable neighbourhood resource. Brokers are expert advisers, if you will, or consumer advocates who understand localized situations and are able to respond quickly and personally.

All of B.C.'s auto insurance brokers have the same agency contract with ICBC, which ensures consistency of products and service no matter if you're in a large urban centre or the smallest rural one. All Autoplan brokers in B.C. have access to an adequate coverage level of up to \$15 million in third-party liability.

[1055]

Linked to the mandate of providing universal coverage is the responsibility to minimize losses. ICBC has been a leader in this work in engineering safer intersections, improving snow and ice removal, and educating the public about seatbelt use, impaired driving, child

restraints, theft deterrence and other safety issues. ICBC has integrated these initiatives with the police and the Autoplan brokers, through its own claim centres and throughout the province, in a way that no private company would have or could have done.

I mentioned that I would bring forward a case under the notion of universal access to coverage and limits and where I think problems such as this will occur even more frequently if we keep going down this road of the notion of introducing more competition. Most recently the government introduced a policy on the optional insurance side to allow for ICBC to actually turn down insurance coverage for customers.

Here's a situation that a constituent of mine is faced with. The individual wrote to ICBC with their concern, and I would now like to put on the record the concern of this individual. It's about his insurance. The letter regarding his policy reads:

"Dear Ms. Carmen

"This is a response to your statements on my insurance. First, you are absolutely right that I have claimed more than \$20,000 in the last four years. However, my claims listed in your letter dated August 8, 2003, were all due to car theft or vandalism by third parties. Based on the following reasons, I believe that I'm unfairly charged. It is obviously unfair that ICBC hasn't had this policy before, and ICBC amended it without public notice."

I should just stop here for one moment. The government put in a new policy that allows for ICBC to turn down insurance coverage on the optional policy side, and this is what this constituent of mine is complaining about.

The letter then goes on to say:

"My claim-rated scale discount is 43 percent. It has already proven that I am a very good driver. The claims that you showed in this letter dated August 8, 2003, are all theft- and vandalism-related, which were all third parties' faults. I was totally innocent in all those cases. Why should I take the responsibilities?

"Being a department of government, you can't only sell the good part, basic auto insurance, to your customers and discard the one — optional auto insurance — which may cause more risks. As a good business contract such as house insurance, you should notify the customers that you will increase the deductible limit if they don't change the situation after their cars were stolen or broken. I never received any notice or advice like that. Now ICBC suddenly changed its policy. It is unfair and unreasonable.

"This policy is punishing the right people but spoils the bad guys. Each time my car was stolen, I had to pay \$300 deductible, and it was useless to arrest the thief as the policeman said. I really don't know how and what kind of punishment the thief got. I hadn't even got the feedback from the police. All I know was that I had to suffer the loss of money and mentally in each case. What had ICBC done for me?

"This policy discriminates against the poorer people. I live as a citizen in East Vancouver and park my car at the roadside as those who live in West Vancouver do. Why does ICBC ask me to do more than the people who live on the west side of Vancouver? This policy discriminates against me. As shown in your letter, I didn't do anything wrong. Why do you only increase my

deductible but not the whole East Vancouver car owners if you said the situation in Vancouver east is more risky?

"ICBC unfairly doubts my integrity and reputation. When I talked with Mr. Darrell, the floor manager of ICBC, he explained that someone might steal or damage their own cars because they want to trick money from ICBC. Did he imply that I am one of those? This is totally biased and presumptive. I have a clean record and never infringe in any criminal case. I believe the police department can answer your doubt.

"At the same time I strongly ask ICBC to answer me: why should I be responsible when I have done all the protections dutifully but still suffer from car theft or vandalism? Is this the chance ICBC must take if they are running the insurance business? Why does your policy discriminate against me and those who live in East Van?

"As a government department with fair standards, how can you set up a differential fee policy to discriminate against those who are in a less fortunate situation, such as suffering from more car thefts and vandalism."

[1100]

The individual, as you might surmise from his letter, received a notice from ICBC telling him that he would no longer get insurance coverage on the optional insurance side. This is what introducing the notion of competition could cause — problems in that the insurer can say: "You know what? You're a bad customer. Even though it's not your fault, I'm not going to provide insurance to you." In this instance, it's on the optional side of things.

The other issue related to ICBC and what it is doing through its mandate that is providing a benefit to British Columbians, and particularly British Columbians who are drivers, is premium cost stability. Overall, we in B.C. have avoided the cyclical roller-coaster of rate increases once again being exhibited in other provinces: Alberta, Ontario and, particularly of late, the Atlantic provinces.

ICBC rates have remained comparatively stable. The recent rate increase of an average of 7.4 percent compares favourably to the 15-to-20 percent increases with the private auto insurance systems. Some adjustments were necessary to correct inequities in B.C.'s rate resulting from the six-year freeze that was put in place. The terrorist attack on New York....

Before I go there, actually, let me just put on record some information about the rates. The percentage of change in auto insurance premiums between January 2003 over the period of January 2002.... In British Columbia the rate change is at 7.3 percent; in Alberta, 59.4 percent; Saskatchewan, 9.5 percent; Manitoba, 7.2 percent; Ontario, 30 percent; Quebec, 37.2 percent; New Brunswick, 70.6 percent; Nova Scotia, 64.7 percent; P.E.I., 58.4 percent; and Newfoundland and Labrador, 63.8 percent.

Looking at these numbers, you might have guessed which provinces provided for a public auto insurance regulatory regime. Yup, it is those provinces that had less than 10 percent of rate change: British Columbia at 7.3 percent, Saskatchewan at 9.5 percent, Manitoba at 7.2 percent. The other provinces that have a substantially higher rate change have private auto insurance,

with the exception of Quebec, which has a hybrid of public and private auto insurance. But even then, Quebec's rate change is at 37.2 percent.

The higher ends, particularly New Brunswick, Nova Scotia, P.E.I., Newfoundland and Labrador.... Their rate change ranged from 58.4 percent to a high of 70.6 percent. I know this government, this Premier, wants to be just like Alberta. Well, their rate change is at 59.4 percent, something I would submit we in British Columbia would not want to strive towards.

The terrorist attacks on New York and Washington provide one of the most compelling reasons to maintain our public auto insurance, at least on the basic coverage, but I would argue on its entirety. Global events, especially the horror of September 11, will continue to severely strain the property and casualty market for years to come.

ICBC is significantly insulated from these market upheavals and its subsequent call for capital. As we're now seeing, the effects of September 11 on private insurers will flow straight through to policyholders by way of increased premiums. ICBC, by comparison, may be more competitive now than ever before.

[1105]

Providing cost benefits through ICBC to British Columbia taxpayers centres around the medical and legal benefits.

"ICBC's synergy with the province's health care system" — albeit that's being dismantled on a day-by-day basis, but I'll save that debate for another time — "and legal system have resulted in cost-efficiencies to government and to taxpayers here that are used as models in the provinces with private auto insurance systems.

"Alberta, Ontario, the Atlantic provinces and the Yukon, Northwest Territories and Nunavut have private auto insurance systems. The maximum medical payments covered by policies are \$10,000 in Alberta and the Yukon; \$25,000 in the Northwest Territories, Nunavut and the Atlantic provinces; and \$100,000 in Ontario.

"B.C., Saskatchewan and Manitoba have public systems with private competition for the optional piece. Quebec, as I mentioned, has a hybrid system in which the bodily injury coverage is public, and the private property damage is private. The medical coverage is \$150,000 in B.C. and \$541,824 in Saskatchewan, and there is no limit in Manitoba and Quebec.

"According to a 2001 report entitled *Recommended Reforms to Alberta's Auto Insurance System* by Dr. Norma Nielson and Dr. Anne Klefner of the University of Calgary, Alberta is facing a dramatic increase in both the number of accidents producing injury claims and in health care fraud; a drain on the province's health care system because it has to absorb the costs over and above those paid by the insurance policies; and high costs in claim settlements.

"The report recommends increasing consumer education, increasing accident benefits, improving coordination between the insurance and health care systems, and encouraging alternate dispute resolutions — all of which are currently in place in the B.C. system."

Road safety initiatives — which ICBC has engaged in for many, many years.

"Car crashes are the number one killer of youth, accounting for about 40 percent of all fatalities for children and youth under 21. Each year 80,000 new drivers' licences are granted in British Columbia. Within two years, one in five of these new drivers will be involved in a car crash. Last year more than 10,000 young people were killed or injured due to car crashes.

"In response to a ministerial request for more public education on road safety, Autoplan brokers and ICBC in 1998 embarked on a five-year road safety partnership. Autoplan brokers contribute \$2 million per year, an amount matched by ICBC, toward road safety programs targeted mainly to youth and families. Brokers participate in a wide range of regional and provincewide projects to educate the next generation of drivers.

"Brokers and ICBC developed Road Sensibility, an educational module on road safety that is now part of the grade 10 career and personal planning curriculum. Fifty thousand secondary school students at more than 200 schools have seen our fast-paced multimedia shows *Indestructible* and *Extreme, Not Stupid*; 60 young people have received scholarships to pursue post-secondary education due to their road safety efforts; 250 youth received grants to develop community road safety programs; 140 high school students have produced public service videos on road safety topics aimed at their peers.

"More than 300 elementary and middle schools are involved in the Way to Go school program, which provides safe transportation alternatives for getting to school. More than 900 schools have requested resources to start their own programs.

"Teens are getting involved in promoting safe driving habits to each other through the Counter Attack/RoadSense program in high schools. More than 300 brokers are RoadSense team champions, taking on additional responsibility in their brokerage to be a road safety resource to their colleagues and customers.

"Brokers and ICBC loss-prevention staff have initiated or sponsored hundreds of community projects throughout the province, such as bike rodeos, car drops, gravity zone extreme sport demos, dry grads, street banners, fatigue awareness at ski slopes, Operation Red Nose, and Halloween trick-or-treat visibility, to name just a few."

[1110]

These are some of the things that ICBC has provided to British Columbians. The quality of our current system is worth preserving. It provides for protection and a fair deal for British Columbia auto insurance.

The private insurers hate ICBC. The private insurers say they can do it better. The problem is that private insurers charge more when it comes to rate increases. They go for triple that of the publicly owned insurance companies. As I have put on the record, when you compare other provinces who have private auto insurance, their rate increases are significantly higher than those provinces who have a publicly owned system. So the minister takes his tiniest step to push the door to competition open just a little bit more with Bill 93, Insurance (Motor Vehicle) Amendment Act, 2003, and the Liberal MLAs are applauding that. I don't know why they're applauding that, because through that system who it is hurting

are the consumers. At the end of the day, who does it benefit the most? It benefits the private auto insurance companies, who just happen to be — by the way, Mr. Speaker — donors to the Liberal Party. The private insurance industry continues to write cheques to the Liberal Party.

The minister likes to talk about a level playing field, but has anyone ever noticed that the level playing field is always at a higher plane? Has anyone on the government side ever noticed that the level playing field means that it's going to cost you more? Has anyone ever noticed that those two phrases have become synonymous? Not right away, of course.

The Minister of Finance has learned, from the failing of his cabinet colleagues that tried to dismantle public assets, that it should not be done quickly. The Coquihalla privatization did not go well at all. The government was forced to back down, because it made no financial sense to the people. It made no sense to the people, particularly those in the region.

Moving into more competition with auto insurance is comparable to the privatization of the Coquihalla. It makes no financial sense for the consumers. Privatizing parts of Hydro was roundly condemned, and now the B.C. Rail fiasco continues to unfold. But they will be dismantled, for it is the Liberals' ideological bent to sell British Columbia assets that should be crown jewels for British Columbia. They will be dismantled despite the facts. No science-based decision-making here. Ideology trumps all.

The government also likes to go on and on about how ICBC's basic rates are now regulated. Again, has anyone ever noticed that public utilities never go to their regulator with their lawyers and accountants in tow, loaded down with legal briefs, case law, precedents and actuarial studies...? Has anyone ever noticed that when they get to the bottom line of their case, it is never: "Please, please, almighty regulator, will you please reduce our rates? Please give our customers a break and make them pay less for their product"? Has anyone ever noticed that never, ever happens? No, because what they say is this. They go and say: "This is how much more we need, and if you don't give it to us, we'll go broke. If we don't go broke, the public will suffer." Or: "The public will suffer, and we will go broke." That's always what they say — always more for themselves, never less for its consumers and customers.

[1115]

Now, the regulatory process can be a good thing. It can force the utility to explain itself and tell the public why it needs more. But make no mistake about it. It will always want more, and it will always get more.

What this bill does is allow for more competition in the provision of optional auto insurance. Right now about 10 percent of the optional insurance market is in the hands of the private insurers. ICBC has the rest. This bill purports to do nothing more than put both sectors on an equal footing.

The result of this is that the rates for optional insurance will go up. Private businesses do not want to go

into this market so that they can drive rates down. Drivers in B.C. are not flocking to those private insurers now, because ICBC has a better deal. When it comes to optional insurance, the BCUC is not involved. There is no regulation of optional insurance rates. It's "let the market decide," and it's "let the buyer beware." Mr. Speaker, we should be careful about what we ask for, because you get what you pay for.

In a document from the CCPA, here's what they put together around the quality of coverage and accident benefits:

"You get what you pay for. It is true that in some places — Alberta, for example — you can buy cheap insurance that provides limited coverage. Your premiums might be lower than they would be in B.C. if you choose this option. But if you have the misfortune of being in a serious accident, the benefits and coverage you receive would be less than the 'basic' package provided by ICBC.

"In the debate over the provision of auto insurance, the Insurance Bureau of Canada and its members focus on lower rates for some drivers in some private jurisdictions compared with what those select drivers might pay in B.C. But they do not seem to want to draw attention to the quality and scope of coverage in those jurisdictions.

"For example, currently ICBC coverage provides \$150,000 in medical and rehabilitation benefits, while Alberta insurers only provide \$10,000. Ontario's no-fault system limits payments for minor bodily injuries or whiplash, while no such restrictions exist in B.C.

"ICBC's 'basic' coverage protects all B.C. residents from hit-and-run and uninsured motorists. Whether you own a vehicle or not, if you are a resident of the province, you are automatically covered for up to \$200,000 if your property is damaged or if you're injured or killed by an uninsured or a hit-and-run driver in B.C. ICBC offers this coverage against hit-and-run drivers because they rightly assume the perpetrator was likely an ICBC customer.

"In a July 2001 letter to the Premier, ICBC's disability advisory committee, comprised of leaders and specialists from a variety of institutions and community groups, wrote: 'While we agree that there are opportunities for continued improvements at ICBC, we believe we can offer compelling evidence which supports sustaining a rehabilitation system that works very well.

"ICBC has been recognized as a world leader for their contributions to injury preventions, rehabilitation and innovations in providing cost-effective, lifelong support to injured persons and their families who have sustained catastrophic injuries.

"Our concern is that any changes in the mandate and role of ICBC may result in real increases in the demand put on our province's public health and social service system. We anticipate the potential financial and personal losses as substantial.'

"Most British Columbians would be pleased to see their auto insurance rates decline. But if the trade-off is less coverage, security and time to recover in the wake of an automobile accident, is the trade-off a good one?"

[1120]

If Bill 93, Insurance (Motor Vehicle) Amendment Act, 2003, is a good deal for consumers, then you would have to ask the question: why would the Consumers Association of Canada speak against it? Why would they say this is not a good idea, that this is bad

for the consumers of British Columbia and it is not the way to go? Preserving ICBC intact as is, fulfilling its mandate and providing some of the most enviable auto insurance services in comparison to other provinces.... Why would we want to change that?

I know that the Liberal members in this House will say: "Well, it's just the opposition, who are opposed to everything. They're just a bunch of naysayers." Or they say we're just fearmongering, therefore, "Don't worry; everything will be fine," because they're fond of saying that. Every concern we raise in this House, they ignore. More than that, they start to scream and shout that somehow the opposition is fearmongering, that we have no validity in what we say. Interesting how it is always the case that the concerns we raise coincide with what many members of the public say as well.

Here's what the Consumers Association of Canada has to say about Bill 93, Insurance (Motor Vehicle) Amendment Act, 2003. This is from a *Vancouver Sun* article dated November 19:

"The Consumers Association of Canada called on the British Columbia government to withdraw its legislation to implement changes to the province's auto insurance system that will harm consumers. 'Soon seniors and young drivers will be discriminated by ICBC, just like these groups are by private auto insurers in other provinces,' said Mr. Bruce Cran, national president of the Consumers Association of Canada. 'The government of B.C. has indicated that its legislative changes will introduce more competition into the marketplace. This is just a smokescreen for giving private insurers what they can't get themselves in the marketplace,' said Mr. Cran. 'Private insurers want to disadvantage ICBC so they can cherry-pick the best customers. The B.C. government has decided to help them do it at the expense of consumers.'

"The Fraser Institute has been issuing discredited studies about the benefits of private versus public auto insurance schemes. The truth is that consumers in provinces like Alberta and New Brunswick are auto insurance refugees fleeing by the thousands from private insurance schemes in those provinces. Albertans are buying insurance across the border in Saskatchewan, and New Brunswick customers are now paying their auto insurance in Quebec. Saskatchewan and Quebec both offer public auto insurance plans, as does British Columbia. The B.C. government wants to level the playing field as part of its election promise in 2001.

"Well, the world has changed significantly since that promise, and private auto insurance schemes have proven to be the albatross around the necks of many provincial governments,' said Mr. Cran. 'What is amazing is that the B.C. government is pushing ahead to introduce changes that will have no benefit for consumers, ultimately increase premiums for all drivers and allow private insurers to pick off the best customers,' said Mr. Cran.

"The concept of levelling the playing field means that ICBC will have to behave just like private insurers. Who is going to insure young and old drivers? Who's going to insure drivers who live in the heartlands? Not private insurers, and neither will ICBC in the future. Today many private insurers won't sell insurance to anyone under the age of 25, and if you're over the age of 70, good luck. If you live in the areas outside of the lower mainland, when ICBC decides to behave like the private insurers, no consumer will be able to buy optional

insurance in those areas. The Consumers Association of Canada released its study last September that compared auto insurance rates across Canada. This study showed that a young male driver with a perfect driving record, living in Halifax, can pay up to \$6,000 per year, compared to a rate of less than \$1,000 if they lived in Victoria. 'The B.C. government wants to implement a similar system that exists in Nova Scotia,' said Mr. Cran."

[1125]

Not my words, Mr. Speaker — words from the Consumers Association of Canada, whose mandate is to look and work in the best interests of consumers. It's not the opposition who's fearmongering. It's what the public has to say about Bill 93.

I might add another story that I know. My sister, who happens to live in Alberta with her family.... Her two young boys are now of driving age. Her younger boy just got his driver's licence this summer, and her older boy, a year ago. Her older boy enters university this year, and in the summer they were looking to potentially buy a car for the older boy so that he could get himself to university. In that process, interestingly, my sister said to me: "You know, Jen, it costs more to buy insurance than to buy the car for Dennis." They were not looking at a fancy car or anything like that. They were looking at just your sort of basic car that will get you around — perhaps a Honda Civic.

The going rate for an old Honda Civic in the newspaper was in the neighbourhood of around \$6,000 or \$7,000. My sister said to me: "It costs more than \$6,000 to insure a car for Dennis." My nephew, in talking with his parents, said: "Mom and Dad, I'll buy the car if you buy insurance for me." Here's the switch. It's not the car that is going to be prohibitive for someone to access the opportunity to drive; it's the insurance that's prohibitive for the individual. That's in Alberta.

I've heard from others as well, and particularly those in the heartlands will want to note this. With the move to more competition into the auto insurance scheme, I know of people who said to me, particularly in communities where the weather is substantially different than I and those of us in the lower mainland enjoy.... I noticed today that there was frost on the windshield of my car. I know in other communities — I just read in the paper that they're faced with snow — there's a substantial difference in weather conditions. In those communities where it is a lot colder, community members have said to me as I travel the province on a variety of issues: "If we go through the private insurance route, I will not be able to get my windshield replaced when it cracks under this cold-weather condition because the private insurers will not cover it." That is the case in Alberta that my sister and her family are experiencing.

Those are some of the challenges, problems and disadvantages with a private insurance scheme. With this bill, I know the Minister of Finance will get up and say: "We're not doing any of that. I don't know what she's talking about. She's just fearmongering." But you know what? This is the slippery slope, because Bill 93 opens up the door on one aspect of private auto insur-

ance, and that is on the optional coverage side. I predict that it will be this government's intention to move, over time, into privatizing the entire auto insurance scheme. The losers are the consumers, at the end of the day, as the Consumers Association of Canada has identified.

[1130]

We do not support this approach. We think that the slippery slope will not benefit British Columbians in the long term. We in the opposition know that ICBC has done a tremendous job for the people of British Columbia in the area of auto insurance. We are the envy of many, many provinces. We should maintain ICBC as intact and continue to encourage them to fulfil their mandate to provide a service that is fair, that is affordable, that is efficient and that is non-discriminatory.

R. Sultan: Mr. Speaker, I seek leave of the House to make an introduction.

Leave granted.

Introductions by Members

R. Sultan: We have with us in the House galleries this morning 36 visitors — grade 8 French immersion students — several parents and their teacher Ms. Falls from École Sentinel Secondary School on Chartwell Drive in West Vancouver. I think these students visiting today are evidence that francophone instruction and the francophone language in British Columbia, thanks to the strong support of this government and this Minister of Education, are alive and well.

Accordingly, il me fait plaisir de souhaiter le bienvenu à 36 élèves de l'école Sentinel et leur professeur Madame Falls. Je suis heureux de vous accueillir ici à Victoria et d'avoir l'occasion de vous adresser en français. J'espère que vous apprendrez beaucoup aujourd'hui lors de votre visite de l'assemblée provinciale. Je vous souhaite une bonne journée et une bonne continuation avec vos études. I would ask the House to make them welcome.

[French text provided by R. Sultan.]

Debate Continued

R. Sultan: I would like to make some remarks on Bill 93, the Insurance (Motor Vehicle) Amendment Act, 2003.

As other members have pointed out, the B.C. government is working toward its new-era commitments to introduce greater competition in auto insurance to create increased choice and reduce motor vehicle premiums. That is right out of the election platform, and with this government a promise made is a promise kept. Bill 93 is part of a fulfilment of that long list of promises we made almost two and a half years ago.

These changes will create a level playing field for both ICBC and private insurers in the optional insurance market and will help to achieve our commitment

to introduce greater competition and choice in auto insurance. ICBC and private insurers will be subject to the same legal requirements in the optional insurance field. ICBC will continue to be the sole provider of basic mandatory vehicle insurance for every licensed driver and vehicle in British Columbia.

It may surprise the member for Vancouver–Mount Pleasant, representing my old neighbourhood up on the Mount Pleasant slopes, that much of what she says I think we can agree with. ICBC is an effective and competent organization. It has served British Columbia well. It's delivering a critically important product efficiently and at a fair price.

It's an organization that has succeeded despite what I would call the Siberian chill that descended upon its governance under a decade of what I would call policy misdirection from the previous government. It became more a political engine than an insurance organization. It clung to what in many ways was almost a one-price system, taxing the many to subsidize a favoured few — a favourite tactic of the opposition party.

It was not particularly responsive to serving niche markets. It clung to a fading and, some might even argue, obsolescent technology in terms of claim settlement centres, and it engaged in the most blatant of rebates — straight, outright cash gifts to the voters prior to the next election. It also blended into this insurance company an arm of the government, the motor vehicle branch. Why would we saddle the insurance company with some of the expenses of the government itself?

[1135]

The new ICBC, under this new government, has a new CEO drawn from the private sector — a pretty tough-minded person — and has focused on cost reduction, which is done with gusto. In my visits to this organization — which is on the North Shore, which I represent — this cost reduction has been achieved, I think, with continuing high organizational morale. It has focused on fraud reduction, which is a key component of skyrocketing costs, and it has tried to position itself so that it can compete effectively on private sector ground if called upon to do so.

It has maintained rather modest price increases in rates overall, but at the same time it is moving toward a regime where price is more correlated with risk. I think, in the long term, that is the economically efficient thing to do in our society. It certainly would not be encouraged by this government to engage in anything so blatant as the pre-election rebates that decimated its balance sheet previously. I would say, in my observation, it's operating in a non-political mode.

It has avoided the extreme difficulty that has beset the insurance markets elsewhere in Canada, as the member for Vancouver–Mount Pleasant has pointed out. The gyrations in New Brunswick, Ontario and Alberta, which had severe political consequences, have been avoided, and we should all be thankful for that. These, of course, have been due to the general crisis, almost, of the insurance market globally caused by

severe stock market and investment return collapse. Eventually these insurance cycles will be returned to normal, but in the meantime I think we should thank ICBC for having sheltered British Columbians from the worst of those gyrations.

Is private insurance cheaper? Well, it's not particularly obvious that it is. I must gently say to my fellow economists at the Fraser Institute that I think they got it wrong in a recent story that suggested that across Canada, comparisons of public versus private insurance suggested private was cheaper. I would suggest that perhaps even economists can be guilty of analytical weaknesses from time to time.

Here's where a pretty good case can be made for continued public ownership. At the same time, there's a pretty good case that could be made for private ownership as well. Let me make it very briefly. Private companies, with a multitude of decision-makers, are much better at innovating, at testing markets. If it works, fine; if it doesn't work, they withdraw. They're more flexible, they're better at serving niches, and they're much better at self-regulation by the marketplace.

While we have seen rigorous cost reduction and discipline restored to this organization under the board of ICBC's appointee — the CEO — and new senior management structure, it is not obvious that any government monopoly in the long term can operate with that degree of discipline. The market forces usually aren't present, and we see other examples of that around British Columbia today. We have here a new bill, Bill 93, which in effect seeks the best of both worlds. It seeks to set up a competitive optional insurance market on top of the baseload of the monopoly-required compulsory insurance.

One of the critical issues the bill addresses is to remove the temptation of any dominant firm such as ICBC to cross-subsidize, to take a little bit of that juice from the mandatory market and feed it in to beat up on the rivals in the optional market, a phenomenon they have been accused of. I don't know whether that's true or not, but certainly the temptation is there, I suppose. This bill will really set up ICBC's two operations, the mandatory and the optional, on a separate basis and will ask each of them to proceed as best they can without political influence.

[1140]

In this new world, the monopoly portion of their business is going to be regulated. This is, again, another radically new thought. We're not going to see pricing by cabinet members, who have the next election keenly in mind. It's going to be done, again, by those sturdy fellows, the economists and analysts working for the B.C. Utilities Commission. The B.C. Utilities Commission, in its new, rejuvenated role, is already covering itself with a certain amount of glory. It's taken tough decisions with respect to electrical energy supply on Vancouver Island with regard to the Duke Point decision, made a tough call without fear or favour, and I think it made the correct call. That's a confidence-inspiring performance on the part of BCUC.

I think we could anticipate that they would apply the same rigour and the same protection of the consumer interest, as the member for Vancouver-Mount Pleasant so correctly characterized, that has to be the ultimate goal — to provide products which are innovative, efficiently delivered and at the lowest possible cost. I think BCUC has the skills to ensure that in the monopoly section of the market, which will continue under ICBC public ownership, that will be maintained. We rest our confidence in BCUC, another non-political organizations far removed from executive council.

To conclude, with respect to Bill 93, I think the Minister of Finance has judiciously blended the best of two worlds: the worlds of innovation, efficiency and nimbleness of the private sector with the clearly demonstrated stability and effectiveness of public ownership. It recognizes the wisdom that is latent in both components of that organization and, I think, will assure that it continues to be very successful. It gives me great pleasure to recommend to my colleagues that we support Bill 93.

Mr. Speaker: On second reading of Bill 93, the Minister of Finance closes debate.

Hon. G. Collins: I want to thank the members for their comments on this legislation. It's quite interesting, because a good deal of the discussion probably would have been better had at Bill 58, which went through the Legislature earlier this year, but I think it's fair. You know, at second reading people can construct their comments the way they like.

The member of the opposition gave a somewhat rambling but not unpointed speech that made a variety of points, sometimes contradictory. I think that's partially because most of it was read out of various documents, reports that had been written by other people. It was a good example of somebody trying to be all things to all people. In that regard I think it was a little bit erratic.

Let me try and comment on some of the points that the member made. She talked at length about her vision of what this legislation does, and I just want to say that she's wrong. This legislation does not do just about anything that the member opposite talked about. In fact, combined with Bill 58, this does a number of the things that the member said would be good, so I would be surprised if she were to vote against it. I think it would be voting against something that she, in the content of her speech, actually spoke in favour of. I'll see what she does.

The comments she made around the various programs that ICBC provides — the road safety initiatives, the education initiatives.... Those programs will continue. That was a decision of the core review. They will continue. ICBC will continue to be the monopoly provider of basic auto insurance, as it is now. It certainly will be more accountable now and will be required to be more transparent now, but it will remain the monopoly provider, with some of the benefits that the member opposite talked about.

[1145]

Certainly, those road safety initiatives, which popped up at various stages in her presentation based on which document she was reading from.... All of those will continue in existence with ICBC. They will have a mandate for road safety. The programs will probably shift over time, but they are all a part of ICBC's mandate. They'll continue to provide those kinds of road safety initiatives, so those things are there for people.

As well, one of the things the member talked about was the roller-coaster of rates that people see in other jurisdictions and how ICBC doesn't have any of that. Well, the fact is that if you look under the administration of the previous government and governments before that, there was quite a roller-coaster ride of rates in British Columbia as well. Usually the way the roller-coaster worked was right after an election, rates went up; then right before an election, rates went down. Right after an election, rates went up, and right before, they went down.

That's because the rates for ICBC insurance were being set at the cabinet table. Obviously, if that's the case, then we know what those governments did. I remember when Moe Sihota was minister shortly after the '91 election. I think there was a 29 percent rate increase in ICBC in the first sort of cycle that happened after the election. He blamed that, of course, on the previous Social Credit government because they had lowered rates prior to the election.

Then prior to the '96 election, the rates went down. Then after the election, we saw those types of things happen again. The manipulation of these rates got so obscene that just prior to the last election, the NDP government not only dealt with the rates, but they actually sent people cheques.

The company had a \$111 million unfunded liability, not to mention — which I'll talk about — the ultimate costs and write-downs which we had on a bunch of investments the previous government made as well, including the Leader of the Opposition. The government, at a time when the company wasn't solvent — it was solvent, but it had an unfunded liability — went out and issued cheques to everybody in an attempt to buy their votes, one by one, across the province just prior to an election.

It's one thing to return surpluses or dividends to shareholders — in this case the four million people in British Columbia — if there's something to return, but if you've got over a \$100 million hole, that's probably not the time to be returning. What happens is that they put the company, which is owned by those people, in a difficult position, and there's only one place that the company can go to fill that hole.

Interjections.

Hon. G. Collins: You know, I sat patiently. I wasn't asleep, but almost. I sat patiently while the member opposite spoke at length for about 40 minutes or something. I tried to keep track of her train of thought. It was a little difficult, but I did listen to it.

Interjections.

Mr. Speaker: Order, please.

Hon. G. Collins: You know, the member may....

Mr. Speaker: Order, please. The member for Vancouver-Mount Pleasant was listened to without interruption for over 45 minutes. I would like her to extend the same courtesy to the Minister of Finance.

Hon. G. Collins: Thank you, Mr. Speaker.

Interjection.

Hon. G. Collins: I've dealt with a lot better hecklers than you, member. Don't worry.

The previous government, at the time when the company was not secure financially, decided prior to an election to send cheques to every British Columbian in hopes that somehow they'd think things were better than they were. Big surprise. That's the way they did it.

It was also important to note the kind of political interference that went on at the time the NDP were in government — in particular, the other member. I was actually hoping she would come in and speak to this legislation and to see what some of her comments would have been, but she didn't. Had she, I would have taken the opportunity to remind her of some of the things ICBC did at the time she sat on the board of ICBC as the minister responsible.

There was a \$250 million building.... Well, it started as a \$200 million building in Surrey. They ended up having to take a huge write-down on that building of over \$100 million — \$41 million for the Tech B.C. portion of that arrangement. So the ratepayers, the people driving home in their car past that building, have to ask themselves: "Why am I paying my auto insurance rates to build that building at twice the cost of building a building?" It's because the cabinet and the member for Vancouver-Hastings, who is now the Leader of the Opposition, sitting around the board table of ICBC, were making decisions that they had no business making.

[1150]

The structure that we put in place to regulate ICBC's basic auto insurance is to guard against exactly that kind of thing, to stop that kind of thing. ICBC, if they were ever to try to make those investments again, would have to take that kind of capital investment to the Utilities Commission and say: "We're going to spend this money on this capital project. It's probably going to affect rates, and it's going to result in a rate increase." So they wouldn't be able to do that kind of thing.

Previously they just sat around a cabinet room or around a board table at ICBC — the minister, who's now the Leader of the Opposition; her friend Bob Williams; and the other political people they put on the board of directors — and made decisions they thought were in the best interests of their supporters, I guess. I

don't know what they were trying to do, but it certainly wasn't in the best interests of the ratepayers or the taxpayers of British Columbia, because everybody took a hit for that.

Now the basic insurance rates of ICBC are regulated by the Utilities Commission. So when ICBC wants...

Interjection.

Mr. Speaker: Order.

Hon. G. Collins: ...to apply for a rate increase, they have to go to the Utilities Commission and they have to make a filing. Instead of this meeting happening around the cabinet room or around a boardroom at ICBC, there is actually an opportunity for citizens of British Columbia, the Consumers Association of Canada, private insurance companies, individual British Columbians, members of the opposition.... If that's what they want to do, they can actually apply for intervenor status and make submissions.

The Utilities Commission looks at all that input. They look at ICBC's books, their capital plan and their costs, and they say: "Is that an appropriate request for a rate increase?" They could say: "No. Actually, we don't think so. In fact, we think your rates should go down, and you should stop doing this and that because you're wasting money." Or they can say: "Your rates should go up by less than you're applying for."

That ensures it's the ratepayers of ICBC whose interest is taken into consideration, not the political consideration of cabinet ministers sitting around a table as was done under the NDP administration. That is designed to protect people from their basic auto insurance rate increases that we saw under the NDP.

It was interesting when the member opposite spoke, because she went on about how terrible it was, how great ICBC was, how wonderful ICBC was, how terrible everybody else was. Then she got up and read this letter into the record, talking about how badly one of her constituents was treated by ICBC because of their optional insurance.

Interjection.

Mr. Speaker: Order, please, hon. member. Would the member for Vancouver-Mount Pleasant please try to get herself under control.

Interjection.

Mr. Speaker: Order, please.

Hon. G. Collins: Mr. Speaker, please don't throw her out too, because we won't have anybody here to do business this afternoon.

The great thing about the legislation that's before us here is that it's going to level the playing field so that ICBC now, instead of having a competitive advantage...

Interjection.

Mr. Speaker: Order, hon. member.

Hon. G. Collins: ...and being able to ignore the service they're giving to that customer, are going to be a little worried that if they don't give good service to that customer, the customer is going to — guess what — go somewhere else.

It's just like if you're buying groceries and you walk in and the service is bad and the product is bad. There's not one grocery store in British Columbia that's run by the government of B.C. There's a whole bunch of grocery stores. If you don't like one, you can go to the other. If her constituent doesn't like the service, doesn't like the policy, doesn't like the benefits and doesn't think they're getting value for the money they're paying for their insurance policy, they can pick up and go somewhere else.

Interjections.

Mr. Speaker: Order.

Hon. G. Collins: And you can bet that those other insurance providers in B.C. who are listening to the debate today are thinking: "Hey, there's a customer who..."

Interjection.

Mr. Speaker: A little courtesy would be in order here, hon. member.

Hon. G. Collins: ...doesn't think they were well served. There is a customer who wasn't served well by ICBC in this case, according to the customer, and therefore they can go somewhere else. So the private operators are thinking: "Gee, maybe there's a service we can provide there." That's competition. That's how it works. It's designed to serve the people who buy the product, and that's why it's called optional insurance.

There was competition prior to the election between ICBC and the private providers, but it wasn't fair. It wasn't a level playing field, so they couldn't really compete against each other properly. The choice now lies with the customer. It's optional insurance. None of them have to buy optional insurance. If you don't like the service, you don't like the product and you don't think you're getting value for the money, don't buy it. That's why it's called optional. If you want it, go out and look at the various providers, including ICBC, and pick the one that's going to provide the benefit for you.

[1155]

So what I would think the member would be doing, given the comments she made about her constituent, is standing up and voting in favour of this legislation. It actually does the kinds of things her constituent would probably like to see done.

I want to spend a little bit of time just talking about the legislation that's before us, because the member didn't. I'll spend a moment. The member talked about that customer. There are others, because I've heard stories as well. When you bought insurance from ICBC, you never really knew what you got, because if you wanted to find out what the policy was about, you had to go find the act and the regulations that go with the act and read through and find out what benefits you got as an insurer. How many people buy products like that? You just don't. You don't go buy something and go to the library and find a piece of legislation and, if you can find the regulations, look through and try and find out what you just bought. There was no contract ever given to the customer.

Under this legislation, when you go and buy your insurance, ICBC is actually going to write up a contract just like when you buy your home insurance. It's going to have to write up a contract and give that to you so that you get to look at it and see exactly what your benefits are. It's more transparent; it's more accountable. If you don't like what you're getting, you can go somewhere else, or you don't have to buy it. It's optional.

That's what this legislation does. It tries to clarify that optional insurance market, make sure it's transparent, make sure people have choice and make sure the customer now decides what it is they want and knows what they're getting and knows what they're deciding when they make that decision.

I think that benefits the consumers. It benefits customers. It puts them in the seat of control of the decision of how they invest their dollars and their purchase and the product they buy. That's what this legislation does. This legislation clarifies that, levels the playing field and provides for better — it would be nice if they had better opposition — optional insurance, as well, and better choice.

I think this legislation is good. I know we provided a briefing to the opposition. That's why I was surprised by their comments. If you look at the legislation itself and see what it actually does, it's something that I think consumers will be very pleased with — more transparent, more accountable, better choice, better competition. That's what citizens of British Columbia have been demanding for a long time, and now that member is able to go back and exert her energy by picking up the phone, phoning her constituent and explaining that she's just made something better here in British Columbia.

I move second reading.

[1200]

Second reading of Bill 93 approved on the following division:

YEAS — 47

Falcon	Hawkins	Whittred
Cheema	J. Reid	Bruce
van Dongen	Barisoff	Nettleton
Wilson	Lee	Murray

Collins	Clark	Bond
Stephens	Abbott	Neufeld
Coleman	Chong	Jarvis
Orr	Nuraney	Brenzinger
Bell	Long	Chutter
Mayencourt	Trumper	R. Stewart
Hayer	Christensen	McMahon
Bray	Les	Locke
Bloy	Suffredine	MacKay
Cobb	K. Stewart	Visser
Brice	Sultan	Hamilton
Manhas		Hunter

NAYS — 2

MacPhail

Kwan

Hon. G. Collins: I move that the bill be referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Bill 93, Insurance (Motor Vehicle) Amendment Act, 2003, read a second time and referred to a Committee of the Whole House for consideration at the next sitting of the House after today.

Hon. G. Collins moved adjournment of the House.

Motion approved.

Mr. Speaker: The House is adjourned until two this afternoon.

The House adjourned at 12:05 p.m.