





ANNUAL REPORT 1976

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Board of Directors

Board of Directors The Honourable Dr. P. L. McGeer,
President and Chairman of the Board,
Insurance Corporation of
British Columbia,
Minister of Education of
the Province of British Columbia

The Honourable G. B. Gardom,
Attorney General of
the Province of British Columbia

R. L. Gillen,
Vice President,
Strategic Planning and Development,
MacMillan Bloedel Ltd.,
Vancouver, B.C.

N. H. Manning,
Retired — Formerly Chief Executive,
Guardian Union Group of
Insurance Companies,
Victoria, B.C.

B. Straight,
Partner,
Byron Straight and Company,
Consulting Actuaries,
Vancouver, B.C.

W. E. S. Tennant,
President and Chairman of the Board,
Boeing Computer Services Canada Ltd.,
Vancouver, B.C.

D. N. Watson,
Chairman,
Canadian Cellulose Co. Ltd.,
Vancouver, B.C.

N. Bortnick,
Executive Vice President
and General Manager,
Insurance Corporation
of British Columbia,
Vancouver, B.C.

Administrative Office 1055 West Georgia Street,
Vancouver, B.C. V6E 3R4

Auditors Deloitte, Haskins & Sells,
Chartered Accountants,
Vancouver, B.C.

Banker Royal Bank of Canada,
Vancouver, B.C.

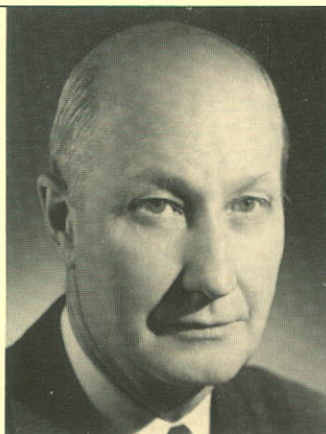


*The Honourable
Dr. P. L. McGeer,
President
and Chairman
of the Board*

*The Honourable
G. B. Gardom*



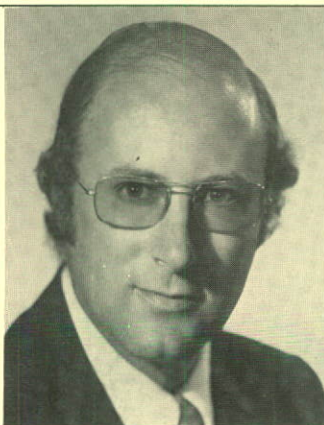
R. L. Gillen



N. H. Manning



B. Straight



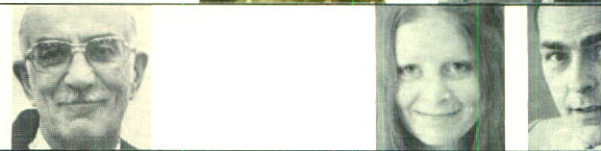
W. E. S. Tennant



D. N. Watson



*N. Bortnick,
Executive Vice President
and General Manager*



President's Report



In the two years Autoplan has been in operation a total loss of over \$178 million has been recorded due to premium rates

that were much too low to cover claims and expenses.

The rates in the first year, 1974/1975, were comparable to those of the private insurers in 1972. Despite the loss of over \$34 million produced by these rates in the initial year of Autoplan, and despite rising costs, rates were reduced in the second year by means of territorial and other discounts. As a consequence, a loss of close to \$144 million was produced in the second year of Autoplan.

The General Insurance operation produced a loss of \$2.2 million in 1974/75, which increased to \$4.1 million in the 1975/76 fiscal year. This was due again to an inadequate rate level. Contributing to the losses were an unusual number of school fires as well as strike-related delays in activating major underwriting improvement programs.

Between December, 1975 and April, 1976 new Directors were appointed to guide the operations of Autoplan and the Insurance Corporation of British Columbia.

The Autoplan premium rates for the 1976/77 licence year were set at a level calculated to cover anticipated claims and operating expenses for the year, but not to recover the losses of any prior years. Similar rate adjustments were made for general insurance.

To offset Autoplan losses, and losses in the Corporation's general insurance business, the new Provincial Government authorized on March 31, 1976 a grant of \$181.5 million to the Corporation.

It is the intention of the present administration that the Corporation will operate in the future on a breakeven basis without further subsidy from the Government.

In the year ahead, the Corporation will face many challenges to test the validity of its new policies and programs and the skills of its Management.

The emphasis in all areas of operations will be on service and efficiency.

I am confident that the Corporation has the organization, the resources and the enthusiasm to provide outstanding service to the public of British Columbia throughout the coming year and beyond.

A handwritten signature in cursive script that reads "P. L. McGeer".

*The Honourable Dr. P. L. McGeer,
Chairman and President.*

Report on Operations

The Insurance Corporation of British Columbia is a Provincial Crown Corporation created in April 1973 to engage in and carry on a business of insurance in all its classes.

The Corporation's primary function, outlined in the Automobile Insurance Act is to provide and administer a complete automobile insurance plan, for the motorists of British Columbia, commonly known as Autoplan.

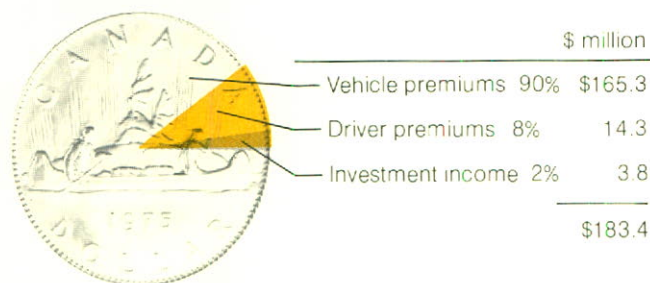
The Plan is operated and administered by the Corporation through an Automobile Insurance Act Fund, which is a separate entity for financial accounting purposes.

The mandatory insurance coverage of the Plan in the licence year 1975/76 provided (1) third party legal liability of \$50,000, (2) no fault accident benefits and (3) for vehicles of the 1967 model year and newer only, own vehicle damage to \$250 deductible for Collision and \$50 deductible for Comprehensive.

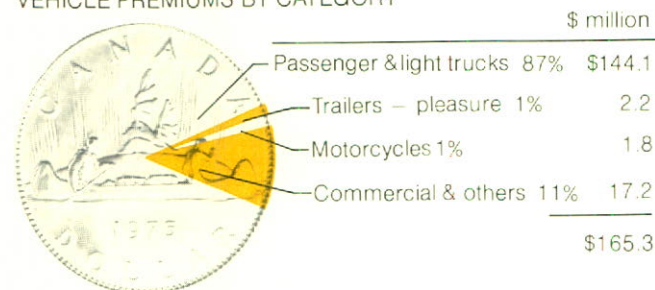
Optional extension coverage was available for increased third-party legal liability limits and reduced collision and comprehensive deductible for most vehicles. In addition to administering Autoplan, the Corporation provides a full line of General Insurance services including burglary, robbery, fire, fidelity, liability, multi-peril, boiler and machinery and ocean marine. Major classes of property insured include personal contents, private dwellings, mobile homes, pleasure boats, inland cargoes, contractors' equipment, farm, commercial and industrial buildings as well as schools and churches.

Financial

TOTAL INCOME – AUTOPLAN



VEHICLE PREMIUMS BY CATEGORY



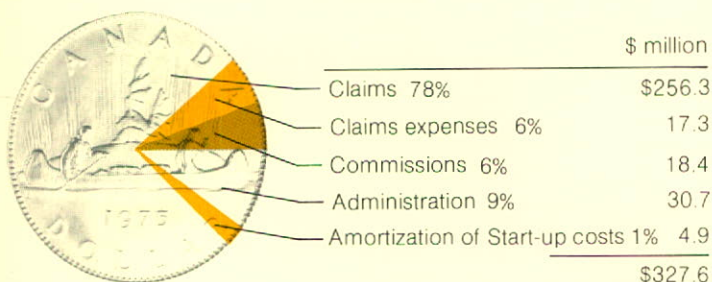
The year 1975 was an exceedingly difficult year for the economy of the nation, the automobile insurance business and the Insurance Corporation of British Columbia.

The rising trend of inflation persisted across the continent, the cost of claims settlements escalated throughout the Property and Casualty insurance industry, and claims services in the Corporation were interrupted for three and one-half months by an employees' strike. Each of these conditions had an adverse effect on the results of Corporate operations during the past year.

In the fiscal year ending February 29, 1976 the Corporation's General Insurance business, Sales Offices and Bodyshop Operations resulted in a total operating loss of \$4.4 Million, and the total deficit of the Corporation, exclusive of Autoplan, on that date was \$7.1 Million.

The Autoplan operating loss for the past fiscal year was \$144.2 Million and the accumulated Autoplan deficit at February 29, 1976 was \$178.4 Million.

TOTAL CLAIMS AND EXPENSES – AUTOPLAN



INVESTMENT POSITION

Investment income in the past year decreased significantly to \$3.8 Million from \$9.2 Million in the prior year due to a mid-year decline in interest rates and a lower average level of funds invested during the year, primarily as a result of the territorial equalization discount and rising claims and operating costs.

The increase in administration expenses in the past year is indicative of the growth in the Corporation's staff, physical facilities and scope of activities in the second year of operation. If premium income had increased proportionately, the relationship of administrative expenses to premiums would reflect clearly the efforts of the Corporation to control operating expenses. It is expected that the success of these efforts will be more evident and their achievements more significant in the coming year.

On May 16, 1975 during negotiations of their first contract with the Corporation, Local 378 of the Office and Technical Employees Union called their members out on a strike which lasted 3½ months until September 1, 1975.

The settlement of the Union contract resulted in an average increase in salary rates of approximately 40% over the term of the contract and at the current staff level, this is projected to cost the Corporation about \$11 Million per annum.

On March 31, 1976 the Provincial Government authorized a grant of \$181.5 Million to the Corporation under Section 21 of the Insurance Corporation of British Columbia Act, to be applied to the accumulated deficit of the Corporation and the Automobile Insurance Act Fund at February 29, 1976 totalling \$185.5 Million.

The losses in Autoplan operations in both the first and second year of its existence were due primarily to the inadequate level of premium income, compounded by the effects of inflation on all operating costs.

Autoplan's first year of operation, fiscal 1974/75, premium rates which, by regulation, are set by cabinet, were calculated on the 1972/73 loss experience in the Canadian Automobile Insurance Industry. Based on these rates the operations of Autoplan's first year resulted in a \$34.2 Million loss.

Autoplan premium rates for the next year, fiscal 1975/76, were based on the same rating structure as the first year but, in addition, premium income was reduced approximately 18%, through the introduction of a territorial equalization discount. The purpose of the discount was to reduce the difference between premium rates previously paid by vehicle owners in the different actuarially rated territories throughout the Province of British Columbia.

At the time the premium rates were set for the 1975/76 fiscal year, it was recognized by the Corporation that basing premium rates on outdated data for claim frequencies and severities, and then discounting the premiums, would produce a potential deficit in Autoplan of close to \$148 Million for the fiscal year.

However, it was expected that the Provincial Government would provide the Corporation with a cash grant based on the Gasoline Tax and Motor Vehicle Fees under the legislation available in Section 16 (2) of the Insurance Corporation of British Columbia Act in an amount sufficient to fund the accumulated deficit in Autoplan at February 29, 1976. The purpose of the legislation was to restore the Automobile Insurance Act Fund to a breakeven earnings position, but the Corporation never did receive any funds under the provisions of this Section.

Claims

The Claims Division, the largest division in the Corporation, employs over 1,000 persons or approximately 45% of the total Corporate staff.

To effectively serve the public throughout the province, 18 Claim Centres, 9 Branch Offices and 15 Resident Adjusters carry out the investigation and settlement of claims.

The payment of claims is, by far, the Corporation's largest operating cost and the continual climb in frequency and severity of claims in the past year has had a direct adverse effect on the Corporation's operating results.

During the strike, management personnel carrying out a planned emergency program worked on claims that were causing severe financial hardships. On settlement of the strike, Operation Catch-up was inaugurated to enable the Corporation to attend to the backlog of claims with a maximum of speed and efficiency. Nevertheless, claims service to the public was severely curtailed during the strike and the subsequent months of catch-up activities.

Three more claim centres are nearing completion and will be operational by mid 1976. Claims procedures are constantly under review, to assure that motorists receive the utmost in fast and efficient service with fair and equitable claim settlements.

Salvage

Salvaged vehicles are sold from seven depots throughout the province. The vehicles are sold by sealed bid to licenced auto wreckers and bonded dealers. During the past year over 21,200 vehicles were sold, yielding a return to the Corporation of nearly \$5.5 Million.

General Insurance — Underwriting

GENERAL INSURANCE WRITTEN \$ million			
	Net Premium	Re-insurance	Gross Premium
Schools	1.3	8	\$ 9.3
Commercial	71.4		2.1
Personal		4.9 1.2	6.1
Mercantile	2.4	2.3	4.7
Other	1.6 1.4		3.0
			\$25.2

The General Insurance Division of the Corporation, already one of the largest in the province, experienced substantial growth during 1975. Policies in force reached 75,000 by year-end and gross premiums written, before the deduction of reinsurance, reached \$25.2 Million.

The Corporation's Loss Prevention Department has inspected over 700 schools. School fire losses in the past fiscal-year were over \$6 Million, and to help reduce these losses, intruder alarms, smoke and fire alarms, and sprinkler systems are being installed in many schools.

Most new school construction is referred to the Corporation at the planning stage, so that in the not too distant future, school property losses and interruption in the educational process will be substantially reduced by installing safety devices as original equipment. In the future all school fire losses under \$1 Million will be borne by the school districts and the Department of Education.

The Corporation covers such risks as fire, liability, crime, inland and ocean marine, boiler and machinery as well as miscellaneous surety bonds. Current policies range from personal and residential to business and commercial establishments and include all the schools in the province.

General Insurance — Financial

In its second full year of operations General Insurance reported net premiums earned of \$11 Million. Claims incurred and adjustment costs were \$10.6 Million. With expanding operations in the General Insurance Division both premiums earned and claims incurred in the past year were slightly more than double the comparable figures in the previous fiscal year.

Total expenses in 1975/76 amounted to \$4.8 Million of which \$2.9 Million were administrative expenses and \$1.9 Million were commissions to agents. Administrative costs are up \$630,000 but are only 26% of net premium earned, compared with 43% in the 1974/75 fiscal year. Commissions are substantially higher than the year before because of the doubling of total premium and the large increase in personal lines business on which substantially higher commission rates are incurred.

Information Processing

This department is responsible for the production and maintenance of over 1.5 million vehicle insurance files, as well as a multitude of other Corporate records.

Special sections of this department operate 24 hours a day, 7 days a week throughout the year, on one of the largest computer systems in the Province.

Information is made available to the Motor Vehicle Branch and other traffic regulatory agencies, to assure a continuous exchange of information on the status of the Province's driver population.

Labour Relations

The first Collective Agreement was concluded with the Office and Technical Employees Union, Local 378, following a 15 week strike. This labour dispute seriously disrupted most aspects of the Corporation's operation. In the months immediately following the strike, special effort was made by all corporate employees to catch up on outstanding claims and to minimize the inconvenience to the motoring public.

Accident Prevention

The Corporation sponsored and organized a series of Traffic Safety Workshops attended by over 300 individuals from across the province. Subjects discussed included Driver Licencing, Training and Education, Driving and Alcohol, The Traffic Accident Victim and other factors affecting automobile accident injuries.

The Corporation has taken the lead in organizing the Road Safety Coordinating Council. This organization brings together representatives of professional, government and volunteer groups that are involved in traffic safety problems. The Council will allow for an orderly exchange of information, and for the development of more effective programs to combat traffic accidents.

The Driver Education Incentive Program continues to reward drivers who complete approved driver training courses. This program promotes safe driving habits by encouraging new drivers to enroll in approved professional courses. During the year more than half a million dollars was paid to over 10,000 drivers.

The Corporation is planning an Accident Surcharge Program. This program will offer an incentive to drivers who do not contribute to accidents, and will impose a surcharge on those who are responsible for accidents.

Public Information

Information is made available to the public through advertising, brochures, news releases and speeches.

The public also has direct access to the Corporation, through a telephone and mail enquiry service. In the 1975/76 fiscal year, this service responded to 4,000 letters and 250,000 telephone calls. In addition, a customer relations section dealt with 8,000 enquiries, primarily covering the settlement of claims.

Autoplan Autobody

The Corporation operates two autobody research shops, in Surrey and Prince George. In these facilities the Corporation is conducting research into the use of new automobile repair equipment, materials and methods.

The results of this research will be made available to all automobile bodyshops, in order to reduce repair costs for all motorists.

The Corporation's research body shops also provide a training ground for claims estimators, who can observe the technique and cost of automobile repairs carried out by skilled tradesmen with modern equipment.

The Autoplan bodyshops commenced operation in September 1975 and sustained a loss of \$177,000 in the period of operations to February 29, 1976 due primarily to the costs of establishing and developing the facilities. It is expected that bodyshop operations in the coming year will be productive and profitable.

Marketing

Autoplan coverage can be obtained from over 650 independent insurance agents, as well as Motor Vehicle Branch offices, government agents, Corporation Sales Offices, or through a Corporation mail-in service. Outlets, strategically located throughout the province, make the coverage conveniently available to B.C. motorists.

The Corporation conducted over 60 training sessions for approximately 2,000 individuals, to assist them in explaining all aspects of Autoplan to their customers.

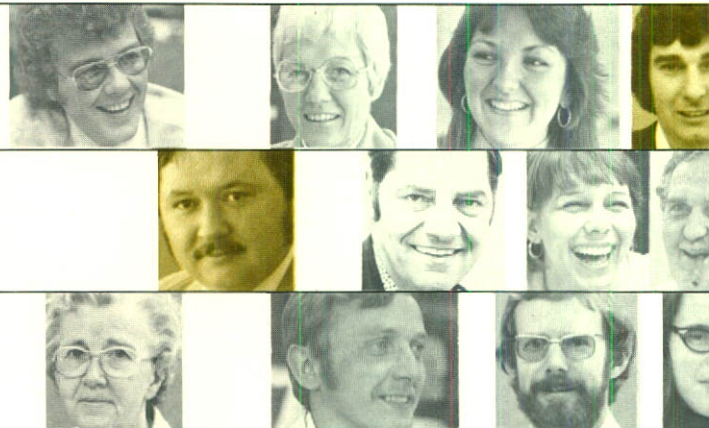
The Corporation Sales Offices, with highly seasonal volume, reported a loss of \$149,000 on the year's operations and will be discontinued in the current licence year.

Prospects

Despite campaigns to combat it, inflation is still one of the major problems that Canadian industry faces today. The Federal Government's anti-inflation program and the Provincial Government's actions against inflation indicate that the seriousness of the situation is receiving government attention.

The Corporation will continue to reduce the impact of rising price levels on its operations through an organized program for the reduction and control of unproductive costs. At the same time, it will emphasize the scrutiny and denial of unjustifiable claims, without impairing the quality of its service to the public in the adjustment and payment of legitimate claims.

The Corporation is confident that guided by well defined goals predicated on sound economic principles, the year ahead will be a period of significant achievement in the performance of the Insurance Corporation of British Columbia.



Automobile Insurance Act Fund

Year Ended February 29, 1976 (With Prior Year Figures for Comparison)

	1976	1975
Revenue		
Vehicle premiums	\$165,319,000	\$187,582,000
Driver premiums	14,349,000	18,028,000
Total premiums	179,668,000	205,610,000
Investment income	3,754,000	9,234,000
Total revenue	183,422,000	214,844,000
Claims		
Claims incurred	256,282,000	\$203,032,000
Claims operations expenses	17,359,000	11,462,000
	273,641,000	214,494,000
Expenses		
Administrative	30,707,000	23,086,000
Commissions	18,351,000	17,778,000
Allocated to start-up costs	-	(10,355,000)
Amortization of start-up costs	4,904,000	4,020,000
	53,962,000	34,529,000
Total claims and expenses	327,603,000	249,023,000
Loss for the year	144,181,000	34,179,000
Deficit at beginning of year	34,179,000	-
Deficit at end of year	\$178,360,000	\$ 34,179,000

The accompanying notes are an integral part of the financial statements.



INSURANCE CORPORATION OF BRITISH COLUMBIA

General Operations

Year Ended February 29, 1976 (With Prior Year Figures for Comparison)

	1976	1975
Revenue		
Net premiums written	\$ 15,442,000	\$ 8,471,000
Net premiums earned	10,968,000	5,145,000
Claims incurred and adjustment costs	10,614,000	4,844,000
Expenses		
Administrative	2,859,000	2,229,000
Commissions	1,859,000	446,000
Amortization of start-up costs	60,000	45,000
	4,778,000	2,720,000
Total claims and expenses	15,392,000	7,564,000
Underwriting loss	4,424,000	2,419,000
Investment income	357,000	220,000
Loss on general insurance operations	4,067,000	2,199,000
Other operations		
Loss on sales offices	149,000	-
Loss on bodyshops	177,000	-
Loss for the year	\$ 4,393,000	\$ 2,199,000

The accompanying notes are an integral part of the financial statements.

Changes in Financial Position

Year Ended February 29, 1976 (With Prior Year Figures for Comparison)

	1976	1975
Resources Provided		
Premiums in advance	\$246,675,000	\$112,700,000
Collected for Motor Vehicle Branch	62,360,000	49,931,000
Bank loan	28,471,000	-
	337,506,000	162,631,000
Resources Applied		
Net resources applied to (provided by) operations	65,942,000	(82,619,000)
Transfer of premiums to Automobile Insurance Act Fund	112,700,000	143,918,000
Finance plan	20,504,000	-
Property and equipment	9,469,000	17,094,000
Start-up costs	-	12,215,000
Remitted to Motor Vehicle Branch	54,801,000	48,374,000
Repayment of bank loan	28,471,000	-
	291,887,000	138,982,000
Increase in Resources	45,619,000	23,649,000
Cash and Investments at beginning of year	134,977,000	111,328,000
Cash and Investments at end of year	\$180,596,000	\$134,977,000

The accompanying notes are an integral part of the financial statements.

Auditors' Report

The Honourable Dr. P. L. McGeer,
Minister of Education,
Province of British Columbia

We have examined the balance sheet of the Insurance Corporation of British Columbia as at February 29, 1976 and the statements of general operations and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Corporation as at February 29, 1976 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination also included the statement of operations of the Automobile Insurance Act Fund for the year ended February 29, 1976. In our opinion this

statement presents fairly the results of the operation of the Fund in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte, Haskins & Sells

Deloitte, Haskins & Sells
Auditors

Vancouver, British Columbia
April 23, 1976

INSURANCE CORPORATION OF BRITISH COLUMBIA

Balance Sheet

at February 29, 1976 (With Prior Year Figures for Comparison)

<u>ASSETS</u>	1976	1975
Cash in hands of agents and bank	\$ 70,115,000	\$ 24,691,000
Investments at market value (note 4)	110,481,000	110,286,000
Receivables	33,945,000	14,385,000
Finance plan receivables	20,504,000	-
Prepaid commission (note 3)	19,532,000	11,061,000
Inventories and prepaid expenses (note 3)	1,025,000	2,937,000
Property and equipment (notes 3 and 5)	39,974,000	32,431,000
Recoverable from the Automobile Insurance Act Fund (note 8)	178,360,000	34,179,000
Unamortized start-up costs	14,829,000	19,828,000
	<u>\$488,765,000</u>	<u>\$249,798,000</u>

Approved by the Board:

Director: *P. R. McFar*

Director: *W. Koutouk*



<u>LIABILITIES</u>	1976	1975
Accounts payable and accrued charges	\$ 46,900,000	\$ 29,492,000
Motor Vehicle Branch	19,289,000	11,730,000
Premium taxes payable	612,000	439,000
Premiums in advance (note 3)	246,675,000	112,700,000
Unearned premiums (notes 3 and 6)	11,740,000	11,890,000
Unpaid claims (note 3)	170,646,000	86,251,000
	495,862,000	252,502,000
<u>DEFICIT</u>		
Deficit at beginning of year	2,704,000	505,000
Loss for the year	4,393,000	2,199,000
Deficit at end of year (note 8)	7,097,000	2,704,000
	\$488,765,000	\$249,798,000

The accompanying notes are an integral part of the financial statements.



1. STATUS OF THE CORPORATION

The Insurance Corporation of British Columbia (ICBC) is incorporated as a Crown corporation under the Insurance Corporation of British Columbia Act, S.B.C. 1973 (1st session), Chapter 44, assented to April 18, 1973. By subsequent approval of the Lieutenant-Governor in Council, and in accordance with the Act, ICBC has the power and capacity to act as an insurer and reinsurer in all classes of insurance and to operate and administer the plan of automobile insurance described in the Automobile Insurance Act (AIA). By regulation under the AIA, the plan of automobile insurance is administered as a Fund which is an entity for financial accounting purposes. Also by regulation, a statement showing the results of the operation of the Fund is included with the financial statements of ICBC and the balance of the Fund, which represents its net operating position, is reflected in the balance sheet of the Corporation. The Fund consists of the revenues and expenses attributable to the AIA Fund operations. All assets and liabilities are held by ICBC.

2. BASIS OF REPORTING

As prescribed by Section 18 (3) of the Insurance Corporation of British Columbia Act, the financial statements of the Corporation are presented in accordance with generally accepted accounting principles. In this respect, the reporting generally conforms to that suggested in a 1974 research study of the Canadian Institute of Chartered Accountants. Not all property and casualty insurance companies in Canada report on this basis.

Certain of the 1975 comparative figures have been reclassified to conform with the classifications used in the current year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Prepaid Expenses

Premium taxes and commissions, including those relating to subsequent year's Automobile Insurance Act Fund premiums, are deferred and charged to expense over the terms of the insurance contracts to which such costs relate.

Depreciation

Depreciation is provided on a straight-line basis commencing in the month following that in which assets are placed in service at rates which will amortize the original cost over the useful life of each asset.

Start-up costs

Costs associated with the commencement of operations of

ICBC and the AIA Fund have been deferred and are being amortized on a straight-line basis from March 1, 1974, or from the date incurred, whichever is later, to February 28, 1979.

Premiums in Advance

The liability for premiums in advance consists of vehicle premiums received or financed through the ICBC premium finance plan to the end of the year, which relate to the immediately following fiscal year.

Unearned Premiums

The liability for unearned premiums is the portion of premiums that relates to the unexpired term of each insurance contract.

Unpaid Claims

Unpaid claims includes a provision for reported and unpaid claims which is based on principles and factors determined by the experience of the Corporation, plus an estimate for unreported claims, as follows:

	1976	1975
Reported and Unpaid Claims		
Automobile Insurance Act Fund	\$144,034,000	\$ 72,535,000
General Insurance	6,881,000	2,508,000
	<u>150,915,000</u>	<u>75,043,000</u>
Unreported Claims		
Automobile Insurance Act Fund	18,900,000	11,023,000
General Insurance	831,000	185,000
	<u>19,731,000</u>	<u>11,208,000</u>
Total	<u>\$170,646,000</u>	<u>\$ 86,251,000</u>

The estimate for unreported claims is based on the Corporation's experience relating to the delay between the date a loss occurs and the date a related claim is recorded by the Corporation, supplemented by a review of claims recorded subsequent to the fiscal year end. The calculation of the liability for both reported and unreported claims is based on methods adopted by the Corporation and accepted by the auditors.

4. INVESTMENTS

It is the intention to use all investments held at February 29, 1976 for short-term purposes.

Consequently investments are carried at market value and the \$1,040,000 decline in value has been charged to investment income.

5. PROPERTY AND EQUIPMENT

The cost of major classes of property and equipment and the

related accumulated depreciation and depreciation rates are as follows:

	Depreciation Rates	Cost	Accumulated Depreciation to February 29/76	Net Value at February 29/76
Land	-	\$10,038,000	-	\$10,038,000
Buildings	5-10%	23,006,000	\$ 1,233,000	21,773,000
Advance on purchase of property	-	3,978,000	-	3,978,000
Furniture & Equipment	10-25%	4,285,000	1,149,000	3,136,000
Leasehold improvements	*	1,438,000	389,000	1,049,000
		<u>\$42,745,000</u>	<u>\$2,771,000</u>	<u>\$39,974,000</u>

*Leasehold improvements are amortized over the life of each lease plus the first renewal period where appropriate.

6. UNEARNED PREMIUMS

	1976	1975
General Insurance	\$ 8,598,000	\$ 4,540,000
Drivers' premiums	3,142,000	7,350,000
	<u>\$11,740,000</u>	<u>\$11,890,000</u>

7. COMMITMENTS

In addition to the Property and Equipment included in the balance sheet, an estimated further amount of \$3,700,000 has been committed in respect of

the building and land acquisition program.

The Corporation is committed to make the following payments during the next four years on property and equipment leased for periods of more than one year:

Fiscal year to February 28, 1977	\$3,600,000
Fiscal year to February 28, 1978	3,100,000
Fiscal year to February 28, 1979	2,200,000
Fiscal year to February 29, 1980	100,000

8. SUBSEQUENT EVENTS

Under the provisions of Section 21 of the Insurance Corporation of British Columbia Act and by Order-in-Council 1061/76 approved by the Lieutenant-Governor on March 31, 1976, the Government of the Province of

British Columbia paid to the Corporation \$181,510,000 from the Consolidated Revenue Fund, to be applied to the accumulated deficits at February 29, 1976 of the Automobile Insurance Act Fund and the general operations of the Corporation.

9. LITIGATION

By the recent decision in the case of Canadian Indemnity Company Ltd., et al, vs Attorney General of British Columbia, the Court of Appeal upheld the decision of the Supreme Court of British Columbia in favour of the Attorney General, thus confirming the constitutional validity of the legislation creating the Corporation and vesting in it authority to operate and administer plans of automobile insurance in the province.

An appeal from the decision of the Court of Appeal may yet be taken before the Supreme Court of Canada, in which case a final decision in the case may not be forthcoming for at least a year.

Should a decision favourable to the Canadian Indemnity Company Ltd., et al be rendered, such companies may be free to re-enter the field of automobile insurance in British Columbia.

10. PENSION PLAN

Certain employees participate in a contributory pension plan and are entitled to vested interests prior to retirement.

Employees contribute specified percentages of salaries. The Corporation contributes to the Plan all amounts as are actuarially determined as being required, over and above employee contributions, to fund the benefits earned by employees under the Plan.

As of February 29, 1976 all past service liabilities of the Pension Plan have been fully funded. Contributions by the Corporation for the year ended February 29, 1976 were \$357,000.

Operating Locations

△ Claim Facilities

Vancouver, 999 Kingsway	Courtenay, 592 Cliffe Avenue	Revelstoke, 304 - 3rd Street
Vancouver, 1311 Kootenay Street	Duncan, 60 Queens Street	Squamish, 1907 Diamond Road, Garibaldi Highlands
Vancouver, 406 South West Marine Drive	Nanaimo, 6460 Applecross Road	Powell River, 7050 Alberni Street
Vancouver, 2256 West Broadway	Port Alberni, 4924 Argyle Street	100 Mile House, 201 - 7th Avenue West
Burnaby, 4399 Weyburne Avenue	Port Hardy, 1102 Market Street	Williams Lake, 180 Yorston Street
Surrey, 10262 - Birch Drive	Victoria, 3300 Douglas Street	Quesnel, 454 Reid Street
New Westminster, 1320 - 3rd Avenue	Cranbrook, 446 Van Horne Street	Prince George, 4001 - 15th Avenue
North Vancouver, 255 Lloyd Avenue	Nelson, 696 Baker Street	Smithers, 1283 Main Street
Richmond, 720 Elmbridge Way	Trail, 2985 Highway Drive	Terrace, 4641 Lazelle Street
Langley, 6000 Production Way	Vernon, 4320 - 29th Street	Prince Rupert, 230 - 3rd Avenue West
Coquitlam, 700 Tupper Avenue	Kelowna, 1658 Springfield Road	Fort St. John, 10030 - 103rd Avenue
Matsqui, 2885 Tretheway Street	Penticton, 1662 Main Street	Dawson Creek, 1107 - 103rd Avenue
Chilliwack, 8635 Young Street South	Kamloops, 1251 Battle Street	Sparwood, Greenwood Shopping Mall
Campbell River, 908 Island Highway	Salmon Arm, Alexander Avenue	

○ Salvage Facilities

Vancouver,
1300 Kootenay Street

Victoria,
979 Dunford Road

Nanaimo,
Box 481, Applecross Road

Vernon,
R.R. #3, Crozier Road
Armstrong, B.C.

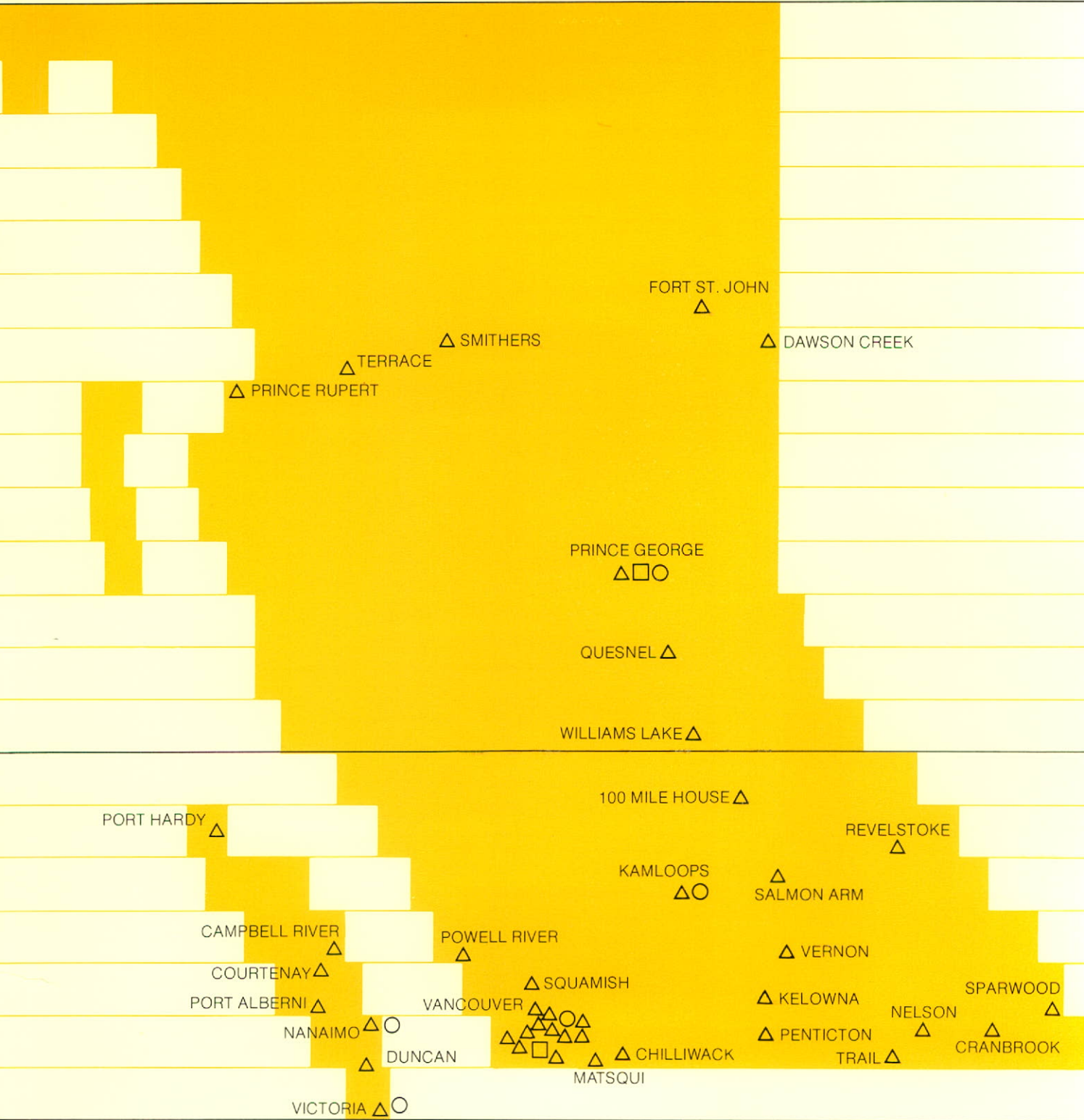
Kamloops,
1251 Battle Street

Prince George,
Boundary Road,
B.C. Rail Industrial Park

□ Body Shops

Surrey,
13391 King George Highway

Prince George,
2098 Robertson Road





The insurance business is a highly personal one in which people with many different skills are involved. The Insurance Corporation salutes all its valued employees with the 410 pictures in this Annual Report selected at random from the more than 2,200 serving the public throughout the province.

