

ICBC Discharge Debts Policy

Overall rating: ★★★★★ based on 46 reviews

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The ICBC Discharge Debts Policy has been updated to align with the Supreme Court of Canada's recent decision in the matter of 407 ETR Concession Co. v. Canada (Superintendent of Bankruptcy) (<http://scc-csc.lexum.com/scc-csc/scc-csc/en/item/15623/index.do?r=AAAAAQADNDA3AQ>).

That Supreme Court of Canada's decision confirmed that all debts are erased in a bankruptcy except certain debts specifically prescribed.

ICBC Discharge Debts Policy | ICBC Discharge Debts Policy – OVERVIEW

(Dated: October 4, 2016)

The position taken by ICBC on an application for bankruptcy by a debtor will necessarily be dependent on the facts of that particular file. Therefore it is not possible to provide Trustees with a general policy which dictates ICBC's position on every bankruptcy application.

What follows is a description of the primary factors considered by ICBC in assessing its position on receipt of an application for bankruptcy by a debtor, although, as indicated, they will not necessarily be determinative of ICBC's position.

1. ICBC Discharge Debts Policy – Debts which Survive Bankruptcy

a) Where a debt arises from convicted fraud or similar act of dishonest conduct, and/or an intentional act of violence, that is supported through court proceedings, then regardless of the amount of the debt, ICBC will take the position that the debt survives the bankruptcy application pursuant to s. 178 of the Bankruptcy and Insolvency Act, and, if necessary, pursue the appropriate Court Orders to ensure ICBC's continued right to collect on this debt.

b) Court Service Fines, Criminal Code Fines, Court Ordered Restitution, and Federal Contravention Fines survive the bankruptcy.

ICBC Discharge Debts Policy – Post-filing Debts

c) Driver Point Premium (DPP), Driver Risk Premium (DRP) and Multiple Crash Premium (MCP), Unpaid insurance premiums (payment plan, NSF cheques) are all premiums that are billed and owed at the beginning of a term and earned throughout the term (usually 12 months) Amounts earned prior to the date of bankruptcy are provable, amounts earned after are not. For example, if you take out a policy or owe for current Driver Point Premium and you file six (6) months into the year, the first six (6) months are earned and provable; the second six (6) months are unearned and not provable.

2. ICBC Discharge Debts Policy – Opposing or Seeking Conditions/Suspension of Discharge

ICBC may oppose and/or seek appropriate conditions or suspensions of discharge if ICBC concludes that the facts of the particular claim clearly demonstrate one or more of the grounds for opposing discharge described at s. 173 of the Bankruptcy and Insolvency Act:

a) arises from negligent and/or reckless conduct/behavior i.e. impaired driving, dangerous driving, etc.);
or

b) ICBC is the primary creditor (75% or more of the debt); or

c) the debtor has made no legitimate effort to come to arrangements with ICBC on the debt.

3. ICBC Discharge Debts Policy -Alternatives to Bankruptcy

ICBC will actively consider Consumer Proposals, Division I proposals, and any other alternatives to Bankruptcy presented by a Trustee on behalf of a debtor.

4. ICBC Discharge Debts Policy – Authorizing a Driver’s Licence upon receipt of an Assignment in Bankruptcy or proposal.

a) ICBC will remove the Refusal to Issue in relation to a driver's license or insurance renewal upon Notice of an Assignment into Bankruptcy or proposal filed under the Bankruptcy and Insolvency Act in respect of amounts owing that are provable and in the Bankruptcy or proposal; and

b) The debtor pays all debt currently due and owing and not covered under the Assignment into Bankruptcy or proposal; or

c) The debtor provides hardship criteria along with detailed financial information to ICBC for review with respect to a request for renewal of a driver's licence when the debt survives any discharge from bankruptcy; review and the authorization of the renewal of the driver's licence will be at the discretion of ICBC