

# Code of Conduct and Ethics

## Preamble

### Purpose

The purpose of the Code of Conduct and Ethics Policy (Code) is to establish the rules governing the business and ethical conduct for all members of the Board of Directors (Directors) and employees of the Automobile Insurance Rate Board (AIRB).

As an independent agency, established by the Minister of Finance to regulate automobile insurance premiums in Alberta, there is an obligation to Albertans that there not be, nor seem to be, any conflict between the private interest of Directors and employees in their duty to the public. At the same time, it is recognized that Directors and employees should enjoy the same rights in their private dealings as any other citizens unless it can be demonstrated that a restriction is essential to the public interest.

The Code applies to all Directors and employees of the AIRB. The Code reflects a commitment to the corporate values of respect, accountability, integrity and excellence and provides a framework to guide ethical conduct in a way that upholds the professionalism and reputation of the AIRB. Directors and employees are expected to act in a way that aligns with the Code and they understand that the Code does not cover every specific scenario. Therefore, they are to use the spirit and intent behind the Code to guide their conduct, and exercise care and diligence in the course of their work with the AIRB.

The Directors are responsible for the administration of the Code and if questions arise, they are settled in accordance with the spirit and intent of the Code.

The Board Chair and the Executive Director must adhere to requirements of the Alberta Accountability Act and the Public Service Act as a Designated Office Holder and the sections applicable to Designated Senior Officials under the Conflicts of Interests Act in order to be compliant with the AIRB's Code.

All declarations and disclosures made by Directors or employees are held in confidence.

### Core Values

The Directors and employees must adhere to the AIRB core values and

- Must act with impartiality and integrity;
- Demonstrate respect and accountability; and
- Use innovation and continuous improvement to achieve excellence.

### Definitions

- **Associate** includes any of the following:
  - A spouse, an interdependent partner, a family member, a business associate, or others with whom the Director or employee has a significant personal or business relationship;
  - A business or corporation where the Director or employee owns 10% or more of the shares;
  - A partnership in which the Director or employee owns a 10% or more interest;

- A person or group of persons acting as the agent of the Director or employee and having actual authority in that capacity.
- **Board of Directors or Directors** includes all members of the Board of Directors appointed by the Lieutenant Governor in Council in accordance with section 599(1) of the Insurance Act.
- **Code** means the Code of Conduct and Ethics Policy.
- **Code Administrator** is as follows:
  - The Ethics Commissioner for the Board Chair;
  - The Board Chair for the Board of Directors and the Executive Director; and
  - The Executive Director for employees.
- **Employee** includes full time, temporary and contract employees of the AIRB.
- **Executive Director** is the designated senior official for the AIRB, responsible for its day-to-day management.

## Policy

### Guiding Principles

The following principles guide the behaviour and decisions of Directors and employees:

- a. Show that their actions and decisions are ethical, impartial, independent and follow the AIRB's core values and mandate;
- b. Conduct themselves with dignity and in a professional manner;
- c. Demonstrate and encourage ethical behavior and governance best practices;
- d. Be responsible stewards of corporate resources and exercise financial management;
- e. Act in good faith and to place the interests of the AIRB above their own personal interest;
- f. Act in a way that demonstrates that their behavior and actions are fair and reasonable;
- g. Enjoy the same rights in their private dealings as any other Albertan, unless it is demonstrated that a restriction is necessary in the AIRB's interest;
- h. When a Director or employee, as an individual, is subject to more than one code of conduct, the Director must consider the expectations in all codes. Employees are Government of Alberta employees and must follow the Code of Conduct and Ethics for the Public Service. Employees must also follow the principles and values of this Code while working for the AIRB;
- i. Understand that this Code is not intended to conflict with other codes of conduct, and they will discuss any potential conflicts, that may occur in the near future with the Code Administrator;
- j. Understand that disclosure itself does not remove a conflict of interest;
- k. Confirms, on an annual basis, their understanding of, and commitment to, the expectations of the Code. This includes a signed acknowledgement to abide by the Code.

### Behavioral Standards

Behavioral standards help Directors and employees make appropriate decisions when the issues they face involve ethical considerations. These standards cannot cover all scenarios but provide guidance in support of day-to-day decisions. All Directors and employees must adhere to the following standards:

### Compliance with Laws

1. Must not engage in any criminal activity; If charged with an offence under the Criminal Code of Canada or Controlled Drugs and Substances Act (Canada) arising from the Director or employee's conduct while on or off duty, the Director or employee shall immediately report the charge to the appropriate Code Administrator;
2. Shall act at all times in full compliance with both the letter and the spirit of all applicable laws regulations, and AIRB policies and procedures; Directors and employees should not only comply fully with the law, but should also avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance;

3. Directors and employees are expected to be sufficiently familiar with any legislation that applies to their work to recognize potential liabilities and to know when to seek legal advice;

### **Confidentiality and Perceived Conflict of Interests**

1. Must not take part in a decision in the course of carrying out his/her office or powers knowing the decision may further their own private interest or that of an Associate;
2. Must not use their status or position with the AIRB to influence or gain a benefit or advantage for themselves, or an Associate;
3. Must not use or communicate information not available to the general public that was gained in the course of carrying out his or her duties to further a private interest of the senior official or an Associate;
4. Must act in a way that is consistent with the AIRB's protocols on public comment;
5. Must take reasonable steps to avoid situations where they may be placed in an actual or perceived conflict between their personal interests and the interests of the AIRB;
6. Must maintain confidentiality with respect to any information (including verbal information, documents and reports) obtained for the purposes of carrying out his or her duties unless authorized for distribution by the Chair or Executive Director, as applicable;
7. Must respect and protect confidential information, use it only for the work of the AIRB and not use it for personal gain or benefit for himself, herself, or an Associate;
8. Must not accept or receive gifts and gratuities other than the normal exchange of gifts between external stakeholders, tokens exchanged as part of protocol or the normal presentation of gifts to people participating in AIRB's functions;
9. The above-mentioned gifts and hospitality should be of nominal or nil monetary value. The total value of gifts, fees and benefits given from the same source in any calendar year cannot exceed \$200 and must not include cash or cheques.
10. May have limited use of the AIRB's premises and equipment for authorized incidental purposes providing such use involves minimal additional expense to the AIRB, must not interfere with the mandate of the AIRB and must not support a personal or private business;
11. Must avoid dealing with those in which the relationship between them might bring into question the impartiality of the Director or the employee.

### **Health and Safety**

1. Individual conduct must contribute to a safe and healthy workplace that is free from discrimination, harassment or acts of violence and abuse (physical or verbal);
2. Must not misuse drugs or alcohol in a way that affects their performance and safety or the performance and safety of their colleagues;

### **Outside Activities**

1. Must avoid participating in outside activities that conflict with the interests and work of the AIRB. Examples include but are not limited to:
2. **Business Interests:** Must not hold interests in a business directly or indirectly through a relative or friend that could benefit from, or influence, the decisions of the AIRB;
  - a. Code Administrators must not own or have a beneficial interest in publicly traded securities that may influence the decisions made by the AIRB.
3. **Employment:** Must not take on concurrent employment that interferes or appears to interfere with their job performance, availability for work or impartiality with the AIRB;
  - a. Directors and employees considering a new appointment or employment must disclose in writing to a Code Administrator in advance of acceptance for review and approval in writing, provided it does not create any real or perceived conflicts of interest;
  - b. Directors and employees who have accepted a new appointment or employment must be aware of and manage any real or perceived conflicts of interest between their current position and their future circumstance, and must remove themselves from any decisions affecting their new appointment or employment; and

- c. Once Directors or employees have left the AIRB, they must not disclose confidential information that they became aware of during their time with the AIRB and must not use their contacts with their former colleagues to gain an unfair advantage for their current circumstance. To avoid conflict, former Directors and employees cannot be representatives or give advice to others to influence the decisions made by the AIRB for 12 months after leaving.
4. **Political Activity:** May participate in political activities including holding membership in a political party, supporting a candidate for elected office or seeking elected office. However, they must not use their position with the AIRB to seek contributions for a political party or activity from current or future clients or entities doing business with the AIRB. In addition, any political activity must be clearly separated from activities related to the business of the AIRB, must not be done while carrying out the business of the AIRB and must not make use of AIRB facilities, equipment or resources in support of these activities. If a Director or employee is planning to seek an elected federal, provincial, or municipal office, they must disclose their intention in writing as soon as possible to the Code Administrator for guidance relating to their duties with the AIRB;
5. **Volunteer Activity:** If involved in volunteer work, the activity must not influence or conflict with decisions relating to the AIRB; must not be done while carrying out the business of the AIRB, and must not make use of AIRB facilities, equipment or resources in support of these activities unless authorized by the Code Administrator.
6. If there is any question whether an activity, interest, job or appointment creates a real or perceived conflict of interest, the Code Administrator will investigate and report to the Director or employee in writing. If the report finds there is a real or perceived conflict, the Code Administrator's report will include steps the Director or employee must take to manage the conflict. The conflict must be managed as instructed by the Code Administrator, including giving up the activity, interest, employment or appointment.

#### **Restrictions Specific to the Board Chair**

Pursuant to s. 23.925 of the Conflicts of Interest Act, the Chair is subject to additional restrictions:

- a. The Chair must not take part in a decision in the course of carrying out his/her office or powers knowing that the decision might further a private interest of the Chair, a person directly associated with the Chair or the Chair's minor or adult child;
- b. The Chair must not use his/her office or powers of influence or seek to influence a decision made by or on behalf of the Crown or a public agency to further a private interest of the Chair, a person directly associated with the Chair, or to improperly further any other person's private interests;
- c. The Chair must not use or communicate information not available to the general public that was gained by the Chair in the course of carrying out his/her office or powers to further or seek to further a private interest of the Chair or any other person's private interests; and
- d. The Chair must appropriately and adequately disclose a real or apparent conflict of interest.

#### **Administrative Processes**

Administrative processes help Directors and employees manage ethical dilemmas, including any actual or perceived conflict of interest concerns.

#### **Administration**

The Code Administrator receives and ensures the confidentiality of all inquiries and disclosures, and ensures that any actual or perceived conflict of interest is avoided or effectively managed. As well, the Code Administrator is responsible for providing advice and managing concerns and complaints concerning potential breaches of the Code, including conflicts of interest within the AIRB.

Even though the AIRB has a delegated process for responding to and managing concerns, the Code Administrator is responsible for ensuring procedural fairness. Where needed, the Executive Director may refer any issue or situation covered by this Code to the Board Chair, and the Board Chair may refer any issue or situation covered by this Code to the Ethics Commissioner.

### **Disclosure**

Directors and employees have an obligation to disclose in writing all interests which could conflict, appear to conflict or do conflict with their duties or have an influence on decisions or actions that they may make on behalf of the AIRB.

The opportunity to declare any conflicts is provided at the beginning of each Board meeting.

When there is a change in their responsibilities within the AIRB or in their personal circumstance, Directors and employees shall disclose in writing any relevant new or additional information about those interests as soon as possible. Where an actual or perceived conflict of interest cannot be avoided, Directors and employees must take the appropriate steps to manage the conflict.

Directors and employees disclose these actual or perceived conflicts of interest so that the Code Administrator is aware of situations that could be seen as influencing the decisions or actions they are making on behalf of the AIRB. This provides Directors and employees, following a review by the Code Administrator, an opportunity to take action to minimize or remove the conflict. To actively manage a conflict of interest, options include:

- Removing themselves from matters in which the conflict exists or is perceived to exist;
- Giving up the particular private interest causing the conflict; and
- In rare circumstances, resigning their position with the AIRB.

### **Reporting a Potential Breach**

Directors and employees are required to report in writing a potential breach of this Code to the Code Administrator. When reporting a potential breach in good faith and with reasonable grounds, Directors and employees are protected from retaliation for such reporting.

### **Responding to Potential Breach**

Once a potential breach has been reported, the AIRB's procedures for responding to and managing a potential breach will be promptly initiated. The Code Administrator will review the circumstance and details of the potential breach and will notify the alleged Director or employee. The alleged Director or employee has the right to complete information and the right to respond fully to the potential breach.

The identity of the reporter will not be disclosed unless required by law or in a legal proceeding. The Code Administrator makes a decision and completes a report in a timely manner. The decision may range from finding no potential breach to one that reveals suspected criminal conduct.

### **Consequences of a Breach**

Directors and employees who do not comply with the behavioural standards identified in this Code will be subject to appropriate disciplinary action commensurate with the circumstances. A serious breach of this Code may result in the Code Administrator suspending the Director or employee from performing duties in respect to their role at the AIRB and recommend that the Minister rescind the Director's appointment or that appropriate human resource action be taken for an employee.

### **Review of a Decision**

A Director or employee can request in writing that outside counsel review the decision made by the Code Administrator about an actual or perceived breach of the AIRB's Code of Conduct and Ethics.

## Questions to Consider

When Directors or employees face a difficult situation, the following questions may help them decide the right course of action:

Have I reflected on or consulted with the Code Administrator about whether I am compromising the Code's values, principles or behavioural standards?

- Have I considered the issue from a legal perspective?
- Have I investigated whether my behaviour aligns with the policy or procedures of the AIRB?
- Could my private interests or relationships be viewed as impairing my objectivity?
- Could my decision or action be viewed as resulting in personal gain, financial or otherwise?
- Could my decisions or actions be perceived as granting or receiving preferential treatment?

## Communication

Should a Director or employee require advice or guidance in determining whether misconduct or a conflict exists, or requires clarification, they may discuss their issue(s) with a Code Administrator.

Any questions regarding this Code should be directed to a Code Administrator.

To demonstrate commitment to transparency and accountability, Code of Conduct and Ethics is available to the public on the AIRB's website.

## Monitoring & Reporting

All new Directors and employees receive an orientation session that includes a detailed review and acknowledgement of the Code of Conduct and Ethics Policy and Confidentiality Statement.

To ensure that Directors and employees have a thorough understanding of the spirit and intent of the AIRB's policies and programs relating to conduct, Directors and employees will annually be required to complete the following forms:

- Declaration and Acknowledgement for the Code of Conduct and Ethics Policy
- Disclosure Statement (Code Administrators only)
- Confidentiality Statement

The AIRB reporting requirements will be completed to ensure that Code Administrator obligations are met within the time periods determined by the Ethics Commissioner under the Alberta Accountability Act and the Public Service Act.

## Review & Notice

All policies are subject to approval by the Minister of Finance and may be revised from time to time as required.

The AIRB approved the Code on June 22, 2018, and subject to the review of the Ethics Commissioner, it will come into effect April 1, 2019.

Upon the Code coming into effect, all current Directors and employees, upon commencement and on an annual basis will complete a Declaration and Acknowledgement for the Code and Confidentiality Statement.

Once implemented, the Board will review the Code annually to ensure it remains current and relevant; and make amendments as appropriate. Any changes to the Code will be provided to the Ethics Commissioner for review and approval. Once approved, changes to the Code will be made public for 90 days before becoming effect.

## Reference Material

- Alberta Accountability Act
- Public Service Act
- Public Service Code of Conduct and Ethics (for AIRB employees)
- Declaration and Acknowledgement for the Code of Conduct and Ethics Policy
- Disclosure Statement
- Confidentiality Statement