

ALBERTA INSURANCE COUNCIL EXPENSE AND DISCLOSURE POLICY

1. PREAMBLE

The Alberta Insurance Council (AIC), the Insurance Adjusters' Council, the General Insurance Council and the Life Insurance Council (the "Councils") are formed under the *Insurance Act*. While the Councils do not receive any public funding from the Government of Alberta, they derive their authority under a delegation from the Minister responsible for the Insurance Act.

Recognizing this, the following expense and disclosure policy has been developed consistent with the Government of Alberta's *Travel, Meal and Hospitality Expenses Policy*. This policy is designed to support responsible stewardship of the Councils' resources, so that expenses incurred by the Council are reasonable and help advance the Councils' objectives.

2. PURPOSE

The purpose of this policy is:

- To provide a framework of accountability to guide the effective oversight of the resources of the Alberta Insurance Council (AIC) in the reimbursement of expenses for travel and hospitality.
- To establish rules and principles for the reimbursement of expenses to ensure fair and reasonable practices.
- To set the parameters for disclosure of information about expenses.

3. DEFINITIONS

The following definitions apply for the purposes of this policy:

- "Claimant" refers to any individual making an expense claim under the terms of this policy;
- "Approver" refers to the individual with the authority to make approvals under this policy.

4. APPLICATION

This policy applies to:

- Board members of the AIC and its associated Councils, including the:
 - Life Insurance Council;
 - General Insurance Council;
 - Insurance Adjusters' Council.
- Staff members of the AIC.

This policy applies to all expenses incurred in the course of the business of the Councils, regardless of how the expense has been paid or is being reimbursed.

5. PRINCIPLES

- While the AIC does not receive taxpayer dollars, the private-raised revenues of the AIC should be used prudently and responsibly, with a focus on accountability and transparency.

- Expenses for travel and hospitality should support the objectives of the Councils.
- Only authorized expenses that are incurred in the course of business of the Councils are reimbursed.
- Prior approval to incur expenses is obtained where appropriate.

6. EXPENSE MANAGEMENT REQUIREMENTS

Expenses will be managed in accordance with the following requirements:

- Written approval of the CEO is required before expenses are incurred if:
 - The amount of the travel expense will exceed \$1000; and/or
 - The amount of the hospitality expense will exceed \$5,000.
- Expenses must be attributable, meaning expenses incurred by one individual on behalf of another must be attributable to the individual for whom those expenses were incurred.
- Expense claims are to be reviewed and approved by the direct supervisor and any of the Chief Financial Officer (CFO), the Chief Executive Officer (CEO), and the Chief Operating Officer (COO) of the AIC. Council member expenses that exceed the amounts allowable under the by-laws of the AIC must be approved by the Board of the AIC. Expense claims of the CEO are to be approved by the Chair of the AIC.
- All cheques issued in payment of an approved expense claim are to be countersigned by any two of the CFO, COO and the CEO.

7. MANAGERIAL DISCRETION

Managerial discretion is the administrative authority to make decisions and choices with a reasonable degree of flexibility, while maintaining compliance with this policy. There is no discretion to depart from the principles and requirements of this policy.

When exercising discretion, the rationale must be documented and filed with the claim.

Approvers are accountable for their decisions, which must be:

- subject to good judgment and knowledge of the situation;
- exercised in appropriate circumstances; and
- compliant with the principles and requirements set out in this policy.

Where discretion must be exercised, approvers should consider whether an expense required is:

- able to withstand the scrutiny of auditors;
- properly explained and documented;
- reasonable; and
- appropriate.

8. TRAVEL

Travel must adhere to the following guidelines:

- Travel expenses, including meal expenses incurred while traveling, will be paid consistent with the amounts set out in the Alberta Public Service Subsistence, Travel and Moving Regulation (the “Regulation”).
- In accordance with the Regulation, reasonable and appropriate meal expenses may be incurred when traveling in the course of business.
- Detailed receipts for travel expenses, including meal expenses (unless an allowance is being claimed) and other expenses should be included in the expense report. Receipts should itemize the purchases made. If a detailed receipt is not available, the claimant must provide a written statement, signed by the claimant and the approver, attesting to the following:
 - The expense was incurred and related to the business of the Councils;
 - The expense has not been claimed previously; and
 - The circumstances as to why the receipt is missing.

Air Transportation

- Economy class airfare is the booking class for all domestic flights. Business class airfare may be booked for domestic or international flights of more than three (3) hours in duration with approval of the Board.
- Business travel in other circumstances may be approved at the discretion of the CEO, in accordance with this policy. Notwithstanding the generality of the foregoing, the business class airfare may be warranted by:
 - Security concerns;
 - Health and wellness considerations;
 - Productivity considerations;
 - Medical conditions.
- Air travel may otherwise be upgraded to business class, from economy class, using personal upgrades or at an individual’s personal expense.
- A leg of personal travel may be added to travel being undertaken in the course of the business of the Councils. Where a personal leg is added, the personal and business expense portions must be clearly distinguished. If a combined business/personal itinerary is equal to or less than the cost of a business-only return airfare, there is no personal cost to the claimant.

Ground Transportation

- Taxi is the preferred method of ground transportation.
- Use of a town car may be approved at the discretion of the approver, in accordance with this policy.

- Where a rental vehicle is practical, the size and type of rental vehicle should be appropriate for the number of people in the vehicle, the weather and road conditions, and the nature of the need. In-car navigation systems and electronic toll payment are reimbursable expenses.
- Gratuities are a reimbursable expense and should be appropriate to the location, service level and local protocol. They are never to exceed 20 percent of the total bill.

9. HOSPITALITY

For the purposes of this policy, “hospitality” includes the provision of food, beverage, accommodation, transportation and other amenities to persons in the course of advancing the interests and conducting the business of the Councils.

For the purposes of this policy, a “working session” is when food, beverage, accommodation, transportation and other amenities are provided solely to people who work for the Councils, in the course of advancing the interests and conducting the business of the Councils.

Hospitality should adhere to the following guidelines:

- Hospitality may be extended when:
 - It can facilitate the business of the Councils;
 - It can advance the interests of the Councils;
 - It is considered desirable as a matter of courtesy and/or protocol.
- Hospitality expenses should be reasonable and appropriate, having regard for:
 - The nature and purpose of the hospitality;
 - The roles of the guests and other persons to whom the hospitality is extended;
 - The number of guests and other persons to whom the hospitality is extended;
 - The suitability and availability of food, beverage, accommodation, transportation and other amenities to be provided as part of the hospitality.
- The individual in charge of extending the hospitality must:
 - Document and justify the attendees;
 - Document all expenses, including original itemized receipts;
 - Provide details of the event including its purpose, date and location.

Working session expenses should adhere to the following guidelines:

- Working session expenses should be reasonable and appropriate, having regard for:
 - The number of attendees;
 - The nature of the working session;
 - The suitability and availability of food, beverage, accommodation, transportation and other amenities to be used as part of the working session.

10. DISCLOSURE

The AIC will publicly disclose expense reports for expenses that have been paid by the AIC with public funds.

Expense reports must, at a minimum, include the following components:

- Name and position of individual who incurred the expense;
- Date of transaction(s);
- Transaction amount(s);
- Expense category (travel or hospitality);
- Description and rationale;
- Supporting documentation.

Information that would normally be withheld under the *Freedom of Information and Protection of Privacy Act*, such as personal information, must be redacted from supporting documentation and will not be publicly disclosed.