

## P01 – Board Governance

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### Overview:

The Automobile Insurance Rate Board (Board) was established on October 5, 2004 to regulate automobile insurance premiums for basic coverage for all categories of vehicles and garage risks and to monitor premiums for additional coverage for private passenger vehicles in the Province of Alberta. The Board replaced the previous Alberta Automobile Insurance Board (AAIB) that was introduced in 1972.

On July 1, 2014 the Enhancing Consumer Protection in Auto Insurance Act came into force giving the Board responsibility for the regulation of both basic and additional coverage.

### Board Authority:

The Board's authority is provided under the [Insurance Act](#) (Act) and the [Automobile Insurance Premiums Regulation](#) (Premiums Regulation). In addition, the Board is required to exercise and perform any other powers and duties assigned to it by the Minister.

### Board Accountability:

The Board in conjunction with the Minister has developed a Mandate and Roles document which outlines the responsibilities of the Board, its vision, mission and values. This document is reviewed every three years to maintain currency.

The Board also establishes policies and procedures which have been approved by the Minister for the purpose of carrying out its functions under the Act and the Premiums Regulation.

The Board maintains transparency and accountability by:

- conducting an [annual review](#) of automobile insurance trends and premiums relating to basic and additional coverage for private passenger vehicles,
- submitting to the Minister on an annual basis its three year [business plan](#),
- submitting to the Minister its [annual report](#) on the operations of the Board, and
- reporting all insurer filing [decisions](#) on the AIRB website ([airb.alberta.ca](http://airb.alberta.ca)).

### Policy:

The Board will establish procedures for meetings, recruitment and remuneration and expense reimbursement.

### Procedures:

#### Board Meetings

The Board holds regular monthly meetings to review insurer filings, hear from stakeholders and deal with administrative issues. Meeting material is distributed to Board members five business days in advance of the scheduled meeting to permit advance preparation. Stakeholders wishing

to appear before the Board are required to contact the Board's office to request a date and time for their presentation.

Simplified filings – the Board will meet on an as required basis in order to expedite the approval of simplified filings.

### **Appointment of Board Members**

Board Members are appointed by the Lieutenant Governor in Council and the Consumer Representative is appointed by the Minister of Finance. They collectively constitute the Board, along with the Superintendent of Insurance who is a non-voting member. The Board and the Department of Treasury Board and Finance (Department) have identified:

- a Charter of Expectations for Board members,
- a Competency Skills Matrix for the Board,
- a Competency Skills Matrix for individual members, and
- a [Code of Conduct](#).

The process to identify candidates is led by a recruitment team in consultation with the Board and its Executive Director. The recruitment team is made up of the Board Chair or Vice Chair in the absence of the Chair, a Department representative and an external party as determined by the Chair and Department representative. When a vacancy occurs, the Board identifies the competencies to be filled and provides that profile to the recruitment team responsible for leading the process.

The Board selects either a consultant or the Government of Alberta's Corporate Human Resources to support the recruitment process. A public posting of all vacancies (which includes the required competencies) is the responsibility of the recruitment team. Applications are reviewed by the recruitment team.

Candidates are assessed on the basis of the applicable competencies identified by the Board. Conflict of interest and other screening is completed before a list of suitable candidates is prepared for submission to the Minister. A list of 2-3 suitable candidates for each vacancy (in rank order) is provided to the Minister for consideration.

The Minister recommends to the Lieutenant Governor in Council a replacement to the Board and the Department coordinates the appointment process by:

- *Order-in-Council* for all Public Members, and
- *Ministerial Order* for the Consumer Representative

The results of the recruitment process are posted publicly on the AIRB website.

The Lieutenant Governor in Council may appoint one of the members of the Board, other than the Superintendent, as chair and another as vice-chair.

The term of office Board members cannot exceed three years; however, a member may be re-appointed for up to two additional terms. A member continues to hold office after expiry of his or

her term until the member is reappointed, the member's successor is appointed, or 12 months has elapsed, whichever occurs first.

**Board Remuneration and Expense Reimbursement**

The Lieutenant Governor in Council has set remuneration and provided for the payment of expenses to the members. See [P03 - Board Remuneration & Expense Reimbursement Policy](#).

All documents referred to are available on the AIRB website at [airb.alberta.ca](http://airb.alberta.ca).

**Approved by the Board: June 27, 2014**  
**Effective date: July 1, 2014**

Approved:

original signed  
Honourable Doug Horner  
President of Treasury Board  
Minister of Finance

Date: July 22, 2014