



# **Code of Ethics and Business Conduct**

December 2009

PACICC's Code of Ethics and Business Conduct requires Board members to honour all of the obligations set out below. As a Director or employee of PACICC, you agree to:

***Legal obligations***

- comply with all laws applicable to PACICC's business operations and to your responsibilities as a Board member or employee, including federal and provincial privacy laws
- avoid actual misconduct as well as any appearance of impropriety

***Advancement and protection of PACICC's interests***

- act in good faith at all times for the common good of all members and in the best interests of the Corporation
- act to support PACICC's mission statement, specifically, "to protect eligible policyholders from undue financial loss in the event that a member insurer becomes insolvent; to minimize the cost of insurer insolvencies; and seek to maintain a high level of consumer and business confidence in Canada's P&C insurance industry"
- be diligent in supervising or managing the business affairs of the Corporation, making enquiries that reasonably prudent persons would make concerning their own affairs
- exercise powers carefully, displaying the kind of care and skill reasonably prudent persons in similar positions might be expected to demonstrate
- avoid taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information or misrepresentation of facts
- use PACICC resources and claim or authorize expenses only when conducting legitimate business for PACICC
- recommend and approve amendments to this Code as required

***Confidentiality***

- ensure that all information acquired by virtue of your position as a PACICC Board member or employee is kept confidential
- safeguard all confidential information (regardless of form or format) from the time of its creation or receipt until its authorized disposal
- avoid unauthorized access, use, distribution or disclosure of confidential information to an individual member or to any other person, unless required to do so by law

***Independence***

- avoid soliciting or accepting from anyone a benefit of any kind that could be viewed inappropriately as an attempt to influence a decision or a position on an issue
- avoid any investment, activity, interest, or relationship outside the Corporation that could impair your judgment or interfere with (or give the appearance of interfering with) your responsibilities to the Corporation
- maintain sufficient independence from member companies to ensure unbiased judgement in rendering decisions about such member companies

### ***Disclosure***

- timely disclosure of information to stakeholders is an important tool for fulfilling PACICC's mission and principles. The Board is collectively responsible for ensuring that proper standards of disclosure are maintained
- interact with industry stakeholders (members, regulators, liquidators and others) in a fair, open and timely manner, avoiding any actions that may compromise your duty of care to PACICC
- ensure that PACICC's financial reporting and financial statements are accurate and complete in all material respects
- public directors and employees of PACICC are required to disclose to the Corporate Secretary any share ownership they may have in member companies as part of their obligations to avoid potential conflicts of interest

### ***Conflict of interest***

- avoid conflicts of interest and seek legal advice in situations where you may be unsure
- avoid using your position or information obtained through PACICC to gain economic or other advantage for yourself or anyone else
- promptly disclose to the Board Chair and Corporate Secretary (for appropriate resolution) any investment, activity, interest, or relationship (including those involving family and household members) that could reasonably be expected to give rise to a conflict of interest
- excuse yourself from any Board discussions or decisions affecting your personal, business, or professional interests, including situations where a Board member holds a position in a member insurance company that is the subject of discussion

### ***Workplace environment***

- provide a safe and healthy work environment for all employees, consistent with all applicable environmental and workplace health and safety laws and regulations
- ensure that equal employment opportunities exist at PACICC without discrimination or harassment on the basis of race, colour, religion, age, gender, sexual orientation, national origin, citizenship, disability, marital and civil partnership status, pregnancy, or any other characteristic protected by law
- avoid adverse impact and injury to the environment and to communities in which PACICC conducts its business

### ***Whistleblower provisions***

- encourage staff to be vigilant about possible illegal or unethical conduct and to report matters of concern initially to the appropriate senior staff member of PACICC, and if necessary to the attention of the Chair of the Audit Committee for investigation
- allow all reports to be made in confidence
- assure staff that no retaliation, demotion or other adverse action will be taken against any person who reports a concern in good faith

***Code of Ethics violations***

- ensure familiarity with this Code, as revised from time to time
- co-operate in any internal investigation of allegations of violations of the Code
- disclose to the Corporate Secretary any waivers of the provisions of this Code (which may be granted by the Board of Directors only in exceptional circumstances)

***Personal commitment***

This Code, including any future amendments approved by the PACICC Board, forms part of the terms and conditions of a Board member's and employee's service to PACICC. The Corporation requires all of its Board members and employees to acknowledge in writing their understanding of and commitment to the Code. This will be done following the election of PACICC's Board of Directors at the Corporation's Annual General Meeting. The Corporate Secretary will maintain a record of such acknowledgement and understanding.

I acknowledge the requirements of PACICC's Code of Ethics and Business Conduct and I understand the duty of confidentiality that I owe to the Corporation.

Signature of Director or employee \_\_\_\_\_

Print name of Director or employee \_\_\_\_\_

Dated \_\_\_\_\_