



**Insurance Commission
of Western Australia**

BOARD OF COMMISSIONERS CHARTER

2023

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1 INTRODUCTION

The Insurance Commission of Western Australia (Insurance Commission) Board Charter provides an overview of the functions and responsibilities of the Board of Commissioners (Board) of the Insurance Commission along with operational Board matters.

This Board Charter demonstrates the Insurance Commission's commitment to the principle of sound and responsible corporate governance and is not intended to replace or alter statutory roles and responsibilities. Commissioners are to ensure they are fully aware of their statutory responsibilities and to observe both the letter and spirit of those responsibilities.

2 HISTORY

The Insurance Commission was established on 1 January 1987 under the *State Government Insurance Commission Act 1986*, following the amalgamation of the operations of the State Government Insurance Office and the Motor Vehicle Insurance Trust. At that time, the name of the organisation was the State Government Insurance Commission.

The State Government Insurance Corporation was also established on 1 January 1987 as a subsidiary of the Insurance Commission and traded as SGIO until 1994. The State Government Insurance Corporation was dissolved on 30 June 2012.

On 1 October 1997, the name of the Insurance Commission changed from the State Government Insurance Commission to the Insurance Commission of Western Australia.

3 ORGANISATIONAL IDENTITY, STATUS AND STRATEGIC OBJECTIVES

The Insurance Commission is a Western Australian State Government Business Enterprise, Public Financial Corporation and statutory authority established under the *Insurance Commission of Western Australia Act 1986* (the Act).

The Insurance Commission is a body corporate with perpetual succession and a common seal.

Effective 30 May 2012, the Insurance Commission became part of the Public Service in accordance with s34(b) of the *Public Sector Management Act 1994*.

The four strategic objectives of the Insurance Commission are to:

1. Provide quality and affordable insurance products;
2. Operate effectively and efficiently;
3. Deliver sustainable financial performance; and
4. Develop a high performance culture.

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4 BOARD AUTHORITY

The Board is established and empowered under s5 of the Act.

Commissioners are subject to the *Statutory Corporations (Liability of Directors) Act 1996*.

5 BOARD OBJECTIVE AND ROLE

The Insurance Commission Board is the accountable authority which governs and oversees the organisation's functions and duties under the Act.

The Board delegates responsibility to the Chief Executive for the day to day management of the Insurance Commission.

The Act sets out the powers (s7), functions (s6) and duties of the Insurance Commission. This includes the following statutory duties imposed directly on the Board which are not delegable:

- prepare, and submit to the Minister, the Insurance Commission's strategic development plan and statement of corporate intent (s14B(1));
- decide on the appropriate apportionment of money, or of the value of property, where two or more funds, and the crediting of appropriation moneys to the Insurance Commission accounts (s17(1-3)); and
- decide (i.e.) arrange the terms and conditions on which any investment managers are to be appointed (s19(1)).

The Board is also responsible for the following:

- Approving and monitoring the strategic objectives and budgets, and performance of the Insurance Commission.
- Endorsing the Prudential Guidelines for Investments and recommending them to the Minister for approval.
- Assessing the adequacy of motor injury insurance premium income and other income to meet claims costs and other expenses, and making a recommendation to the Minister.
- Ensuring that regulatory compliance, ethical behaviour and risk management processes are in place and operating effectively.
- Developing, executing and assessing the annual performance agreement of the Chief Executive under s47 of the *Public Sector Management Act 1994*.
- Approving organisational values and codes of conduct.

6 APPOINTMENT TO THE BOARD

Commissioners are appointed by the Governor on the nomination of the Minister (s5(1)), including the Chair and Deputy Chair of the Board (s5(2)).

The Board is to consist of not less than 3 or more than 6 Commissioners (s 5(1a)) and the Chief Executive who is a Commissioner *ex officio* (s 5(1b)) and appointed by the Governor on the nomination of the Minister (s11(3)).

7 ROLE OF THE CHAIR

In accordance with s5 and Schedule 1 of the Act, the Chair is responsible for:

- Assisting the Insurance Commission maintain open communication with the Minister.
- Providing leadership to the Board.
- Taking reasonable steps to ensure that the Board discharges its role.
- Facilitating the effective organisation and work of the Board.
- Setting agendas for each Board meeting in consultation with Commissioners, the Chief Executive and the General Manager Governance and Stakeholder Relations.
- Monitoring Board performance and facilitating the contribution and development of individual Commissioners.
- Maintaining open communication with the Chief Executive, and providing support and guidance to the Chief Executive to facilitate the effective discharge of the Chief Executive's duties and responsibilities.
- Facilitating open communication between Commissioners and the Chief Executive and Executive Management and assisting to resolve any disputes or conflicts that may arise.
- Facilitating the process of disclosure of pecuniary interests at Board meetings (Clause 5 of Schedule 1).

8 ROLE OF THE DEPUTY CHAIR

The Deputy Chair is responsible for:

- Performing the role and functions of the Chair in the absence of the Chair.
- Facilitating Chair succession planning, as required.
- At the Chair's request, supporting the Chair in the performance of the Chair role.

9 ROLE OF THE CHIEF EXECUTIVE

The office of Chief Executive is established and empowered under s11 of the Act.

"Chief Executive" means the person appointed under s45 of the *Public Sector Management Act 1994* to the office of Managing Director established under s11 of the Act.

The Chief Executive and Executive Management are responsible for managing the day-to-day operation of the Insurance Commission.

10 MEETING PROCEDURES

There is no minimum number of required annual Board meetings. The Board generally holds six meetings per year and a strategic planning day. Meetings are held at the time and place the Board determines (Clause 6(1) of Schedule 1).

The quorum for Board meetings is three Commissioners (Clause 6(6) of Schedule 1).

Commissioners are expected to attend all Board meetings unless prior leave of absence has been granted. Commissioners will prepare thoroughly and are expected to participate fully, frankly and constructively in Board discussions to add the benefit of their knowledge, skills and experience.

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Board discussions are to be open and constructive, recognising that appropriately expressed differences of opinion can add value to the decision making process. Where possible the Chair will seek consensus amongst Commissioners but may, where necessary, call for a vote. The person presiding over a Board meeting shall have a deliberate vote, and in the case of an equality of votes, shall also have a casting vote (Clause 6(7) of Schedule 1).

Commissioners have a duty to question, request additional information, raise any matter, clarify any matter and vote according to their own judgement.

Discussions of the Board are confidential unless there is a specific direction from the Board or disclosure is required by law. The Board will decide the manner and timing of the publication of its decisions, subject to operational, legal or regulatory requirements

Committees

The Board may from time to time, by resolution, appoint committees of such Commissioners, or such Commissioners and other persons, as it thinks fit and may discharge, alter, continue or reconstitute any committee so appointed. The Chair of each committee will be determined by the Board.

Each committee must operate within a charter endorsed by the Board.

The Board's preference is for the full Board to be involved in discussion and decision making processes and as a consequence Board committees will be formed only when it is efficient or necessary. Except in the case of specific delegations such as described in the Audit and Risk Committee Charter, the role of committees is limited to formulating recommendations to the Board on particular issues and committees have no power to bind the Board.

All approvals and recommendations of Board committees will be referred to the next available Board meeting for consideration, and if appropriate, endorsement.

General Manager Governance and Stakeholder Relations

The General Manager Governance and Stakeholder Relations is the Secretary to the Board. In the absence of the General Manager Governance and Stakeholder Relations, a senior member of staff will perform the role of Secretary at Board meetings.

The General Manager Governance and Stakeholder Relations, in conjunction with the Chair and Chief Executive, shall compile an agenda for each regularly scheduled Board meeting which shall be circulated to Commissioners with any associated papers approximately one week prior to the relevant scheduled Board meeting.

The General Manager Governance and Stakeholder Relations or someone acting in this role will attend all Board meetings and, in accordance with clause 8A of Schedule 1 to the Act, maintain an accurate record of Board proceedings and resolutions passed under clause 8 of Schedule 1.

Other officers and stakeholders of the Insurance Commission may attend meetings when required and/or at the request of the Board.

The General Manager Governance and Stakeholder Relations monitors Board compliance with this charter throughout the year. Compliance outcomes will be reported to the Board as required, and at a minimum, on an annual basis.

11 MATTERS OUTSIDE MEETINGS

Resolutions may be passed without a meeting being convened via a circular resolution (Clause 8 of Schedule 1). A circular resolution is passed if it is sent or given to all Commissioners and is assented to by not less than three Commissioners.

Where a Commissioner signifies assent to a document other than signing the document, the Commissioner must sign the document at the next meeting of the Board.

All circular resolutions are to be taken as minutes of a meeting of the Board.

12 COMMUNICATION PROTOCOL

The Chief Executive and Executive Management shall ensure that the Board is provided with all necessary information in their possession to enable the Board to fulfil its governance responsibilities.

The Board shall ensure that Executive Management is provided with all necessary information in its possession to enable management to fulfil its management responsibilities.

The Board and Executive Management shall ensure their communications are open, honest, accurate and complete.

The Chief Executive and Chair are the authorised spokespersons for the Insurance Commission in communications with the Minister, Government, the media and the general public. Other spokespersons such as the Deputy Chair and General Manager Governance and Stakeholder Relations may also be required to take on public communication duties.

Board meetings may be held in person, by telephone or by video conference, or by a combination of these media in accordance with Clause 6A, Schedule 1 of the Act.

13 ACCESS TO INFORMATION, RESOURCES AND PROFESSIONAL ADVICE

Where the Board or a Commissioner (after consultation with the Chair) reasonably considers it necessary, to access internal or external independent professional advice, that advice will be made available at the expense of the Insurance Commission.

14 APPROPRIATE CONDUCT

Commissioners have a fiduciary relationship with the Board, and will:

- act honestly and exercise powers for their proper purposes;
- manage conflicts of interest;
- act in good faith; and
- exercise diligence, care and skill.

In addition to statutory responsibilities, the Board will demonstrate the highest levels of appropriate conduct by reflecting the Insurance Commission's corporate culture, value statement and behaviours in its interactions with each other, staff and external stakeholders. The Value Statement and behaviours are:

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We are committed to a high performance culture which values accountability, professional integrity and respect.

To achieve this we strive to:

- be open to change and continuous improvement;
- collaborate to deliver the best possible outcomes;
- respond to clients and stakeholders; and
- drive efficient processes.

The Insurance Commission's Value Statement and behaviours are incorporated into the organisation's Code of Conduct.

In this spirit, Board Members are required to be cognisant of the following:

- Commissioners are not to misuse their position for personal gain.
- Commissioners are to maintain confidentiality of the information to which they are privy.

The Board Chair shall provide or arrange for accountable and ethical decision making training to be provided to Board members.

The Public Sector Commission publishes guidance material for public sector directors, including the Board Essentials and the Conduct Guide for Public Sector Boards and Committees.

15 CONTACT WITH LOBBYISTS

Commissioners are to comply with the Code of Conduct and the Register of Lobbyists contained under the *Integrity (Lobbyists) Act 2016*.

16 DECLARATION OF INTERESTS

Commissioners are required to declare any actual, perceived or potential conflicts of interests at or before a Board meeting in line with Clause 5 Schedule 1 of the Act.

A conflict of interest is where a Commissioner's personal interests and their public duty conflict, and raises the risk that personal interests could improperly influence a Commissioner's decisions and actions.

The General Manager Governance and Stakeholder Relations maintains a register of declared interests. This register is reported to the Board annually.

17 GIFTS AND HOSPITALITY

Accepted gifts and hospitality that could create an actual, potential or perceived conflict of interest are required to be reported to the General Manager Governance and Stakeholder Relations.

The General Manager Governance and Stakeholder Relations maintains a register of Commissioner disclosed gifts and hospitality. This register is reported to the Board annually.

18 RELATIONSHIP WITH THE MINISTER

Section 10 of the Act outlines the following obligations of the Minister and Board:

- Directions by the Minister (s10).
- The Minister's access to information (s10A).
- Confidential information (s10B).

19 BOARD PERFORMANCE

The Board undertakes reviews of its performance against its statutory objectives and in accordance with the general philosophy and intent of recognised good governance guides.

The Board may also appoint an external reviewer to assist the conduct of this process.

It is intended that internal reviews of performance are undertaken annually, and that an external review is undertaken every three years.

20 PROFESSIONAL DEVELOPMENT

Commissioners are responsible for undertaking continuing professional development and education to ensure their skills remain relevant to their duties and responsibilities.

The Chair or Chief Executive may approve the cost of corporate or professional memberships, attendance at professional development seminars and education programs for Commissioners where they are relevant to the business needs of the Insurance Commission.

21 SUCCESSION PLANNING

Annual board succession planning is undertaken, together with the Board performance evaluation, to support orderly succession and renewal.

The skills, knowledge and experience of the current Board is considered along with the future needs of the board and organisation as part of the process of Commissioner appointment and re-appointment.

22 REVIEW OF THE BOARD CHARTER

The Board will review this Charter and the Charters of Board Committees to ensure they remain consistent with the Board's statutory objectives, powers, responsibilities, and recognised standards of corporate governance.