

June 23, 2020

Mr. Chris Rathbone
Acting President and CEO
Public Sector Employers' Council Secretariat
Suite 210-880 Douglas Street
Victoria, BC V8W 2B7

Dear Mr. Rathbone,

Re: 2019/2020 Executive Compensation Disclosure Statement: Insurance Council of BC ("Council")

On behalf of the Voting Members of the Insurance Council of British Columbia, attached is the Executive Compensation Disclosure Statement for the period of June 1, 2019 to May 31, 2020.

As per the Public Sector Employees' Council Guidelines, I, the undersigned, hereby attest to the following:

- The Voting Members of Council are aware of the executive compensation paid in the 2019/2020 fiscal year.
- The executive compensation being disclosed is accurate and includes all executive compensation paid by the Council, foundations, subsidiaries, or any other organization related to or associated with the Council.
- The executive compensation being disclosed includes the value of any pre or post-employment payments made during the 12 month period before or after the term of employment.

Yours truly,



Lesley Maddison
Chair

COMPENSATION PHILOSOPHY

PURPOSE

The Insurance Council of BC must disclose all compensation provided to the Chief Executive Officer and the next four highest ranking executives. This document outlines the governance, philosophy, design, and total value of executive compensation for the fiscal year ending May 31, 2020.

GOVERNANCE

The Insurance Council of BC has on its board more than 50% of its members who are appointed by the Lieutenant Governor in Council. It therefore designs and administers executive compensation as per its approved compensation plan as required under the *Public Sector Employers' Act*.

The Voting Members of Council monitor and review the Chief Executive Officer's performance against agreed upon objectives; approve the CEO's compensation; and approve the Compensation Philosophy and Executive Compensation Disclosure annually.

TOTAL COMPENSATION PHILOSOPHY

The objectives of the Insurance Council of BC compensation philosophy are to support and retain individuals who demonstrate the values and skills needed to achieve the objectives of the organization; attract qualified, diverse, and high-potential individuals to the Insurance Council of BC, and to support a performance-based culture by recognizing employees who achieve results and exhibit superior performance.

GUIDING PRINCIPLES

The following principles guide the design, implementation, and administration of the Insurance Council of BC's compensation program:

- **Performance** – The Compensation program supports and promotes a performance-based organizational culture.
- **Differentiation** – Differentiation of salary is supported where there are differences in the scope of the position within the organization, and/or due to superior individual contributions.
- **Progression** - Movement through approved salary ranges occurs where justified by performance. A current performance evaluation tied to performance measures and results achieved showing the required levels of performance to justify such movement must be provided and reviewed.
- **Accountability** – Compensation decisions are objective and based upon a clear and well documented business rationale that demonstrates the appropriate expenditure of funds.
- **Transparency** – The compensation program is designed, managed, and communicated in a manner that ensures the program is clearly understood by employees and the public while protecting individual personal information.

ELEMENTS OF THE EXECUTIVE COMPENSATION PLAN

The current executive compensation elements include:

- **Salary:** A base salary that is determined and approved as described in the preceding sections.

- **Benefits:** Executives receive employer paid coverage for life insurance, extended health, vision care, critical illness, dental and an annual health exam. Long term disability is fully paid by the employee.
- **Pension:** The Insurance Council of BC has a Group RRSP program. Executives contributions are matched to a maximum of 6% of salary.
- **All Other Compensation:** Executives receive paid parking. The CEO receives a monthly car allowance.

GUIDELINES FOR ADMINISTRATION

Compensation is benchmarked to BC self regulatory organizations created by government statute with particular focus on other financial service regulators; insurance regulators in other provincial jurisdictions of similar size and function; national financial services associations with regulatory functions; and the public sector.

ONGOING REVIEW

A total compensation review will be undertaken every 3 years to align compensation with market.

Insurance Council of BC

Summary Compensation Table at 2020

| Name and Position | Salary | Holdback/Bonus/ Incentive Plan Compensation | Benefits | Pension | All Other Compensation (expanded below) | 2019/2020 Total Compensation | Previous Two Years Totals Total Compensation | |
|--|------------|---|-----------|-----------|--|------------------------------------|---|------------|
| | | | | | | | 2018/2019 | 2017/2018 |
| Marko Goluzo, Director, Professional Conduct | \$ 69,577 | - | \$ 6,577 | \$ 4,092 | \$ 1,605 | \$ 81,851 | | |
| Kandace Hopkins, Director, Practice and Quality Assurance | \$ 163,767 | - | \$ 6,101 | \$ 9,826 | \$ 4,085 | \$ 183,779 | \$ 134,964 | |
| Michael Pearce, Director, Enterprise Technology and Business Solutions | \$ 176,729 | - | \$ 12,125 | \$ 10,604 | \$ 4,085 | \$ 203,543 | \$ 157,590 | |
| Janet Sinclair, Chief Executive Officer | \$ 248,779 | - | \$ 14,692 | \$ 14,927 | \$ 9,485 | \$ 287,883 | \$ 286,483 | \$ 160,992 |
| Brett Thibault, Director, Governance and Stakeholder Engagement | \$ 193,927 | - | \$ 12,742 | \$ 11,636 | \$ 4,085 | \$ 222,390 | \$ 218,430 | \$ 215,168 |

Notes

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| Marko Goluza, Director, Professional Conduct | General Note: Employment start date January 13, 2020. Pension contribution is RRSP matching. Other Note: Parking \$1,605 |
| Kandace Hopkins, Director, Practice and Quality Assurance | General Note: Promoted to Director, Practice and Quality Assurance Oct. 30, 2018. Pension contribution is RRSP matching. Other Note: Parking \$4,085 |
| Michael Pearce, Director, Enterprise Technology and Business Solutions | General Note: Employee start date Aug. 1, 2018. 2019/2020 first full year of employment. Pension contribution is RRSP matching. Other Note: Parking \$4,085 |
| Janet Sinclair, Chief Executive Officer | General Note: Pension contribution is RRSP matching. Other Note: Parking \$4,085 |
| Brett Thibault, Director, Governance and Stakeholder Engagement | General Note: Pension contribution is RRSP matching. Other Note: Parking \$4,085 |