

## **International Association of Insurance Receivers**

### **Policy Concerning Possible Conflicts of Interest**

This Policy is adopted by the Board of Directors of the International Association of Insurance Receivers pursuant to the authority granted it by Section 6.1 of the Bylaws of the Association. This Policy applies to the Directors and Officers of the Association, to all members of Standing Committees established in the Bylaws, to all members of additional committees, working groups and task forces created pursuant to Section 8.3 of the Bylaws and to any employees of the Association (collectively, "Covered Persons").

The fact that a conflict to which this Policy alludes exists does not necessarily mean that it is material enough to be of practical importance or, if material, that upon full disclosure of all relevant facts and circumstances, action would necessarily be adverse to the interests of the Association.

The Board of Directors reserves the right to amend or supplement this Policy at any time.

#### **General Policy**

The Board of Directors has adopted this Policy to ensure that the affairs of the Association continue to be managed in an ethical manner, free from the temptations for personal gain that conflicting desires may provide. All Covered Persons are expected to use their best care, skill and judgment for the sole benefit of the Association. The interests of the Association must be the first priority in all actions and decisions. There are no exceptions to this Policy.

The Association expects all Covered Persons to exercise good judgment and the highest ethical standards in their private activities outside the Association that in any way could affect the Association. In particular, every Covered Person has an obligation to avoid any activity, agreement, business investment or interest, or other situation that is in conflict with the Association's interest or interferes with the duty to serve the Association loyally at all times to the best of the ability of the Covered Person.

The objective of the Board of Directors is to cover not only actual conflicts of interest, but also situations that reasonably create the appearance of a conflict of interest. Accordingly, it is the intention of the Board of Directors that this Policy be interpreted broadly to that end.

Directors will be required to attest annually to their familiarity with this Policy and to provide information concerning any possible conflict of interest so that disclosure may, if necessary, be made and, if necessary, appropriate safeguards may be taken.

If any Covered Person at any time has or is about to assume an interest or other outside relationship; that might result in a conflict of interest, it is the responsibility of the Covered Person immediately to give all pertinent information to the Audit Committee of the Association.

## Specific Applications of General Policy

One purpose of this Policy is to protect the Association's tax-exempt status when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Association or might result in a possible excess benefit transaction. This Policy is intended to supplement, but not to supplant, any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Furthermore, the Board of Directors wishes to underscore the Association's commitment to the highest ethical standards by formalizing and supplementing current practices and procedures by these guidelines.

1. Covered Persons may not use a position with the Association in a manner to derive a personal monetary benefit. A Covered Person may not accept any entertainment that goes beyond common courtesies usually associated with accepted business practices, gift, favor or other consideration, in each case regardless of how nominal, that could reasonably be perceived as tending to influence any decision made or to be made on behalf of the Association by the recipient.
2. No Director or Officer shall for personal or any other person's gain deprive the Association of any opportunity for benefit which could be construed as related to any existing or reasonably anticipated future activity of the Association.
3. No Covered Person shall for personal or any other person's gain make use of or disclose confidential information learned as a result of his or her activities for the Association.
4. No Covered Person shall have any outside interest which materially interferes with the time or attention the Covered Person has volunteered to commit to the Association.
5. Except with the prior consent by action of the Board of Directors upon complete disclosure of the facts, no Director or Officer shall have a direct or indirect financial interest in, or receive any compensation or other benefits as a result of, transactions between any individual or business firm: (i) from which the Association purchases supplies, materials or property; (ii) that renders any service to the Association; or (iii) that has any other contractual relations or business dealings with the Association.
6. Any Director who has a duality of interest shall disclose such interest to the Board of Directors. Any Director who has a duality of interest may not vote on any proposal or position to benefit another program or nonprofit organization in which he or she is otherwise interested, and the minutes of the meeting shall reflect the fact that such Director did not vote.
7. Any Covered Person who becomes aware of any violation or possible violation by someone else of this Policy shall immediately report the facts and circumstances to the Audit Committee of the Association.