

Procedure for the Investigation and Disposition of Complaints Alleging Violations of the IAIR Code of Ethics

IAIR's Code of Ethics establishes certain high standards of conduct for the Association's members. In addition, it authorizes the Association to impose sanctions when necessary to preserve the integrity and relevance of the profession. To inform the public and the Association's members of procedures and sanctions applicable when violations of the Code of Ethics are alleged, the Association adopts the following policies and procedures and delegates authority for their administration to the A & E Committee. IAIR's Board of Directors reserves its authority to adjudicate ethical complaints as hereinafter provided.

Definitions:

IAIR Board: The Board of Directors of the International Association of Insurance Receivers

Committee or A & E Committee: The Accreditation and Ethics Committee of the International Association of Insurance Receivers

Complainant: A natural person filing a complaint hereunder; complaints by organizations are not accepted. Complaints must be signed by a natural person.

Respondent: The IAIR member against whom the complaint is filed.

Code of Ethics: The duly adopted Code of Ethics in force for the International Association of Insurance Receivers at the time of the alleged violation.

1. Initiation of Complaint

A complaint may be initiated against any member of IAIR by any person who believes, in good faith, that a member's conduct violated the IAIR Code of Ethics. The complaint must be filed with the Chair of the A & E Committee for review.

A complaint must be a written statement from an identified individual alleging conduct which, if proven, would constitute a violation of the Code of Ethics. The complaint must (i) contain factual allegations that are particular enough to give notice of the alleged violation; (ii) be supported by documentation, if available, and (iii) be signed by the person making the complaint. Anonymous or oral complaints will not be investigated.

2. Evaluation of Complaint by the Accreditation and Ethics Committee

If after reviewing the complaint, the Committee determines that there is a reasonable basis for the complaint to be investigated, it will forward the complaint to the Respondent and allow the Respondent 30 days from the date of the Committee's letter in which to respond. The Respondent may include in the response any material that the Respondent deems appropriate, including documents or affidavits. The Committee in its sole discretion may designate a Committee member or an independent party to conduct an investigation either before or after receipt of the Respondent's reply. If the A & E Committee determines that the complaint, even if true, would not constitute a violation of the Code of Ethics, or that insufficient credible evidence has been provided to support the truth of the allegations, the Chair of the Committee

shall write a letter to the Complainant with a copy to the Respondent, informing him or her that the Committee will conduct no further investigation nor take any action about the complaint. The members of the A & E Committee may base their recommendations, and IAIR's Board may base its actions, on all evidence presented, as well as on credibility, or lack of credibility, of the Complainant.

3. Independent Investigation

If the A & E Committee requests an independent investigation, it shall designate an investigator who shall contact any persons that the investigator deems appropriate and interview witnesses or review documents as necessary to make a report to the Committee. If the content of the testimony of a witness is included in the investigator's report, members of the A & E Committee must be provided with the name(s) of all witnesses and the content of their testimony upon request. Unless the Committee determines that extraordinary circumstances exist to justify keeping a witness's testimony confidential, the Respondent shall also be entitled to know the identity and the content of the testimony of all witnesses.

4. Temporary Suspension

If at any time during the evaluation of the complaint the A & E Committee determines that, based on the nature of the allegations, continuing the Respondent's membership in IAIR or permitting the Respondent's use of the CIR or AIR designation poses a serious threat to the reputation of the Association or to members of the public, and that enough credible evidence has been presented to give the Committee reasonable cause to believe that the allegations are true, the Committee shall notify IAIR's Board of this finding and recommend temporary suspension of the Respondent's membership and/or designation pending completion of the investigation.

If IAIR's Board determines that the allegations against the Respondent, if true, pose a serious threat to the reputation of the Association or to members of the public, and that immediate, temporary suspension is warranted, the Respondent may be temporarily suspended from membership in IAIR and/or from using IAIR's CIR or AIR designation pending the outcome of the investigation. If suspension is imposed, the Respondent shall be notified by certified mail and any other appropriate means within 48 hours of the Board's decision and may no longer represent himself or herself as a member of IAIR, nor use a designation during the period of suspension. The Board may authorize a pro-rata refund of dues paid by the suspended member for the current year.

5. Committee Deliberation

Each member of the A & E Committee shall independently review the materials provided by the Complainant, the Respondent, and any investigator. If the Respondent has been the subject of disciplinary action by another professional organization, the fact of the action and/or underlying evidence may also be considered to the extent it bears a reasonable relationship to the complaint under investigation. Members of the Committee will then confer and make a recommendation to the IAIR's Board. If the Respondent requests that the Committee hear the Respondent's reply, explanation or defense in person, the Committee shall invite the Respondent to appear and be heard at its next regularly scheduled meeting. Except for this appearance, the Respondent is not otherwise entitled to be present during any meeting of the A & E Committee pursuant to confidentiality provisions in the Association's By-laws applicable to that Committee.

If the recommendation of the A & E Committee is not unanimous, the Committee's report to IAIR's Board shall include a report of the number of members of the A & E Committee who concur and the number who do not concur with the Committee's recommendation. The Chair of the A & E Committee shall prepare a report to the Board containing the findings of the Committee's investigation, supporting documentation, and any other information that the Chair deems appropriate. The report shall also contain the Committee's recommended actions in respect of the Complaint. Any member of the Committee who dissents from the Committee report may write a letter to the Board of Directors for consideration during its review.

6. Adjudication by the Board of Directors of IAIR

The Board of Directors of IAIR shall consider all material presented by the A & E Committee in Executive Session, and may also consider any other factors or material that the members of the Board deem appropriate. The Board may call a meeting by phone or in person on an emergency basis to consider the allegations. If the Board determines that the allegations are substantiated, it may impose sanctions it deems appropriate. Sanctions may include suspension from membership for a specified period of time, permanent expulsion from membership and/or revocation of any CIR or AIR designation. If the Board finds that the allegations are not substantiated, or that no sanction is warranted, the Board shall direct the Chair of the A & E Committee to write a letter to the Respondent informing him or her of the Board's decision.

The decision of the Board of Directors of IAIR is final and not appealable.

7. Confidential Nature of Investigation

During the pendency of the investigation, the members of the A & E Committee, IAIR's Board and all other IAIR members who may know about the investigation shall refrain from discussing any aspect of the investigation, or the existence of the investigation, except as necessary to carry out their responsibilities under this procedure.

8. Cases Not Requiring Investigation

If a Respondent is found guilty by a court of competent jurisdiction of a crime punishable by imprisonment for more than one year, or for any crime involving a breach of trust or dishonesty, a complaint may be presented directly to IAIR's Board. In such circumstances, the Board may expel the member without an investigation, or may request the Committee to go through the investigative process, or take other action the Board deems appropriate.

9. Retention of Records

Once the process of investigating and hearing a complaint has been completed, or the Board of Directors has taken final action, all records pertinent to the investigation of a complaint shall be collected by the Chair of the A & E Committee and retained by the Committee for a period of at least five years.

10. Abstention

If any member of the Board of Directors or the A & E Committee, or the Executive Director is the Respondent, or a material witness in the case, that member shall abstain from voting or

otherwise participating in the disciplinary process. Any such Respondent shall have the same, but no greater, right to participate in presenting a defense than any other Respondent.

11. Resignation

If, at any time after a complaint has been filed, the Respondent resigns as a member of IAIR, the investigation and deliberations shall cease. However, such resignation shall be considered permanent and the Respondent will not thereafter be eligible for membership in IAIR or to continue using IAIR's CIR or AIR designation.

12. Other IAIR Policies

The foregoing policies and procedures are subject to and governed by the Code of Ethics and the Association's By-laws, which are incorporated by reference as they may be amended from time to time.