



INTERSTATE INSURANCE PRODUCT REGULATION COMMISSION
Adopted March 28, 2008

CODE OF ETHICS

I. PURPOSE

Pursuant to the terms of Article V of the Interstate Insurance Product Regulation Compact Statute (the “Compact”), the Interstate Insurance Product Regulation Commission (the “Commission”) is to adopt a Code of Ethics to address permissible and prohibited activities of Commission Members and Employees. This Code of Ethics is established to fulfill the Compact’s objectives under Article I: To promote and protect the interest of consumers of individual and group annuity, life insurance, disability income and long term care insurance products; to develop uniform standards for insurance products covered under the Compact; to establish a central clearinghouse to receive and provide prompt review of insurance products covered under the Compact and, in certain cases, rate filings and advertisements related thereto, submitted by insurers authorized to do business in one or more compacting states; to give appropriate regulatory approval to those product filings and advertisements satisfying the applicable uniform standard; and to improve coordination of regulatory resources and expertise between state insurance departments regarding the setting of uniform standards and review of insurance products covered under the Compact.

A. To that extent, the purpose of this Code of Ethics is to promote the objectives of the Compact, most importantly, to promote and protect the interests of consumers of individual and group annuity, life insurance, disability income, and long term care insurance products by ensuring that each Member, as defined by the Compact as the “person chosen by the Compacting State as its representative on the Commission, or his or her designee,” and Employee (as defined in this Code) conducts his or her official duties with the utmost integrity and in accord with the provisions of the Code.

B. To this end, the general rule of conduct shall be for each Member and Employee to avoid, at all times and by all means, even the appearance of impropriety in any official action on behalf of the Commission.

II. SCOPE

A. Generally

This Code of Ethics (the “Code”) applies to, and provides rules governing the conduct of Members, Officers, the Executive Director, Employees, and also consultants and/or contractors (as provided and included by their contracts), working on behalf of the Commission (collectively, “covered persons”). The Code is designed to be accessible, understandable, and comprehensive so that each covered person understands the ethical standards to which he or she is expected to adhere. The Code covers, among other areas, the giving and receipt of gifts, post-employment restrictions, disciplinary procedures, and political activity, as well as general standards of conduct.

B. Applicability to Members

As a general matter, the Code covers Members while acting on behalf of the Commission. This Code is intended to supplement and does not supersede or otherwise limit a Member’s obligations and duties under state ethics laws or rules. To the extent there is any inconsistency between the standards imposed by this Code and the standards imposed under state ethics laws or rules, the Members shall adhere to the stricter standard of conduct. While performing their duties on behalf of the Commission, Members will endeavor to conduct themselves according to the highest standards of ethical conduct and to avoid even the appearance of impropriety.

C. Statement on Applicability of State and Local Rules on Ethics Laws

1. Activities involving the interaction between Members, Employees, and state or local officials, such as lobbying and gift restrictions, are governed by the state laws and rules. It is beyond the scope of the Code to provide a state-by-state and city specific compendium of these ever changing requirements of law.
2. It is the obligation of each Member and Employee to seek the appropriate guidance in dealing with state and local public officials in any area and to exhibit heightened sensitivity to the need for scrupulous compliance with all relevant state and local rules and regulations. The Commission, through its Executive Director, shall assist any Member or Employee in seeking such guidance.

III. SUBSTANTIVE PROVISIONS

A. Definitions: For purposes of the Ethics Code of the Interstate Insurance Product Regulation Commission, the term:

1. “*Bylaws*” - means the Bylaws of the Commission;
2. “*Commission*” - means the Interstate Insurance Product Regulation Commission;
3. “*Compact*” - means the Interstate Insurance Product Regulation Compact;
4. “*Confidential Information*” – means information that is protected in accordance with the Commission’s Operating Procedure on the “Establishment of Conditions and Procedures for Public Inspection and Copying of Information and Official Records of the Interstate Insurance Products Regulation Commission,” including information of a personal nature; insurer information related to product filings and trade secrets; information related to Commission internal personnel practices and procedures, matters, and investigations; attorney-client privileged materials, including legal advice, materials related to litigation, materials under review by attorneys, and communications with Commission attorneys; and materials, records, and other information, in written, electronic, or other form, classified as confidential in the aforementioned Operating Procedure.
5. “*Employee*” - means any person employed by the Commission, on contract as a consultant with the Commission (with this Code applicability as provided in their contract), serving as an intern with the Commission, or any agent of the Commission which shall include seconded Member States’ staff serving as interim staff for the Commission. The term Employee also includes the Executive Director, unless otherwise specifically provided for in any provision of the Code;
6. “*Executive Director*” - means that person chosen subject to Article III, Section 3 of the Bylaws;
7. “*Financial Interest*” – means a pecuniary interest relating to a financial asset, liability, or other interest such as ownership of certain financial interests or investments in stocks, bonds, mutual funds, or real estate. A financial interest may also derive from a salary, indebtedness, job offer, or other similar interest. This

definition does not include remote interests such as the owning of shares in a diversified mutual fund, employee benefit plan, or pension plan that holds the stocks, bonds, mutual funds or real estate. Owning an insurance product readily-attainable in the marketplace does not constitute a financial interest for the purpose of this Code.

8. “*Insurer*” - means an entity defined in Article II of the Compact.
9. “*Member*” – means a persons defined as a “Member” in Article II of the Compact ; specifically the person chosen by a Compacting State as its representative to the Commission, or his or her designee.
10. “*Official action*” – means decisions relating to rule-making, the establishment of Uniform Standards for Products or product filing review.
11. “*Personal Investments*” – means a disbursement of funds or other assets for the purpose of obtaining or securing an ownership interest in an enterprise, and includes any activity by a Member or Employee that is intended to affect that Member’s or Employee’s financial interest.

B. Disciplinary Action

1. An Employee found to have conducted himself or herself in contravention of the terms of the Code will be subject to any penalty deemed appropriate by the Executive Director, consistent with Article V of the Bylaws. A Member found by the Management Committee to have conducted himself or herself in contravention of the Code will be subject to censure by the Management Committee and may be subject to referral to the appropriate authorities in the State which the Member represents. An Executive Director found by the Management Committee to have violated the Code will be subject to any disciplinary action deemed appropriate by the Management Committee, consistent with Article III of the Bylaws.

2. Reporting Responsibility for Members and Employees

It is the duty of every Member and Employee to comply with the Commission’s policies, and standards of conduct as set forth in this Code, and to report suspected violations of it to the Executive Director.

3. Anti-Retaliatory Provision

No Employee will be discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of his or her employment or appointment because they, or a person acting on their behalf, make a good faith report or are about to report, verbally or in writing, a suspected violation of the Commission's policies, Bylaws, or this Code. This Whistleblower Policy is intended to enable employees to raise serious concerns about operations within the Commission for resolution through proper channels.

C. General Standards

1. No Employee of the Commission may accept offers of employment or work for compensation that may impair his or her independence of judgment in the exercise of his or her official duties. Prior approval is required for any Employee seeking dual or supplemental employment while working for the Commission. (See also "Post-Employment," Section G, below.)
2. No Member or Employee may disclose confidential information acquired by him or her in the course of the Member's or Employee's official duties nor may the Member or Employee use such information to further personal interests or for pecuniary gain.
3. No Member or Employee may use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself, or others.
4. No Member or Employee may engage in any transaction in which the Member or Employee has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of the Member's or Employee's official duties on behalf of the Commission.
5. If a Member or Employee has any permissible financial interests and/or personal investments in enterprises regulated by the Commission, or that the Member or Employee has reason to believe may be directly subject to product review decisions to be made by the Commission and/or appeals processes to be undertaken by Members under the Commission's Statute and Bylaws, or which will otherwise create substantial conflict between the Member's or Employee's duty in the public interest and the Member's or Employee's private interest, the Member or

Employee will inform the Executive Director for possible recusal from the respective Commission processes.

6. No Member or Employee should engage in any course of conduct that, in the view of a reasonable person, is likely to be perceived as a violation of his or her duties to the public, the Compact, and the Commission.

D. Disclosure of Financial Interest

1. Any Employee who has a financial interest and/or personal investment, direct or indirect, in any business which is subject to the regulatory jurisdiction of the Commission, shall file with the Executive Director a written statement that the Employee has a financial interest in said business. Additionally, Employees shall also disclose to the Commission such financial interests and/or personal investments of immediate family members. For the purposes of this Code, receipt of a pension or other ongoing financial benefit from prior employment with a regulated entity shall be a reportable financial interest. However, no Employee shall be deprived any such pre-existing pension or other benefit so long as it is fully disclosed. An insurance policy readily-attainable in the marketplace will not be a reportable interest; however, any such discounted insurance product will be reportable.
2. For the purposes of this Code, any Member with a financial interest and/or personal investment, direct or indirect, in any business subject to the regulatory jurisdiction of the Commission shall notify the Commission of such if that Member is called to serve on a Commission review panel under Article XI of the Statute, and/or directly participate in any Commission product review decisions. This notification shall also apply if the Member's immediate family has such financial interests or personal investments in this limited instance.

E. Nepotism

No Employee may cause to be employed, in any capacity, any relative of said Employee at the Commission.

F. Receipt of Gifts

1. The receipt, acceptance, or solicitation of a gift by a Member or Employee from a prohibited source is strictly prohibited.
 - a. For purposes of this section, a prohibited source is any person or entity, its officers, employees, representatives, and agents who seeks to influence official action by the Commission.
 - b. For purposes of this section, a gift is anything of monetary value and includes money, service, loan, travel, entertainment, hospitality (including meals and drinks), thing or promise that the recipient knows or should know is given in connection with or because of the Member's or Employee's official position with the Commission. *Except that* hospitality provided in whole or in part, included by a regulated entity, at a "widely-attended" conference, convention, or similar event may be accepted, provided that:
 - i. Such hospitality, in the form of food or drinks is available to all attendees or speakers at the event; and
 - ii. In the judgment of a reasonable person, the circumstances surrounding the offer of hospitality would not lead one to conclude that the purpose of the offer is to influence the actions of the Member or Employee in the performance of his or her official duties and the offer of hospitality does not, in fact, influence the Member's or Employee's performance of official duties.
 - c. Membership and benefits in frequent flyer, hotel and other travel programs, whereby points are earned by Employees through business travel are not considered gifts, and may be retained by the Employee.

2. Exceptions:

- a. The following are not considered gifts, the receipt, acceptance, or solicitation of which is strictly prohibited by the Code:
 - i. Gifts received by will, intestate succession, or trust established by an immediate family member;
 - ii. Gifts from immediate family or personal friends;

- iii. Infrequent gifts of nominal value. Examples include pens, calendars, t-shirts, or any item that does not exceed \$25 in value.
 - iv. Anything available or distributed to the public generally without regard to the official status of the Member or Employee.
 - v. Waiver of fees associated with participation in a widely-attended event, when the Member's or Employee's attendance is in furtherance of the mission of the Commission. For purposes of this section and section F.1.b., a widely attended event is any event that is reasonably expected by the Member or Employee to be attended by at least 25 persons.
 - vi. Meals, travel, or lodging provided by a compacting state insurance department, government office or the National Association of Insurance Commissioners (NAIC) in connection with a Member's or Employee's official duties on behalf of the Commission
- b. Any Member or Employee may, either request clarification from the Executive Director as to the propriety of any gift, transaction, meal or interaction with entities regulated by the Commission, or directly ask the Management Committee for an opinion on such.

G. Post-Employment

No Employee or former Employee may appear officially before or communicate with Commission Employees on product filing decisions made by the Commission with the intent to influence the Commission on such product filing decisions on behalf of any person or entity for a fee for a period of one year from the date that they ceased to be an Employee.

H. Political Activity

1. For purposes of this section, "political campaign" means any public campaign for partisan political office. For purposes of this section, "political activity" is intended to include political campaigns and any other activity intended to influence a political campaign, including soliciting political contributions.

2. Except as noted in subsections 3 and 4, there are no restrictions on Employees to engage in political activity and volunteer for political campaigns on their own time and using their personal resources. However, no Employee may engage in political activities while on Commission time, or use Commission materials, facilities, or other resources in connection with a political campaign. In addition, Employees may not:
 - a. Use their official authority to influence or interfere with an election;
 - b. Solicit or discourage political activity of anyone with business before the Commission;
 - c. Solicit or receive political contributions on Commission premises or using Commission resources;
 - d. Wear partisan political buttons while acting in their official capacity as an Employee of the Commission;
 - e. Be candidates for any elected or appointed office which has regulatory authority over the insurance industry without prior notice to the Commission;
 - f. Engage in political activity while;
 - i. On duty;
 - ii. In Commission offices; or
 - iii. Using a Commission vehicle or a personal vehicle for the use of which reimbursement is sought from or provided by the Commission.
3. Employees may not engage in political activity on behalf of, or at the suggestion or direction of, a Member or a Member's agent, including, but not limited to, a Member's political campaign.
4. Employees may not make monetary or in-kind contributions to Member's political campaign.

I. Allegations of Code Violations

Any person may allege a violation of the Code by a covered person, although the procedures for making such an allegation differ depending on whether the person alleged to have violated the Code is a Member, the Executive Director, or an Employee.

1. Member

In cases in which the person alleged to have violated the Code is a Member, any such allegation may be brought to the attention of the Executive Director, along with any supporting documentation and/or sworn affidavits, for referral to the Commission's Management Committee. The Management Committee is authorized to conduct an inquiry, take evidence, and question persons involved, in open or closed session, at the Committee's sole discretion. A Member accused of violating the Code shall have the right to a hearing before the Management Committee. The Management Committee may take disciplinary action pursuant to Section III, Paragraph B (1) of the Code.

2. Executive Director

In cases in which the person alleged to have violated the Code is the Executive Director, such an allegation may be brought directly to the Management Committee, along with any supporting documentation and/or sworn affidavits. The Management Committee is authorized to conduct an inquiry, take evidence, and question persons involved, in open or closed session, at the Committee's sole discretion. An Executive Director accused of violating the Code shall have the right to a hearing before the Management Committee.

3. Employee

In cases in which the person alleged to have violated the Code is an Employee, any such allegation may be brought to the attention of the Executive Director, along with any supporting documentation and/or sworn affidavits. With documented findings, the Executive Director may take disciplinary action against the Employee pursuant to Section III, Paragraph B (1) of the Code.

APPENDIX A: EMPLOYEE ACKNOWLEDGEMENT

“I hereby acknowledge receiving a copy of the Interstate Insurance Product Regulation Commission (“the Commission”) Code of Ethics (the “Code”).

“I have read and understand the Code and will endeavor to conduct myself to the highest ethical and legal standards and to comply with the rules outlined therein. I furthermore understand that, should I breach the Code I am subject to penalty, including discharge, subject to Article V of the Bylaws.”

Employee's Name: _____

Employee's Signature: _____

Date: _____