

# Code of Ethics

V2.6, 2024

## The Association

The American Association of Insurance Management Consultants (“AAIMCo”) is dedicated to providing its members a medium for the exchange of ideas through organized conferences, seminars, its website, and social media.

AAIMCo shall advance professional standards of service and performance in the insurance and risk management industry through self-regulation and a Code of Ethics.

AAIMCo shall encourage its membership to network, to provide referrals for each other, when qualified, and to provide an atmosphere for joint undertakings.

AAIMCo shall develop and maintain a sound public relations program to promote its image within the insurance industry and with the public.

AAIMCo shall, as needed, provide the insurance industry with guidelines or white papers clarifying coverages, positions, or other insurance issues.

AAIMCo shall promote leadership, understanding, and diversity within the insurance industry.

## Forward

The Code of Ethics is directed primarily at ensuring and safeguarding the quality of services provided by the members of AAIMCo to the public they serve. Secondly, it is directed at achieving orderly and courteous professional conduct among the members of AAIMCo.

The Code of Ethics provides a set of standards that members should regard as a minimum level of acceptable professional conduct. The Code clarifies the nature of behavior that professional colleagues deem essential for maintaining the reputation of the profession and the services they provide. The Code provides the public an assurance that AAIMCo is imposing on itself high standards by which it is willing to be judged. The Code forms the basis for disciplinary procedures through which allegations of professional misconduct may be addressed.

## General Principles

The General Principles of acceptable professional conduct required of each member of AAIMCo are as follows:

1. A member shall conduct himself/herself at all times as a professional and in a manner that will maintain the profession's good reputation, integrity, and good faith. A member shall exercise due care and sustain his/her professional competence by keeping informed of and complying with developments in professional standards. Professional excellence shall be the foundation and the constant focus upon which the member's practice is based.
2. A member shall perform his/her professional services with integrity, good faith, and due care.
3. A member who is engaged to express an opinion shall hold himself/herself free of any influence or interest regarding the client's affairs. The member shall not allow any such influence or interest to impair his/her professional judgment or objectivity, nor shall the member engage in any activity which, from a public perspective, would cause an appearance of such. A member shall have no financial interest in the outcome of any litigation for which he/she is engaged.

4. A member shall treat all other members with the courtesy, consideration, and respect due to professional colleagues, and each member shall conduct himself/herself in the same manner he/she would like to be treated.

## General Rules of Professional Conduct

The Rules of Professional Conduct set out below are intended to serve as a guide for the members of AAIMCo in the conduct of their professional affairs. Since no set of rules can hope to cover adequately the wide range of situations with which members may be faced, the rules must be subject to interpretation. Violation of the following rules may render a member liable to disciplinary action by the Board of Directors of AAIMCo through the Ethics Committee.

1. A member shall comply with the constitution, by-laws, regulations, orders, resolutions, and the Code of Ethics of AAIMCo as they may be constituted from time to time by the Board of Directors of AAIMCo.
2. A member has a duty, in the practice of his/her profession, to be competent, conscientious, knowledgeable, diligent, efficient, and free from outside influence.
3. A member shall accept only assignments for which the consultant is qualified and for which it is believed there will be real benefits to the client.
4. A member shall not charge more than a reasonable fee. Determination of the reasonableness of a fee requires consideration of many factors, including the nature of the service performed, the time required, the consultant's experience, ability, and reputation, and the degree of responsibility assumed. Whenever possible, the consultant shall agree in advance with the client on the fee or the fee basis.
5. A member shall not, in connection with any transaction involving a client, hold, receive, bargain for, become entitled to, or acquire any fee, remuneration, or benefit without the client's knowledge and consent.
6. A member shall not sign any letter, report, or other document submitted to a client that the consultant knows or should know contains false or misleading information.
7. A member shall avoid any conflict of interest which might impair his/her professional judgment or which may give the impression of such to outside observers.
8. A member shall not serve two or more competing clients in the same transaction.
9. A member shall guard as confidential all information of the client that is gathered during the course of a professional assignment. A member shall not take advantage, either personally, professionally, or financially, of material or inside information entrusted to the consultant, nor shall the consultant make such information available to others without the client's prior consent.
10. Before accepting an assignment, a member shall confer with the client or prospective client in sufficient detail and gather sufficient facts to understand the problem, the scope required to solve it, and the potential benefits that may accrue to the client. The preliminary exploration shall be conducted confidentially on terms and conditions agreed on by the consultant and the prospective client. A member shall refrain from guaranteeing a client any benefit arising from the provision of consulting services.
11. When providing expert witness services, a member who has been contacted by one party but not retained shall not be precluded from accepting a designation from another party in the same case unless the local jurisdiction dictates otherwise or the original prospective client provided private or privileged information. The retaining attorney should be advised of the prior contact.

12. A member shall not knowingly engage in any unlawful activity on his/her own or on a client's behalf.
13. A member shall report to the President or the First Vice President of AAIMCo as soon as possible and not later than 14 days if he/she has been named in an administrative proceeding/action by an insurance or other financial services regulatory authority, has been charged with any crime related to insurance or other financial services business or has been convicted of a felony of any type.
14. A member shall not adopt any method of obtaining business that would detract from the professional image of AAIMCo or its members.
15. A member shall not permit associates to commit acts on his/her behalf which, if committed by the member, would constitute a violation of the Rules of Professional Conduct.
16. A member shall refrain from initiating an invitation to an employee of a client to consider alternative employment. In this context, an advertisement in the press is not considered to constitute an invitation to any specific person.
17. After completing an engagement, a member shall retain, for a reasonable time and/or per the written directive of the retaining attorney and subject to any applicable law, documentation, and working papers that reasonably evidence the nature and extent of the work conducted in the professional engagement.
18. A member shall not withdraw his/her services except for compelling cause and only after appropriate notice. Upon discharge or withdrawal, the member should deliver to (or to the order of) the client all papers and property to which the client is entitled. The member shall promptly render an account for outstanding fees and disbursements.
19. A member who knows of an act of another member that, in his/her opinion, violates this Code of Ethics shall report the matter in writing to the Ethics Committee.

## Conduct of a Professional Practice

It follows from the foregoing that membership in a professional body conveys some privileges and imposes some obligations and constraints. These flow from a true professional's relationship with clients and colleagues. Therefore:

1. It is good practice to have a written contract, letter of intent, or at least a clear oral agreement between the member and the client covering the nature of the assignment, scope of work, time of delivery of the report, and amount of fees.
2. A member shall not reduce the fee that the member has already quoted to a client or a prospective client to supplant another member after the latter's quotation has been made known to the member.
3. A member shall not injure or attempt to injure by false or malicious statements, or by innuendo, the professional reputation or prospects of any member.
4. A member shall be entitled to disclose information regarding the client, which is otherwise confidential, for the purpose of defending said member or said member's associates or employees against alleged professional misconduct. Such entitlement shall extend to any legal proceeding to recover unpaid professional fees and disbursements, but only to the extent necessary for such purposes.
5. A member shall encourage a professional business entity with which the member is associated as a partner, principal, director, officer, or employee to abide by the Code of Ethics.
6. A member may refer to his/her membership in AAIMCo when providing testimony.

7. If a member is unsure whether a potential action meets the ethical standards of AAIMCo, he/she may seek an advisory opinion from the Ethics Committee.

## Disciplinary Action

1. Disciplinary action against any member may be taken in the event of any violation of specific provisions (or the spirit or intent set forth therein) of the AAIMCo constitution, by-laws, resolutions, orders, or the Code of Ethics.
2. Disciplinary actions fall under the jurisdiction of the AAIMCo Board of Directors. The Board of Directors shall appoint the Ethics Committee, which shall be investigative and advisory in nature.
3. After due investigation, upon recommendation of the Ethics Committee, and upon being satisfied of a breach of the Code of Ethics, the Board of Directors of AAIMCo shall be entitled to censure, suspend, or expel such member in breach. Upon any such expulsion, the member's membership in AAIMCo shall be terminated, and the member shall immediately cease to be, or hold himself/herself out as, a member of AAIMCo. Such a member shall have the right to appeal within thirty days by submission in writing to a special committee appointed by the Board. The special committee shall be comprised of three former Presidents of AAIMCo, none of whom are members of the Ethics Committee.