

Code of Professional Conduct

Version 3
Dated: August 2013

Purpose of Code of Professional Conduct

The Insurance Managers Association of Cayman (öIMACö) has issued this Code of Conduct in order to assist its (*Full*) Members to meet high standards of professionalism and ethics.

IMAC was founded to promote the development of the Industry and the three pillars of this development are - Integrity, Innovation and Intellect. The Code of Conduct was developed to strengthen these objectives and provides guidance as to the standards expected of every Full Member.

All Full Members should therefore adhere to the Code of Conduct.

Full Members are those members subscribed to the Company and are listed in the Register of Members. Members are corporate and therefore references to "Members" shall by extension apply to the employees of those members.

CODE OF PROFESSIONAL CONDUCT – FULL MEMBERS

A MEMBER SHOULD:

- A. Seek continually to maintain and improve their professional knowledge, skills, and competence.**

Rule 1 On-going professional education is a minimum obligation for every Member. Members shall maintain a high level of expertise in the insurance and risk management fields they serve. The Executive Committee does not set specific continuing educational standards, nor does it currently require that a Member provide regular evidence of on-going education. Rather, it is the responsibility of each Member to decide which continuing education path will satisfy this rule.

Toward fulfilment of this rule, the Executive Committee recommends (but does not require) that Members participate in IMAC and/or other industry training sessions.

- B. Obey all laws and regulations, and should avoid any conduct or activity that would cause unjust harm to others.**

Rule 2.1 A Member shall exercise the utmost good faith in the conduct of business or professional activities. A Member shall not engage in any business practice or activity designed to restrict fair competition with the exception of a Member's participation in a legally enforceable covenant not to compete or similar activity allowed by law. A Member shall not wilfully misrepresent or conceal any fact or information, or fail to furnish any fact or information that is material to the business or professional activity.

Rule 2.2 A Member shall not allow the pursuit of financial gain or other personal benefit to interfere with the exercise of sound professional judgment and skills.

Rule 2.3: A Member shall support the development, improvement, and enforcement of laws, regulations, and codes that will foster competence and ethical conduct within the insurance industry and benefit the public. Members should remain informed of, uphold and not violate any policy, rule, law, or regulation relating to professional activities within the country in which business is being conducted. Members shall also adhere to Statements of Principal and Guidance issued by Regulatory authorities in the Cayman Islands.

- C. Aspire to raise the professional and ethical standards of the insurance and risk management profession.**

Rule 3.1 A Member shall encourage and assist others to enhance their professional competence.

Rule 3.2 A Member shall support the development, improvement, and enforcement of laws, regulations, and codes that will foster competence and ethical conduct on the part of all insurance managers and benefit the public.

Rule 3.3 A Member shall not withhold information or assistance officially requested by an appropriate regulatory authorities who are investigating or prosecuting any alleged violation of laws or regulations.

D. Strive to establish and maintain dignified and honourable relationships with those whom they serve, with fellow insurance professionals, and with members of other professions.

Rule 4.1 Members must treat as confidential all information obtained by or entrusted to them in the course of their professional duties, unless otherwise required by law or as necessary to complete their professional work.

Rule 4.2 In any given circumstance, a Member should accurately represent his or her ability to provide the amount or quality of professional services required. When a client requests or when issues lie outside the expertise of a Member, he or she must seek counsel of other professionals to ensure the necessary quality of professional service.

E. Avoid conflict between his personal interests, or the interests of any associated company or person, and his duties to the company.

Rule 5.1 Members should have regard to the principles of good corporate governance, as it is reasonable and appropriate. This includes implementation of appropriate internal controls and division of responsibilities.

DISCIPLINARY PROCEDURES

The Executive Committee of IMAC reserves the power to apply penalties, suspend or revoke the membership or approve other penalties as stated in IMAC's Articles of Association.

Violations involving criminal conviction may subject a Member to automatic suspension without the procedural steps that may otherwise be involved, because the conviction itself is objective evidence of a Rule violation

In addition, violations of the terms outlined in Section 6 of IMAC's Articles of Association gives cause for automatic termination. This section states that:

A person shall ipso facto cease to be a Member of the Company:

- (a) if he at any time shall cease to be eligible for Membership in accordance with the requirements of Article 5(a);*
- (b) if the Executive Committee determines, after giving the Member an opportunity to be heard and, if the Executive Committee determines it to be appropriate, an opportunity to remedy any conduct complained of, that the Member has been in breach of the spirit or intent of the objects of the Company as set out in its Memorandum of Association to the extent that he should cease to be Member of the Company and has given notice of such determination to the Member;*
- (c) if being a corporation or partnership, a receiver is appointed in respect of its affairs, or it makes any arrangement or composition with its creditors generally or has a compulsory winding up order made against it or passes a resolution requiring it to be wound up voluntarily;*
- (d) if an individual, he dies, becomes bankrupt, has a receiver appointed in respect of his affairs or makes any arrangement or composition with his creditors generally, or is found to be or becomes of unsound mind;*
- (e) if he resigns from Membership by notice in writing to the Company; or*
- (f) if he fails to pay his annual subscription in terms of Article 4 hereof and the Executive Committee determines to terminate his Membership.*

A Member is immediately suspended from further participation in IMAC if convicted by verdict, guilty plea, or plea of *nolo contendere* of any crime that violates the Code of Professional Conduct. This suspension lasts indefinitely, or until the Executive Committee has been convinced that the person is again fit to be a Member.

ADMISSION PROCEDURES

Admission shall be considered on the basis of an application for one of the following categories: Full Member (Licensed Insurance Managers), Class B, Class C, Associate Member ó Local, Associate Member ó Overseas.

Full Membership applications

Only a person (*legal person*) who is ordinarily resident in the Cayman Islands or has a place of business in the Cayman Islands from which he conducts some or all of his business shall be eligible for Full Membership of the Company. Only a person who is duly licensed as an Insurance Manager under the provisions of the Insurance Law (2010 Revision) or any further amendment or variation thereof shall be eligible for Membership as a Member of the Company and be so entitled to attend and vote at any general meeting of the Company, as long as the Company has subscribed to be a member of the Insurance Managers Associations of Cayman and is listed on the Insurance Managers Association of Cayman Register of Members.

Class B applications

Only a Company which is duly licensed as a Class B insurance company under the provisions of the Insurance Law (2010 Revision) or any further amendment or variation thereof shall be eligible for Membership as a Class B Member of the Company.

Class C applications

Only a Company which is duly licensed as a Class C or D insurance company under the provisions of the Insurance Law (2010 Revision) or any further amendment or variation thereof shall be eligible for Membership as a Class C Member of the Company.

Associate Members – Local and Overseas

Any other interested companies may apply to become Associate Members. These will be categorized as local or overseas members depending on the location of their place of business.

The application form shall be in such form as may be prescribed from time to time by the Executive Committee, and be made available from the IMAC General Manager and/or IMAC website.

Each applicant is required to forward payment of the applicable dues to IMAC either with a hard copy of their application, or once the online application has been submitted. For online transfer details, please contact the IMAC General Manager. Each application for Full Members will be received by the IMAC General Manager and reviewed by the Executive Committee before being approved as a member.

Each successful applicant shall have their name and prescribed details entered onto the Register of Members and added to IMAC's website. The Executive Committee will report to the Insurance Department of the Cayman Islands Monetary Authority the list of Full Members each year.

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