

California Insurance Guarantee Association Compliance and Ethics Policy

The California Insurance Guarantee Association (CIGA) is committed to fostering a workplace conducive to open communication regarding CIGA's business practices and to protecting its employees from unlawful retaliation or discrimination for properly reporting illegal conduct or violations of CIGA's Conflict of Interest policy.

Summary of Policy

This policy governs both the reporting and investigation of allegations of suspected unlawful activities and the protection of whistleblowers from retaliation. It describes the procedures for investigating known or suspected improper activities and addressing complaints of retaliation for raising such issues. This policy is intended to address serious allegations of illegal or unethical conduct. It does not encompass general workplace issues such as acts prohibited in CIGA's Standards of Conduct which, though prohibited, are neither illegal nor unethical.

Policy

CIGA is strongly committed to the concept of good business citizenship and expects all its employees to obey the law. CIGA's internal controls and operating procedures are intended to detect and to prevent or deter improper activities. However, intentional and unintentional violations of laws, regulations, policies and procedures may occur and may constitute unlawful activities. CIGA has a responsibility to investigate and report allegations of suspected improper activities to appropriate parties, and to protect those employees who, in good faith, report these activities to the appropriate authority.

CIGA employees may not: (1) retaliate against an employee or applicant for employment who has made a protected disclosure or who has refused to obey an illegal order; nor (2) directly or indirectly use or attempt to use his or her position for the purpose of interfering with the right of an applicant or an employee to make a protected disclosure to CIGA. CIGA intends to take whatever action may be needed to prevent and correct activities that violate this policy.

Procedure

A. Reporting Suspected Improper Activities

1. Any person may report allegations of suspected illegal activities or violations of CIGA's Conflict of Interest policy. Knowledge or suspicion of improper activities may originate from employees or temporary employees carrying out their assigned duties, internal or external auditors, law enforcement, regulatory agencies, or other third parties. Allegations of suspected improper activities may also be reported anonymously.
2. Allegations of suspected improper activities should be made in writing, so as to assure a clear understanding of the issues raised, but also may be made orally. Such reports should be factual and contain as much specific information as possible.
3. CIGA employees wishing to report allegations of suspected improper activity should contact EthicsPoint, Inc., an outside firm designated by CIGA's Board of

Governors, to be the initial recipient of such reports. Contact information for reports is as follows:

Phone contact: 888-258-3985
Internet contact: www.ethicspoint.com

4. When a person reports suspected improper activities, the report is known as a protected disclosure. CIGA employees and applicants for employment who make a protected disclosure are protected from retaliation.
5. All reports will be investigated promptly and with discretion, and all information obtained will be handled on a "need to know" basis. Reports dealing with allegations of illegal conduct or violations of CIGA's Conflict of Interest policy shall be provided to the Executive Director of CIGA, unless the report alleges actions by the Executive Director, in which case, the report shall be forwarded to the Executive Committee of CIGA's Board of Governors. Any complaints dealing with matters other than illegal conduct or violations of CIGA's Conflict of Interest policy will be referred to the appropriate supervisor for action as necessary. At the conclusion of an investigation, as appropriate, remedial and/or disciplinary action will be taken where the allegations are verified and/or otherwise substantiated.
6. EthicsPoint, Inc. will provide reports outlining each allegation of suspected improper activities and actions taken in response to the Executive Committee of CIGA's Board of Governors on a regular basis.
7. The Executive Committee may enlist additional outside legal, accounting or other advisors, as appropriate, to conduct any investigation of complaints regarding financial statement disclosures, disclosure concerns or violations, accounting, internal accounting controls, auditing matters or violations of CIGA policies.

B. Protection from Retaliation

1. Any employee who believes he or she has been subjected to or affected by a retaliatory conduct (1) for reporting suspected unlawful activity, or (2) for refusing to engage in activity that would result in a violation of law, should report such conduct to the appropriate supervisory personnel (if such supervisory personnel is not the source of or otherwise involved in the retaliatory conduct). Any supervisory employee who receives such a report, or who otherwise is aware of retaliatory conduct, is required to advise the General Counsel of any such report or knowledge of retaliatory conduct.
2. If the employee believes that reporting such conduct to the appropriate supervisor is for any reason inappropriate, unacceptable or will be ineffectual, or if the report to the supervisor has been made and the retaliatory conduct has not ended, the employee should report the incident directly to the General Counsel, Thomas Jenkins, at Locke, Lord, Bissell and Liddell at (312) 443-1777.

C. Other Remedies and Appropriate Agencies

1. In addition to the internal complaint process set forth above, any employee who has information concerning allegedly unlawful conduct may call the California State Attorney General Hotline (800-952-5225).