



# Code of Ethics

Including Conflicts of Interest Policy



# CODE OF ETHICS

## Citizens Property Insurance Corporation

### Our Mission

To efficiently provide property insurance protection in Florida to those who are, in good faith, entitled to obtain coverage through the private market but are unable to do so, while also providing levels of customer service that are comparable to the standards of the private market.

### Our Vision

As a government entity fulfilling a public purpose, Citizens aspires to provide insurance products and services that meet the needs of Florida property owners who are, in good faith, entitled to obtain coverage through the private market but are unable to do so. We strive to reduce the financial burden on all Floridians by being good stewards of the premium funds entrusted to us. In all that we do, we will conduct ourselves with the highest level of ethical behavior.

### Our Values

In accomplishing our mission, we embrace the following values:

- **Public Service:** We contribute to the public health, safety and welfare of our customers and the state.
- **Integrity:** We embrace our values and code of ethics with pride.
- **Respect:** We will respect one another and those we serve.
- **Courtesy:** We will be polite and display respectful behavior at all times.
- **Responsiveness:** We will provide quality service to our customers that is comparable to the standards of the private market.
- **Fairness:** Our overriding culture is to always do the right thing.

## Letter from the President



Citizens has made great strides in establishing a culture of ethics. This is something I strongly believe in and wholeheartedly support. Please use this *Code of Ethics* as your guide to help ensure we can enjoy an ethical workplace that makes all of us proud.

This *Code of Ethics* governs the conduct of the corporation's officers and employees and provides us with a comprehensive guide to what is expected when conducting Citizens business. The *Code* is the bedrock of Citizens' Organizational Ethics program, which also includes:

- Mandatory ethics training for new employees
- An annual ethics review course for all employees
- Ongoing ethics discussions between management and staff
- [Ask.Ethics@citizensfla.com](mailto:Ask.Ethics@citizensfla.com), a resource for obtaining an official interpretation of the *Code* or answer about a specific situation
- The *Tell Citizens* hotline, a confidential resource for reporting suspected ethics violations, misconduct, and unlawful activities

At Citizens, we strive for a culture of accountability, transparency, and trust to shape our reputation among our policyholders, business partners, and all Floridians for trustworthiness and respect. Citizens values – our commitment to *public service, integrity, respect, courtesy, responsiveness and fairness* – provide clear direction and a sense of what it means to be a Citizens employee.

Your commitment to the ethical principles required by the *Code of Ethics* is an integral part of your Citizens service. I encourage you to take advantage of the many resources we provide to assist with your compliance. Thank you.

Barry Gilway  
President/CEO and Executive Director

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# Chapter 1

## Purpose of the Code

This Code of Ethics establishes standards that guide our business conduct and support a culture of accountability, transparency, and trust. Its purposes include:

- Protecting the public interest and integrity of the corporation;
- Maintaining Citizens as a trustworthy corporation;
- Ensuring that employees and members of Citizens' board do not use their positions for personal gain; and
- Ensuring compliance with applicable state ethics laws.

This policy is divided into sections which together comprise the Citizens Code of Ethics.

## Definitions

For purposes of this Code of Ethics, the following definitions apply:

1. "Business associate" means a person or entity engaged in or carrying on a business enterprise with a board member or senior manager as a partner, joint venturer, or corporate shareholder if the shares are not listed on a national or regional stock exchange, or a co-owner of property.
2. "Conflict of interest" means a situation in which a person has competing professional or personal interests which make it difficult to properly discharge their duties impartially or which lead to a disregard of a public or corporate duty. A conflict of interest exists even if no unethical or improper act results. A conflict of interest can create an appearance of impropriety that can undermine confidence that the person can perform his or her duties and responsibilities objectively.
3. "Employee" means a person who is hired by Citizens and through the employment relationship with the corporation is subject to the right of the corporation to control what work the employee will do and how it will be done.
4. "Gift" means something of value that is accepted by an officer or employee or by another on the officer's or employee's behalf, or something which is paid or given to another for or on behalf of the officer or employee, directly, indirectly, or in trust for the employee's benefit or by any other means, for which equal or greater consideration is not given contemporaneously or at the first reasonable opportunity.

Examples of gifts include:

- Food, beverages, or floral arrangements
- Tickets to events or performances
- Invitations to social or recreational events
- Goods or services for which a cost or fee is usually charged
- Transportation
- Lodging

“Gift” does not include a gift from a relative or a gift received by a relative as a result of an independent relationship with the vendor where the gift is clearly not intended for the Citizens officer or employee. “Gift” also does not include:

- An award, plaque, certificate, or similar personalized item given in recognition of the officer’s or employee’s public, civic, charitable, or professional service; or
- Salary, benefits, services, fees, commissions, gifts, or expenses associated primarily with the officer’s or employee’s employment, business, or service as an officer or director of a corporation or organization.

5. “Honorarium” means a payment of money or anything of value, directly or indirectly, as consideration for:
  - A speech, address, oration, or other oral presentation, regardless of whether presented in person, recorded, or broadcast over the media.
  - A writing, other than a book, which has been or is intended to be published.
6. “Indirect gift” means a gift to an officer or employee given through a relative or other third party, or a gift to another when the benefit is for the officer or employee.
7. “Insurance fraud” means an insurance transaction undertaken with the intent to obtain money or other benefit or advantage to which the perpetrator is not entitled, or the knowing denial of an insurance benefit to which someone is entitled.
8. “Material interest” means direct or indirect ownership of more than 5% of the total assets or capital stock of a business.
9. “Material personal financial interest” means any position as owner, proprietor, manager, partner (active or silent), officer, director, shareholder, or beneficiary of a business entity. A material personal financial interest does not, in most instances, pertain to ownership of a limited number of shares in publicly held firms, shares owned through a mutual fund, or personal bank accounts.
10. “Officer” means a member of the Board of Governors of the corporation and the executive director/president of the corporation.
11. “Principal by whom retained” means an individual or entity, other than a governmental entity, that for compensation, salary, pay, consideration, or similar thing of value, has permitted or directed another to act for the individual or entity, and includes, but is not

limited to, one's client, employer, or the parent, subsidiary, or affiliate organization of one's client or employer.

12. "Relative" means:

A person to whom the officer or employee is related as a father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, grandparent, great grandparent, grandchild, great grandchild, step grandparent, step great grandparent, step grandchild, or step great grandchild;

A person who is engaged to be married to the officer or employee, or who otherwise holds himself or herself out as, or is generally known as, the person whom the officer or employee intends to marry, or with whom the officer or employee intends to form a household; or

A natural person having the same legal residence as the employee.

*Please note that this definition of relative applies to the gift provisions. It is defined differently in sections relating to nepotism and voting conflicts.*

13. "Represent" means actual physical attendance on behalf of a client in a Citizens proceeding, the writing of letters or filing of documents on behalf of a client, and personal communications made with Citizens officers or employees on behalf of a client.
14. "Secondary employment" means any external employment, including self-employment, work performed as an independent contractor, or holding public office, that is in addition to an employee's primary position with Citizens and for which an employee receives or expects to receive compensation. Secondary employment also includes actively marketing personal or professional services or the sale of a product, whether or not compensation has actually been received. Secondary employment does not include the incidental sale of personal items, volunteer activities, military service, or the management of one's personally-owned assets.
15. "Senior manager" means a person employed as an executive who directly reports to the executive director/president, the chief internal auditor, the inspector general, and any other person designated by Florida law to be a senior manager of the corporation.
16. "Special private gain or loss" means an economic benefit or harm that would inure to the officer, or to their relative, business associate, or principal, unless the measure affects a class that includes the officer, his or her relative, business associate, or principal, in which case, at least the following factors must be considered when determining whether a special private gain or loss exists:
- a. The size of the class affected by the vote;
  - b. The nature of the interests involved;
  - c. The degree to which the interests of all members of the class are affected by the vote; or
  - d. The degree to which the officer, the officer's relative, business associate, or principal receives a greater benefit or harm when compared to other members of

the class.

The degree to which there is uncertainty at the time of the vote as to whether there would be any economic benefit or harm to the public officer, their relative, business associate, or principal must also be considered and the nature or degree of the economic benefit or harm in relation thereto.

17. "State ethics code" means the Code of Ethics for Public officers and Employees, part III of chapter 112 of the Florida Statutes.
18. "Vendor" means a person or entity that has an ongoing contract with Citizens or is under consideration for a contract, including but not limited to insurance companies, takeout companies, clearinghouse companies, insurance agents, adjusting firms, consultants, independent adjusters, contractors, law firms, and other service providers. The term vendor includes an employee, agent, corporate officer, owner, or other person acting on behalf of the vendor (or a parent or subsidiary corporation).

## General Provisions

### Ethics and Compliance Officer/Inspector General

The Citizens Organizational Ethics program is overseen by an Ethics and Compliance Officer, in collaboration with the Inspector General. The Ethics Officer provides advice and counsel to Citizens and its employees about ethics, values, and standards of conduct, and promotes ethical awareness through education and training. The Ethics Officer, in collaboration with the Inspector General, will interpret the Code, interpret statistics relating to internal investigations, and ensure appropriate reporting to corporate leadership.

### Ask Before Acting

If you are uncertain about whether an action or decision is ethical, always *ask before acting*. Citizens offers several ways to seek advice regarding ethical issues, including discussing the issue with your supervisor and sending an e-mail to [Ask.Ethics@citizensfla.com](mailto:Ask.Ethics@citizensfla.com).

If an employee remains uncertain about the proper course of action or if further explanation is needed, an official interpretation may be requested from the Ethics and Compliance Officer at [Ask.Ethics@citizensfla.com](mailto:Ask.Ethics@citizensfla.com). The Ethics and Compliance Officer, in collaboration with the Inspector General, will provide an opinion.

### Violations and Penalties

Citizens takes prompt remedial action when ethical violations are substantiated.

The Conflicts of Interest section of this code is adopted as a corporate policy (Policy #101). Violation of the Conflicts of Interest Policy constitutes misconduct and is subject to disciplinary action up to and including termination of employment.



Citizens officers and senior managers are subject to the civil and criminal penalties set forth in sections 112.317 and 112.3173 of the Florida Statutes. These penalties arise in the context of conflicts of interest, voting conflicts, financial disclosure, and unlawful gifts.

For officers, the possible penalties for violating the state ethics code include restitution, civil penalty (up to \$10,000 per violation), public censure and reprimand, and suspension and removal from office.

For senior managers, the penalties for violating the state ethics code include restitution, civil penalty (up to \$10,000 per violation), and public censure and reprimand.



# Chapter 2

## Conflicts of Interest Policy

<b>Corporate Policy</b>			
<b>Policy Title:</b>	<b>Conflicts of Interest</b>	<b>Policy Number:</b>	<b>101</b>
<b>Effective Date:</b>	<b>March 18, 2015</b>	<b>Policy Administrator:</b>	<b>Ethics and Compliance Officer</b>

### I. Purpose/Scope

A conflict of interest is a situation in which a person has competing professional or personal interests which make it difficult to properly discharge their duties impartially or which lead to a disregard of a public or corporate duty. A conflict of interest can create an appearance of impropriety that can undermine confidence that the person can perform his or her duties and responsibilities objectively.

This conflicts of interest policy establishes standards that guide expected business conduct and supports a culture of accountability, transparency, and trust to help Citizens officers and employees avoid conflicts of interest and perform their responsibilities in accordance with applicable laws.

This policy applies to Citizens officers and employees. It is both a stand-alone corporate policy and is incorporated in the Citizens Code of Ethics.

### II. Policy

**Officers and employees must avoid situations that involve a conflict of interest and may not use or permit the use of a relative or others to circumvent this policy.**

Employees of Citizens hold a public trust that obligates them to honesty and integrity in fulfilling their responsibilities. Paramount in that trust is the principle that public employment may not be used for personal gain or private advantage.

Citizens employees are required to maintain the highest standards of honesty, integrity, impartiality, and conduct to ensure the proper discharge of Citizens duties. The avoidance of misconduct and conflicts of interest on the part of employees through the use of informed judgment is vital to the success of these principles.

- Employees must act with honor and integrity in all professional relationships and must be honest and objective in all Citizens business transactions and negotiations.
- Employees must avoid employment or business activities and relationships that reflect adversely on their objectivity, create conflicts of interest, impair their ability to make impartial decisions, or otherwise interfere with the proper performance of their official duties.

- Employees have an affirmative duty to promptly disclose and cure conflicts of interest or ethical improprieties.
- Employees are required to be familiar with Citizens policies and local, state, and federal laws that affect their responsibilities and may not knowingly be a party to, or condone, illegal or improper activity.

The following represent types of conflicts of interest that arise commonly. This is not an exhaustive list. The fundamental test in every circumstance is whether a situation causes the officer or employee to have competing professional or personal interests which make it difficult to properly discharge their duties impartially or which lead to a disregard of a public or corporate duty.

#### A. Financial and Business Interests

Officers and employees may not knowingly own or have a direct or indirect material personal financial interest in a Citizens' business partner. Officers and employees may not have an interest, engage in a business transaction or professional activity, or incur an obligation of any nature which is in substantial conflict with the proper discharge of their corporate or public duties.

#### B. Secondary Employment

Employment with Citizens is considered primary. Employees must obtain written approval from Citizens prior to engaging in secondary employment. Approval is obtained by submitting the Secondary Employment Request Form to the employee's supervisor or manager.

Management will assess the impact of requested secondary employment and recommend approval or denial to the Chief of Human Resources. An employee's performance evaluation of less than 3.0 ("Meets Expectations") may be taken into consideration when evaluating the request for secondary employment, although it would not be the sole determining factor.

Secondary employment must be approved by Human Resources from a performance standpoint. In cases where a possible conflict of interest is raised, secondary employment must also be approved by the Ethics and Compliance Officer. The Chief of Human Resources, or designee, will notify management in writing of the decision to approve or deny the request. Management will notify the employee of the decision.

Secondary employment, including self-employment, cannot:

1. Interfere with the employee's ability and availability to perform their duties for Citizens;
2. Involve a conflict of interest; or
3. Involve the use of any of Citizens resources, including, but not limited to, work space, chargeable time, equipment, supplies, or personnel.

Employment with a Citizens' business partner is generally not permissible; however, it may be approved by the Ethics and Compliance Officer in the occasional instance in which employment with a business partner does not interfere with the full and faithful discharge by such employee of their duties to Citizens or to the public.

Employees are responsible for reporting any material changes in secondary employment status to their direct supervisor or manager, including but not limited to, any change in the number of hours, type of duties or demands, or if secondary employment ceases. An employee's failure to notify management of such changes may result in revocation of the secondary employment approval or corrective action, up to and including termination of employment.

Management must notify the Chief of Human Resources in writing if the secondary employment causes a conflict of interest, or adversely affects the employee's job performance and ability to fulfill all job responsibilities with Citizens, or if the employee has failed to report a material aspect of the secondary employment.

If the Chief of Human Resources determines sufficient grounds exist to revoke secondary employment approval, management will be notified in writing of the determination. Management will notify the employee of the decision and provide direction on a timeframe by which all secondary employment activities must cease. The employee's refusal to end the secondary employment as directed may result in corrective action, up to and including termination of employment.

#### C. Offers of Employment

An officer or employee engaging in communications with a business partner about the possibility of employment may have a conflict of interest if they are in a position of responsibility for Citizens business decisions that could affect the business partner. When this is the case, the employee is advised to consult with the Ethics and Compliance Officer for recommendations on how to avoid a conflict.

#### D. Unauthorized Compensation

Officers and employees may not accept any compensation, payment, or thing of value when the officer or employee knows, or with the exercise of reasonable care should know, that it was given to influence official action in which the officer or employee is expected to participate in his or her official capacity.

#### E. Gifts

1. Officers and employees may not directly or indirectly solicit or knowingly accept an expenditure or gift of any nature or value from:
  - Citizens' business partners, including their employees or representatives.
  - Policyholders or claimants when the gift is, or appears to be given for purposes of influencing an official decision or act of the employee or officer or as an expression of gratitude for a decision or act.

2. An indirect conflict of interest can occur if a relative of an officer or employee or any other person accepts a gift from a Citizens' business partner that can be reasonably construed as an indirect gift to the officer or employee.
3. An expenditure is not considered a prohibited gift when something of equal or greater value is given in return. This compensation must be made concurrent with the expenditure unless the amount cannot be readily determined or other good cause exists why payment cannot be made concurrently. If the payment is not concurrent, it must be made at the earliest possible time, which should never be more than seven days from receipt of the gift.
4. When an officer or employee provides equal or greater consideration for a gift that would otherwise be prohibited by this section, the officer or employee is responsible for documenting that payment or other consideration was made. Methods of documenting this include:
  - A cancelled check;
  - A sales receipt or statement; or
  - A receipt from the person who provided the gift.
5. Valuation of Gifts. As a general rule, the value of a gift is the actual cost to the gift giver. Exceptions include:
  - Personal services, which are valued at the reasonable and customary charge for the service in the community in which they are provided.
  - Transportation in a private means of transportation, which is valued at the comparable commercial equivalent.
  - Lodging in a private residence, which is valued at the per diem rate less the meal allowance rate. Lodging provided on consecutive days is considered a single gift.
  - Entrance fees, admission fees, and tickets are valued on face value of the ticket or fee, or on a daily or per event basis, whichever is greater.
  - When actual costs for the individual cannot be determined at an event, the value is determined by dividing the total cost by the number of invited persons.
6. If an officer or employee receives a prohibited gift and is unable to decline delivery, they should return the gift at Citizens' cost. If the gift is perishable it should be taken to the receptionist for donation to a food bank or homeless shelter. Officers and employees who do not work at a Citizens office building should return the gift at Citizens' cost or take the item to a homeless shelter or food bank, as appropriate, after notice to, and consultation with, the Facilities Department.

#### F. Procurement-Related Conflicts

Purchasing agents, senior managers, and officers may not directly or indirectly purchase, rent, or lease any realty, goods, or services for Citizens from any business for which such officer or employee or their spouse or child is an officer, partner, director, or proprietor or in

which such person or person's spouse or child or any combination of them has a material interest.

Officers and employees must complete and sign a purchasing conflict of interest disclosure form before becoming involved in a procurement evaluation, negotiation, or selection process.

#### G. Misuse of Position

Officers and employees are prohibited from performing official duties or corruptly (wrongfully) using, or attempting to use, their official positions, or any property or resource that may be within their trust, to secure a special privilege, benefit, or exemption for themselves or others.

#### H. Holding Public Office

Holding a public office may create a conflict of interest or other employment-related issues. As a result, before an employee qualifies to run for political office or accepts an appointment to a public position, the employee must first seek an opinion from the Ethics and Compliance Officer.

A Citizens employee may not hold office as a member of the Citizens Board of Governors while at the same time continuing as an employee of Citizens.

#### I. Nepotism

##### 1. Direct Supervision of a Relative

An officer or employee may not employ a relative or supervise, promote, advance, or advocate for their employment, promotion, or advancement in a position in Citizens over which the officer or employee exercises jurisdiction or control.

##### 2. Relatives Employed in the Same Department

Citizens will consider hiring family members of employees provided that no reporting relationship exists between the positions. When a recommendation is made to hire a family member within the same division or unit, even when no reporting relationship exists between positions, careful consideration will be given to factors such as office proximity, work relationships, size of the unit and confidentiality of work.

##### 3. Marriage/Change in Assignment

If marriage or a change in assignment causes a violation of this paragraph, Citizens will make its best efforts to work with the parties to effectuate a transfer of one of the employees without loss of pay or without loss of any other company benefit. The situation must be resolved by the immediate manager as quickly as possible, not to exceed 60 days. During the temporary period before a transfer can be made, the business unit, Human Resources, and the Ethics and Compliance Officer will triage to ensure appropriate action is taken to avoid an actual or perceived conflict of interest.

#### 4. Special Circumstances

In the event of the declaration of an emergency by the governor, the executive director/president may authorize the temporary employment of individuals whose employment would otherwise be prohibited by this provision.

#### 5. Definition of “relative”

For purposes of this paragraph, “relative” means father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister.

### J. Insurance License Status

A conflict of interest may be established when a Citizens employee holds an active insurance license while working for Citizens unless the license is required for their Citizens’ job.

Employees holding any non-required license, whether the license is obtained before or after becoming employed by Citizens, must have the license placed on inactive status by completing the form provided by the Department of Financial Services (DFS) for this purpose and returning it to Human Resources. It is the responsibility of the employee to notify their manager and/or Human Resources immediately if they obtain a non-required license during their term of employment.

Human Resources will coordinate with the Department of Financial Services to have the license placed in inactive status. Being placed in inactive status, through this process, waives continuing education requirements and appointment requirements for the duration of employment with Citizens.

Human Resources will contact the Department of Financial Services (DFS) to reactivate the license when employment is terminated. Upon reactivation, DFS allows for continuing education requirements to be met within two years, and the appointment requirement within four years, before having to retake the licensing exam.

### K. Conflict of Interest Statements

On or before July 1 of each year, each employee must submit a statement confirming that they do not have a conflict of interest.

As a condition of employment, prospective employees must sign and submit a statement acknowledging that no conflict of interest exists between their personal interests and the responsibilities that they will undertake at Citizens.

## III. Violations and Penalties

Violation of this policy constitutes misconduct. An employee who violates any section of this policy is subject to disciplinary action up to and including termination of employment. Citizens takes prompt remedial action when ethical violations are substantiated.

#### IV. Definitions

For the purpose of this Policy, the following definitions apply:

1. "Business partner" means a person or entity that has an ongoing contract with Citizens or is under consideration for a contract, including but not limited to insurance companies, takeout companies, insurance agents, adjusting firms, consultants, independent adjusters, contractors, law firms, and other service providers. The term business partner includes an employee, agent, corporate officer, owner, or other person acting on behalf of the business partner (or a parent or subsidiary corporation).
2. "Conflict of interest" means a situation in which a person has competing professional or personal interests which make it difficult to properly discharge their duties impartially or which lead to a disregard of a public or corporate duty. A conflict of interest exists even if no unethical or improper act results. A conflict of interest can create an appearance of impropriety that can undermine confidence that the person can perform his or her duties and responsibilities objectively.
3. "Employee" means a person who is hired by Citizens and through the employment relationship with the corporation is subject to the right of the corporation to control what work the employee will do and how it will be done.
4. "Gift" means something of value that is accepted by an officer or employee or by another on the officer's or employee's behalf, or something which is paid or given to another for or on behalf of the officer or employee, directly, indirectly, or in trust for the employee's benefit or by any other means, for which equal or greater consideration is not given contemporaneously or at the first reasonable opportunity.

Examples of gifts include:

- Food, beverages, or floral arrangements
- Tickets to events or performances
- Invitations to social or recreational events
- Goods or services for which a cost or fee is usually charged
- Transportation
- Lodging

"Gift" does not include a gift from a relative or a gift received by a relative as a result of an independent relationship with the Citizens' business partner where the gift is clearly not intended for the Citizens officer or employee. "Gift" also does not include:

- An award, plaque, certificate, or similar personalized item given in recognition of the officer's or employee's public, civic, charitable, or professional service; or
- Salary, benefits, services, fees, commissions, gifts, or expenses associated primarily with the officer's or employee's employment, business, or service as an officer or director of a corporation or organization.
- A gift to Citizens. The reimbursement of travel expenditures to an employee by a third party is generally considered a gift to the employee, not a gift to Citizens. To be



considered a gift to the corporation, the travel must be preapproved in accordance with the Business Travel Policy, reimbursement by the third party should be to Citizens, and reimbursement to the employee must be made by Citizens.

5. "Indirect gift" means a gift to an officer or employee given through a relative or other third party, or a gift to another when the benefit is for the officer or employee.
6. "Insurance fraud" means an insurance transaction undertaken with the intent to obtain money or other benefit or advantage to which the perpetrator is not entitled, or the knowing denial of an insurance benefit to which someone is entitled.
7. "Material interest" means direct or indirect ownership of more than 5% of the total assets or capital stock of a business.
8. "Material personal financial interest" means any position as owner, proprietor, manager, partner (active or silent), officer, director, shareholder, or beneficiary of a business entity. A material personal financial interest does not, in most instances, pertain to ownership of a limited number of shares in publicly held firms, shares owned through a mutual fund, or personal bank accounts.
9. "Officer" means a member of the Board of Governors of the corporation and the executive director/president of the corporation.
10. "Participate personally and substantially" means to participate through decision, approval, disapproval, recommendation, rendering of advice, or investigation while an employee of Citizens.
11. "Purchasing agent" means an officer or employee having the authority to commit the expenditure of Citizens funds through a contract for, or the purchase of, any goods, services, or interest in real property for an agency, as opposed to the authority to request or requisition a contract or purchase by another person.
12. "Relative," except where otherwise specifically provided, means:

A person to whom the officer or employee is related as a father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, grandparent, great grandparent, grandchild, great grandchild, step grandparent, step great grandparent, step grandchild, or step great grandchild;

A person who is engaged to be married to the officer or employee, or who otherwise holds himself or herself out as, or is generally known as, the person whom the officer or employee intends to marry, or with whom the officer or employee intends to form a household; or

A natural person having the same legal residence as the employee.

*Please note that this definition of relative applies to the gift provisions. It is defined differently in sections relating to nepotism and voting conflicts.*

13. "Secondary employment" means any external employment, including self-employment, work performed as an independent contractor, or holding public office, that is in addition to an employee's primary position with Citizens and for which an employee receives or expects to receive compensation. Secondary employment also includes actively marketing personal or professional services or the sale of a product, whether or not compensation has actually been received. Secondary employment does not include the incidental sale of personal items, volunteer activities, military service, or the management of one's personally-owned assets.
14. "Senior manager" means a person employed as an executive who directly reports to the executive director/president, the chief internal auditor, the inspector general, and any other person designated by Florida law to be a senior manager of the corporation.

**V. Authority**

Section 7(A)(7), Citizens Plan of Operation

**VI. History**

Action	Date
Created	August 2006
Revised	August 2007
Revised	February 2010
Revised	March 18, 2015

**VII. Resources**

A. Contacts

For information regarding this policy or questions about ethics, contact [Ask.Ethics@citizensfla.com](mailto:Ask.Ethics@citizensfla.com)

For information regarding inactivation of insurance licenses and secondary employment, contact [AskHR@citizensfla.com](mailto:AskHR@citizensfla.com)

To file a report alleging the violation of this policy or other misconduct, contact the *Tell Citizens* hotline at [www.tellcitizens.com](http://www.tellcitizens.com) or 1-800-593-7420.

For information regarding an existing report of misconduct, contact the Inspector General at [Ask.InspectorGeneral@citizensfla.com](mailto:Ask.InspectorGeneral@citizensfla.com).

B. Forms

Secondary Employment Request Form  
DFS H2 1106

**VIII. Approval**

Approved by the Board of Governors at its meeting on March 18, 2015.

# Chapter 3

## Standards of Conduct

As an employee, you have certain responsibilities to Citizens, your supervisor, and your fellow employees. You are expected to act appropriately at all times. The following offenses, among others, are intended to be a guideline as to the types of offenses that will result in disciplinary action, up to and including termination of employment:

- Failure to correct unsatisfactory work performance for which the employee is primarily responsible.
- Failure of employee to give notification to or receive authorization from his or her supervisor before leaving the work station, work site, or leaving the job.
- Reporting to work under the influence of intoxicants, including alcohol, illegal drugs or narcotics or bringing intoxicants, illegal drugs or narcotics onto company property, including parking areas.
- Limiting one's output or directly or indirectly encouraging another employee to cut down production.
- Carelessness or neglect of duty in carrying out assignments or instructions from those in authority.
- Failure to follow the directives of an authorized supervisor due to willful conduct.
- Falsification or withholding of facts on any company records, including employment applications, time sheets, etc.
- Excessive absenteeism or excessive tardiness.
- Failure to follow policies, procedures and guidelines contained in the Employee Handbook or posted on Citizens' intranet site.
- Conviction of a serious crime, the nature of which would be considered to render an individual unreliable as an employee.
- Failure to follow safety rules and regulations.
- Conduct during work hours which could be construed as negative to our customers or the company.
- Contracting with customers to perform work of any kind for them.
- Non-disclosure of interest in, or connection with, any business associated with Citizens.

- Threatening, intimidating, coercing, or interfering with the performance of other employees.
- Engaging in such other practices inconsistent with the ordinary and reasonable rules of conduct necessary for the welfare of the company, its employees or our customers.
- Pilferage, removal or destruction of company property, property of customers, fellow employees or others.
- Fighting or disorderly conduct on company premises.
- Any solicitations/distribution in violation of company policy.
- Sleeping on the job.
- Any form of unlawful harassment/discrimination.
- Falsely stating or making claim of occupational or non-occupational injury or illness.
- Failure to report accidents immediately (including personal injury on the job).
- Discourtesy or impoliteness to customers or coworkers.
- Making false, vicious, profane, abusive or malicious statements.
- Holding unauthorized meetings on company premises.
- Disclosure or use of confidential information not available to the general public for personal gain or benefit.
- Any violation of Citizens' Weapons Policy.
- Conduct off the job that could cause loss of patronage.
- Illegal gambling in any form while on company premises.

The above is not a complete list of all activities which will be considered as improper conduct. The company reserves the right to discipline an employee, up to and including termination of employment, regardless of whether or not the conduct or performance is described in the list of company rules. Moreover, this section does not affect the at-will nature of employment. Citizens reserves the right at any time to terminate employment with or without cause.

# Chapter 4

## Special Requirements for Board Members and Senior Managers

The Citizens governing statute provides that members of the board of governors and senior managers are subject to the state ethics code.

The additional ethics requirements that the state ethics code imposes on board members and senior managers over and above the requirements the governing statute imposes on all officers and employees are found in this Chapter 4.

### Financial Disclosure

On or before July 1 of each year, officers and senior managers are required by statute to file a public disclosure of their financial interests with the Florida Commission on Ethics.

### Gift Reporting

With respect to gifts that are not prohibited by law, those valued at over \$100 must be reported to the Commission on Ethics using the Commission on Ethics' Form 9. This means that a gift valued at over \$100 must be reported unless an exception applies.<sup>1</sup> This may include tickets to a sporting event from your college roommate or a wedding gift from your parents' best friends.

A reportable gift must be reported by the last day of the quarter following the quarter in which the gift was received. For example, if a reportable gift is received on February 15, the quarterly gift report is due on or before June 30. A quarterly gift report is only required to be filed when there is a gift to report.

### Honoraria and Expenses Related to Honorarium Events

Officers and senior managers are prohibited from soliciting an honorarium related to their public office or duties.

Officers and senior managers are prohibited from knowingly accepting an honorarium or expenses related to an honorarium related event (transportation, lodging, food and beverage) from a vendor.

### Restrictions upon Vacating Office/Post-Employment Restrictions

An officer or a senior manager may not represent another person or entity for compensation before Citizens for two years after his or her separation from board service or employment.

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<sup>1</sup> The most common exception is a gift from a relative. Other exceptions include expenditures associated primarily with your employment, business, or service as an officer or director of a corporation or organization; and an award, plaque, certificate, or similar personalized item given in recognition of your public, civic, charitable, or professional service.

An officer or senior manager may not be employed by or have a contractual relationship with an insurer who has a takeout bonus agreement with Citizens for two years after separation from board service or employment.<sup>2</sup>

A senior manager may not hold an employment or contractual relationship with a business entity in connection with a contract in which the senior manager participated personally and substantially through decision, approval, disapproval, recommendation, rendering of advice, or investigation while a senior manager of Citizens. If the senior manager's position is eliminated and the duties are performed by the business entity, this paragraph does not prohibit the senior manager from employment or contractual relationship with the business entity if the senior manager's participation in the contract was limited to recommendation, rendering of advice, or investigation and if the executive director/president determines that the best interests of Citizens will be served by the employment or contract and provides prior written approval for the particular senior manager.

A senior manager may not, within two years after separation from Citizens, hold an employment or contractual relationship with a business entity in connection with a contract or contractual services that was within their responsibility while employed as a senior manager with Citizens. If the senior manager's position is eliminated and the duties are performed by the business entity, this paragraph may be waived by the executive director/president through prior written approval on a case-by-case basis if the executive director/president determines that the best interests of Citizens will be served by the employment or contract.

### **Voting Conflicts by Board Members**

Board members are prohibited from voting on any measure that would result in a special private gain or loss to them or on any measure that they know would result in a special private gain or loss to:

- A principal by whom the board member is retained;
- A parent organization or subsidiary of a corporate principal by which the board member is retained; or
- A relative or business associate of the board member.

A "relative" for purposes of this paragraph includes a person's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law.

In quasi-judicial proceedings (board appeals), a board member may abstain from voting if the board member believes abstention is necessary to assure a fair proceeding free from potential bias or prejudice.

### **Disclosure of Voting Conflict**

If a voting conflict exists, the board member must, before the vote is taken, publicly state the nature of his or her interest in the matter and must file a written memorandum of voting conflict as described below.

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<sup>2</sup> Citizens currently has no contracts in effect for takeout bonuses and does not anticipate entering into a takeout bonus agreement in the future.

When a board member is required to abstain from voting on measures under the circumstances described above, the board member may nevertheless participate in discussions regarding the matter provided the board member has submitted a completed *Memorandum of Voting Conflict for State Officers* disclosure form to the secretary for the board of governors prior to the board meeting. The secretary must provide the written disclosure to the other board members, and the disclosure must be read publicly at the meeting, and incorporated into the meeting minutes.

If the conflict was not known prior to the meeting, the board member must publicly state the nature of the conflict at the meeting before participating in the matter. The board member then has 15 days after the vote occurs to file the required form with the secretary of the board of governors, who will ensure it is incorporated into the meeting minutes.

### **Abstention**

Board members present at a meeting may not abstain from voting unless:

- There is or appears to be a possible conflict of interest as described above; or
- The board is sitting in an adjudicatory capacity and the board member abstains to assure a fair proceeding free from potential bias or prejudice.<sup>3</sup>

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<sup>3</sup> The board sits in an adjudicatory capacity, or quasi-judicial capacity, when it is called upon to hear the claims of all parties to a dispute and make a determination of the facts, establishing the rights and duties of the parties. This would typically occur as a bid protest or an agent appeal.

# Chapter 5

## Reporting

### What to Report

#### Misconduct

Citizens encourages employees to report misconduct and unlawful activity occurring within the organization. All levels of management are required to report alleged or suspected unlawful activity, significant policy violations, or misuse of Citizens assets by an employee or by an entity with whom Citizens does business. The examples described below are intended to be a guide as to the types of activities that employees are encouraged to report. These examples do not comprise an exhaustive or all-inclusive list:

- Fraud, bribery, theft, or other crime
- Misfeasance, malfeasance, or nonfeasance
- Gross mismanagement, gross waste of funds, or gross neglect of duty
- Misuse or abuse of Citizens resources
- Conflict of interest
- Falsification of company business and/or financial records
- Breach or omission that constitutes a violation of internal policy
- Workplace discrimination
- Sexual harassment
- Violence in the workplace
- Violation of the secondary employment policy
- Violation of Citizens gift policy
- Destruction of documents when an obligation exists to preserve such documents or any violation of the public records law

#### Insurance Fraud

Employees have a legal duty to report employee insurance fraud to the Citizens Inspector General and to the Division of Insurance Fraud within 48 hours after having information that would lead a reasonable person to suspect that insurance fraud may have been committed by any employee of the corporation.

#### Open Door Issues

For work-related or employee relations matters, employees are encouraged to meet and discuss the issue with their supervisor. In most cases, talking with the supervisor is the most effective and efficient way to resolve issues. The supervisor is typically the most direct source of information regarding an employee's job and departmental policies and procedures. If the issue is not resolved by an employee's supervisor within a reasonable period of time or the supervisor is the source of the issue, the matter should be brought to the attention of the next level supervisor or a representative in the Human Resources Business Partner Management unit. Citizens will attempt to resolve the issue within a reasonable period of time, while preserving the confidentiality and privacy of those involved to the extent feasible.



## How to Report

### Ethics violations, misconduct, and unlawful activity

*Tell Citizens* hotline  
1.800.593.7420  
[www.tellcitizens.com](http://www.tellcitizens.com)

### Open Door Complaints

Report to your supervisor; or

Report to Human Resources  
[Ask.HR@citizensfla.com](mailto:Ask.HR@citizensfla.com)

### Insurance Fraud

Florida law requires Citizens employees to report insurance fraud to the Inspector General and to the Division of Insurance Fraud within 48 hours after having information that leads them to suspect that fraud may have been committed by any Citizens employee. Report to:

Office of the Inspector General  
850.513.3822  
[Ask.InspectorGeneral@citizensfla.com](mailto:Ask.InspectorGeneral@citizensfla.com); and  
<http://myfloridacfo.com/fraud>

### Retaliation

Retaliation or the threat of retaliation against those who report misconduct in good faith or those who in good faith participate in an investigation conducted by Citizens or by another governmental entity is prohibited. For more information see the Internal Complaint Handling Policy (Policy #102).

## Contacts

For information regarding this policy, questions about ethics, or an ethics opinion, email [AskEthics@citizensfla.com](mailto:AskEthics@citizensfla.com).

For questions about open door complaints email [Ask.HR@citizensfla.com](mailto:Ask.HR@citizensfla.com).

For questions about whistleblower complaints or filed reports of misconduct, email the Inspector General at [Ask.InspectorGeneral@citizensfla.com](mailto:Ask.InspectorGeneral@citizensfla.com).

For questions about insurance fraud email [Ask.SIU@citizensfla.com](mailto:Ask.SIU@citizensfla.com).