



Title: <b>Code of Ethics</b>	Original Adoption: 27 April 2006
Approved by DMI BOD: 27 April 2006	Revised/Reviewed: ---

This Code of Ethics shall apply to all directors, officers and employees of District Mutual Insurance (“DMI”). For the purpose of this Code of Ethics, “Executive Officers” means DMI’s executive officers as determined from time to time by the Board of Directors of DMI. All directors, officers and employees have an obligation to and its stakeholders to maintain the highest standards of honest and ethical conduct. In recognition of this obligation, DMI has adopted the following standards of ethical conduct. Adherence to these standards is integral to achieving the objectives of DMI and its stakeholders.

**General Standards and Compliance with Laws**

All directors, officers and employees have a responsibility to:

- Maintain high standards of honest and ethical conduct.
- Act in good faith, responsibly and without misrepresenting material facts or allowing their independent judgment to be compromised.
- Refrain from engaging in any activity that would prejudice their ability to carry out their duties ethically.
- Refrain from engaging in or supporting any activity that would discredit DMI.
- Comply with rules and regulations of federal, state and local governments, and appropriate private and public regulatory agencies or organizations.

**Avoidance of Conflicts of Interest and Improper Influences**

All directors, officers and employees must:

- Avoid actual or apparent conflicts of interest between personal and Company-related relationships. In particular, Executive Officers should not participate in a personal business transaction with DMI in which they will receive a profit or gain, unless the transaction has been approved by a majority of the Board members of DMI not interested in the transaction. Executive Officers should advise the Executive Committee of any prospective or existing potential conflict.
- Refuse any gift, favor, or hospitality that would influence or would appear to influence their actions.

In any dealing with a government official, supplier, or other person or entity, the Executive Officers shall not request, accept, or offer to give any significant things of value, the purpose or result of which could be to influence the bona fide business relations between DMI and such persons or entities.

**Professional Competence**

Executive Officers have a responsibility to:

- Maintain an appropriate level of professional competence by continuing development of their knowledge and skills.
- Perform their professional duties in accordance with relevant laws, regulations, and technical standards.
- Prepare full, fair, accurate, timely and understandable financial statements, reports and recommendations after appropriate analyses of relevant and reliable information.

**Confidentiality**

All directors, officers and employees have a responsibility to protect DMI by:

- Refraining from disclosing to others confidential information acquired in the course of their work except when authorized to do so.
- Refraining from using or appearing to use confidential information acquired in the course of their work for unethical or illegal advantage either personally or through their parties.



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### **Integrity of Financial Statements and Accuracy of Filings**

Directors and Officers shall ensure that:

- No funds or assets of DMI shall be used for any purpose that would be in violation of any applicable law or regulation.
- No contributions shall be made by or on behalf of DMI to any political candidate, party, or campaign either within or without the United States.
- No fund or asset of DMI shall be established or maintained that is not reflected on the books and records of DMI.
- No false, artificial, or misleading entries in the books and records of DMI shall be made.
- No transaction shall be effected and no payment shall be made by or on behalf of DMI with the intention or understanding that the transaction or payment is other than as described in the documentation evidencing the transaction or supporting the payment.
- Full, fair, accurate, timely and understandable disclosure is made in reports and other documents filed with or submitted to the Office of the Commissioner of Insurance (OCI).

### **Prohibition of Loans**

No Executive Officer shall request or accept a loan or advance from DMI that is prohibited by law.

### **Directors**

Directors must not:

- Perform services as a consultant, employee, officer, director, advisor or in any other capacity for, or have a financial interest in, a direct competitor of DMI, other than services performed at the request of DMI;
- Use his or her position with DMI to influence any decision of DMI relating to a contract or transaction with a significant supplier or significant customer of DMI if the director:
  - performs services as a consultant, employee, officer, director, advisor or in any other capacity for such significant supplier or significant customer; or
  - has a financial interest in such significant supplier or significant customer.
- Directly supervise, review or influence the performance evaluation or compensation of a member or his or her immediate family; or
- Engage in any other activity or have any other interest that the Board of Directors of DMI may reasonably determine to constitute a conflict of interest.

### **Waiver and Compliance**

The [Directors and Officers] shall be primarily responsible for the enforcement of the policies set forth in this Code of Ethics. Should any information or knowledge regarding violation of this Code of Ethics come to the attention of any director, officer or employee, such person must promptly report the information to the Executive Committee. The Board shall assess compliance with this Code of Ethics, report any violation of this Code of Ethics to DMI's Board of Directors and recommend any appropriate action. All directors, officers and employees are required on an annual basis to certify their compliance with this Code of Ethics.

Any request for a waiver of any provision of this Code of Ethics must be in writing and addressed to the President of the Board.