

CODE OF ETHICS

Of the Michigan Association of Property & Liability Insurance Counselors

<http://www.MAPLIC.com>

PURPOSE To assure the public that members of the Association possess ethical standards.

DEFINITIONS

Client - The Corporation, person(s) or other entity, which retains a member of the Association.

Board - The duly elected board of the Michigan Association of Property & Liability Insurance Counselors.

Organization - Our body of persons appointed to investigate, report, or act in special cases involving our Code of Ethics.

Ethics Committee - A group of persons appointed to investigate, report, or act in special cases involving our Code of Ethics.

APPROVAL OF THE ETHICS CODE The Ethics Code can only be approved at a general meeting of the members. The members must be provided a copy of the document at least 60 days prior to the date the vote will take place.

AMENDMENT OF THE ETHICS CODE The Ethics Code can be amended by the approval of the general membership. The Board, the Ethics Committee or any 5 members may request that an amendment to the Ethics Code be adopted. Amendments to the document must be sent to the Board at least 30 days prior to a general meeting and the general membership must have at least 10 days to review any proposed amendments.

ACCEPTANCE OF THE CODE BY MEMBERS When the annual dues statement is sent to the members, it will include a statement that the member accepts the Ethics Code by remitting of dues to the organization.

APPLICATION OF THE CODE The Ethics Committee is required to investigate all complaints brought to it's attention and the Board will

establish written administrative rules to ensure that due process and notice are provided in any administrative proceedings.

CANNON I THE COUNSELORS SHALL STRIVE TO PLACE THE PUBLIC INTEREST ABOVE THEIR OWN.

Rule 1 – The Counselors shall abide by the laws of the State of Michigan pertaining to licensed property and liability counselors and all other applicable laws.

CANNON II THE COUNSELORS SHALL ACT IN THE BEST INTEREST OF THE CLIENT.

Rule 1 – The Counselors shall not breach the confidence of the professional relationship. However, this rule shall not be construed to preclude compliance with a subpoena or summons by Order of a Court and will not prohibit the confidential review of members' practices as a part of an inquiry by the Ethics Committee.

Rule 2 – The Counselors shall advise the client of all the options available in pursuing the client's best interest.

Rule 3 – The Counselors shall disclose to the client any direct or in-direct material or influential interest in any organization whose equipment, supplies or services the counselors might recommend.

Rule 4 – The Counselors shall disclose to the client any compensation that they receive in addition to the counselors' stated fee that is obtained because of recommendations to an organization whose equipment, supplies or services the Counselors might recommend.

Rule 5 – The Counselors shall perform their functions in a professional manner with emphasis on fairness to the client.

CANNON III THE COUNSELORS SHALL UNDERTAKE ONLY THOSE ASSIGNMENTS WHICH THEY CAN REASONABLY EXPECT TO COMPLETE WITH PROFESSIONAL COMPETENCE.

Rule 1 – Where Counselors find it necessary to engage a subcontractor to complete an assignment, or an associate in a joint venture, the counselors shall satisfy themselves of the

integrity, objectivity and competence of the sub-contractor. The Counselors shall disclose the existence of the sub-contractor or associate to the client.

CANNON IV THE COUNSELORS SHALL NOT USE FALSE, MISLEADING OR DECEPTIVE FORMS OF ADVERTISING OR SOLICITATION.

Rule 1 – The Counselors shall avoid giving the client false or unjustified explanations of favorable results.

Rule 2 – The Counselors must base self-laudatory statements to verifiable facts.

Rule 3 – The Counselors shall use the term “insurance counseling” only when acting as Licensed Insurance Counselors with a contract.

Rule 4 – The Counselors may not solicit clients for property and casualty insurance for one year after termination of the counseling agreement.

CANNON V: THE COUNSELORS SHALL MAINTAIN DIGNIFIED AND HONORABLE RELATIONSHIP WITH FELLOW INSURANCE PRACTITIONERS.

CANNON VI: THE COUNSELORS SHALL BE WILLING TO ASSIST IN THE POLICING OF THEIR OWN ACTIONS AS WELL AS THE ASSOCIATION'S ACTIONS.

Rule 1 – The Counselors are obligated to report violations against the Ethics Code, regardless of the violations being factual or being perceived as factual, to the attention of the Ethics Committee.

Rule 2 – The Counselors are obliged to cooperate with the Ethics Committee and render any information about their own actions.

ADMINISTRATIVE RULES OF THE CODE OF ETHICS - MAPLIC

Whenever any member of MAPLIC in good standing has information which would lead to the belief that the Ethics Code has been violated by another member, such information shall be made known in writing at once to the President or to a member of the Ethics Committee.

After a period of not more than 60 days, after notice of claim, the Ethics Committee shall convene a meeting.

If the allegations could not be verified, no further action shall accrue from the matter, and all who had received information shall assure by their silence that the matter shall not be made known to anyone else.

If the verification of the allegations as reported has been made, the Ethics Committee shall advise in writing the parties concerned not less than 20 days before a hearing.

The Ethics Committee, having heard all relevant information from the members concerned, shall decide on one of the following actions: warning or censure to the violator suspension of membership for a designated period of time cancellation of membership

The action of the Ethics Committee shall be subject to ratification at the next meeting of the general membership.

The rights of an accused member shall be observed, and only after the Committee has taken action may the violation be made known to other members.

The action determined by the Ethics Committee and ratified by the membership shall become effective at the time of the ratification and notice shall be given to the Insurance Bureau.

In case a Board member is personally involved with any allegations, such Board member shall be disqualified from participation in any ethics committee action concerning such matter.

These Administrative Rules shall become effective upon adoption of a simple majority of a general membership meeting, and may be amended in the same manner, provided that the meeting notice informs the membership that such adoption or amendment is pending.

Amended 10/2000