

## **Risk and Insurance Management Society, Inc. Conflict of Interest Policy**

In their capacity as directors, officers, committee members, and key employees, the individual leaders of the Risk and Insurance Management Society, Inc. (“RIMS”) must act at all times in the best interests of the Society.

### **1. What is a conflict of interest?**

A conflict of interest may arise in any circumstance that may compromise the ability of a director, officer, committee member, or key employee to make unbiased and impartial decisions on behalf of RIMS. Such circumstances may involve family relationships, business transactions, professional activities, or personal affiliations.

The Board of Directors of RIMS requires all directors, officers, committee members, and key employees to complete and submit an annual Statement of Disclosure detailing any facts or circumstances that might constitute a conflict of interest. The Board of Directors further requires directors, officers, committee members, and key employees to submit an amended Statement of Disclosure to reflect any material changes or additions to the submitted information that may arise during the course of the year. Officers, directors, committee members, and key employees are encouraged to err on the side of disclosure and to report any set of circumstances that may appear to pose a conflict of interest, even if there is uncertainty as to whether such circumstances should be disclosed.

### **2. How are conflicts of interest identified?**

The Audit Committee shall review each Statement of Disclosure for any set of facts or circumstances that may reflect an actual, potential, or apparent conflict of interest. The Audit Committee may request the assistance of legal counsel to identify potential conflicts. When evaluating a particular set of facts or circumstances, the Audit Committee shall consider the following non-exhaustive list of factors that may indicate a conflict of interest:

A. Solicitation or acceptance of gifts or other items of value that may create an appearance or expectation of special treatment in RIMS matters;

B. Any incident of abuse or misuse of a leadership position for personal or third-party gain or benefit;

C. Situations in which a director, officer, committee member, or key employee may be divided between personal interests or the interests of another organization and the best interests of RIMS;

D. Business, professional, or other activities that would materially and adversely affect RIMS, either directly or indirectly; and,

E. Any arrangement in which a director, officer, committee member, or key employee provides goods or services to RIMS as a paid vendor.

The Audit Committee may request additional information from any director, officer, committee member, or key employee at any time; however, a person whose relationships or activities are under review may not participate in deliberations, debate, or any vote of the Audit Committee while such review is pending. The Audit Committee shall document in its meeting minutes any deliberations it has related to an actual, potential, or apparent conflict of interest.

### **3. How are conflicts of interest resolved?**

If the Audit Committee or the Board of Directors identifies an actual, potential, or apparent conflict of interest, it may take one of the following actions to resolve the conflict:

A. *Waive* the conflict of interest as unlikely to affect the director's, officer's, committee member's, or key employee's ability to act in the best interests of RIMS;

B. Determine that the person should be *recused* from all deliberation and decision-making related to the particular transaction or relationship that gives rise to the conflict of interest. This course of action applies particularly when the transaction or relationship is one which presents a conflict only with respect to one or two discrete programs or activities; or

C. Determine that the person must *resign* from service to RIMS. This course of action applies when the conflict of interest is so pervasive that the person would seldom, if ever, be able to act solely in the best interests of RIMS.

The Board of Directors reserves final authority over the resolution of conflicts of interest involving a director or officer of RIMS. The Board of Directors may overrule any decision of the Audit Committee with regards to any actual, potential, or apparent conflict of interest, and the Audit Committee may refer any such matter to the Board of Directors at any time. The Board of Directors shall document in its meeting minutes any deliberations it has related to an actual, potential, or apparent conflict of interest.

### **4. May directors, officers, committee members, or key employees do business with RIMS?**

A conflict of interest exists any time a director, officer, committee member, or key employee seeks to enter into a business relationship with RIMS. Similar conflicts may arise through family members or through organizations in which directors, officers, committee members, or key employees serve in a leadership, employment, or ownership capacity.

Such conflicts do not, however, necessarily preclude business relationships with RIMS. The following procedure is designed to resolve conflicts of interest whenever a director, officer,

committee member, or key employee, or a related party, seeks to provide goods or services to RIMS as a paid vendor, or applies to receive a significant grant or contract from RIMS:

A. The director, officer, committee member, or key employee shall promptly disclose the intent to enter into a business relationship with RIMS, either to the Audit Committee, the Board of Directors, or both.

B. The director, officer, committee member, or key employee shall be recused from all deliberation, debate, and voting related to the contemplated business relationship.

C. If RIMS wishes to pursue the business transaction and the value of the transaction exceeds \$5,000, RIMS shall solicit proposals or applications from a broad range of other qualified candidates for the agreement, contract, or grant under consideration.

D. The Audit Committee or Board of Directors shall determine whether the transaction is fair and in the best interests of RIMS.

E. If the Board of Directors or Audit Committee approves the business relationship under consideration, the director, officer, committee member, or key employee may not participate in any process by which their performance as a vendor, grantee, or recipient is evaluated, or in any such evaluation of a related party.

Risk and Insurance Management Society, Inc.  
Statement of Disclosure

As a director, officer, committee member, or key employee of RIMS, I understand that I am obligated to disclose the existence of any facts or circumstances that may constitute a conflict of interest, as the term is defined in the Conflict of Interest Policy above.

1. I have the following interests in third parties providing goods and/or services to RIMS:
  
2. I serve in a leadership capacity, have a significant investment, or own at least a one percent interest in the following entities or organizations that may have conflicting interests with those of RIMS, or take public positions contrary to those of RIMS:
  
3. I expect to receive compensation from RIMS in the following amount, not including reimbursement of reasonable expenses or, for key employees, salary:
  
4. The following members of my family expect to receive some form of compensation or material financial benefit from RIMS:
  
5. Outside of my capacity as a director, officer, committee member, or key employee of RIMS, I have a family relationship or business relationship with the following directors, officers, committee members, or key employees of RIMS:
  
6. I wish to disclose the following additional facts or circumstances:

I have read the RIMS Conflict of Interest Policy in full, and understand that I am required to notify the Audit Committee or the Board of Directors in the event of any material change to the answers I have provided in this statement.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_