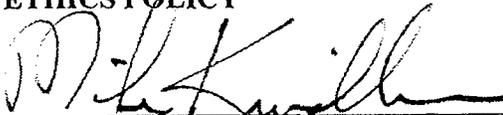




OFFICE OF
INSURANCE COMMISSIONER

SUBJECT:	ETHICS POLICY
APPROVED BY:	 MIKE KREIDLER, Insurance Commissioner
EFFECTIVE DATE:	May 18, 2001
DATE REVISED:	June 1, 2007 – Approved by the Executive Ethics Board on July 13, 2007

I. PURPOSE

To provide guidance for all OIC employees regarding Ethics in Public Service.

II. POLICY

A. This policy does not address every situation. Employees should use the guidance provided by this policy or ask their supervisor to determine what to do in specific circumstances. Agencies are allowed to adopt policies that are more restrictive than the governing statute of Ethics in Public Service. If there are differences between this policy and any state law, the more restrictive will apply.

B. Using Official Position

1. Employees May Not Engage in Activities Incompatible with Public duties.

a. Employees may not have an interest, financial or otherwise, direct or indirect, or engage in a business or transaction or professional activity, or incur any obligation of any nature that is in conflict with official duties. RCW 42.52.020.

b. In accordance with statute RCW 48.02.090(5), employees are prohibited from having any interest, directly or indirectly, in an

insurance company other than as a policy holder. This prohibition includes the receipt of renewal commissions.

- c. Employees should avoid situations inviting a conflict or the appearance of a conflict with their employment, or which undermines the confidence of OIC regulated industries.

2. Employees May Not Accept Special Privileges.

Except as required to perform duties within the scope of employment, no employee may use a state position to secure special privileges or exemptions for himself or herself, or for any other person. RCW 42.52.070.

3. Employees Will Safeguard Information Gained During Employment.

Employees may not disclose to unauthorized persons confidential information gained through official duties. Employees may not use such information for personal gain or benefit or for the gain or benefit of others.

- C. Accepting Compensation, Gifts, Gratuities, and Honoraria

1. Employees May Not Accept Outside Compensation for Official Duties.

Employees may not, directly or indirectly, ask for, give, receive or agree to receive any compensation, gift, reward, or gratuity from any source except the state of Washington for performing, omitting, or deferring the performance of any official duty, unless otherwise authorized by law. RCW 42.52.110.

2. An Employee May Accept Gifts Only In Certain Circumstances.

- a. A "gift" means anything of value for which you do not pay. "Gift" does not include items from family and friends, campaign contributions reported under Ch. 42.17. RCW, items exchanged by co-workers at social functions, discounts available to members of a broad-based group, admission to a charitable event, and other items specifically permitted by law. RCW 42.52.150.

- b. An employee may accept only the following gifts:

- i. Unsolicited advertising or promotional items of nominal value, such as pens and notepads;

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- ii. Unsolicited tokens or awards of appreciation in the form of a plaque, trophy, desk item, wall memento, or similar item;
 - iii. Unsolicited items for the purpose of evaluation or review, if the employee has no beneficial interest in the use or acquisition of the item by OIC;
 - iv. Informational material, publications, or subscriptions related to the employee's performance of official duties;
 - v. Food and beverages consumed at hosted receptions where attendance is related to the employee's official duties;¹
 - vi. Cost of admission, food and beverages consumed at events sponsored by or in conjunction with a civic, charitable, governmental, or community organization.
- c. An employee should reject any gift or benefit which would be a personal benefit or of benefit to a family member if the gift may cast doubt on the integrity, independence, or impartiality of the employee or agency.
3. Employees May Not Accept Specific Gifts, Benefits and Items.
- a. Since OIC is a regulatory agency, its employees may not accept specific items from persons regulated by OIC or persons who seek to provide goods or services to OIC. Prohibited items include:
 - i. Payments by a governmental or non-governmental entity of reasonable expenses incurred in connection with a speech, presentation, appearance or trade mission made in an official capacity;
 - ii. Payments for seminars and educational programs sponsored by a bona fide nonprofit professional agency, educational, or trade association, or charitable institution;
 - iii. Flowers, plants, or floral arrangements;

¹ Ethics Board Advisory Opinion 96-06 defines a "hosted reception" as, "...a social event involving a diverse group of people, some of whom are regulated by the agency and others who are not, and some who provide goods or services to the agency and some who do not. It does not involve a sit-down meal." This opinion provides examples of what would be considered a hosted reception.

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- iv. "Honoraria," which includes money or any item offered to an employee for a speech, appearance, article or similar activity in connection with employee's official role; and
 - v. Food and beverages with the exception of "C2b(v)."
- b. Employees must not keep prohibited gifts. When possible, employees should attempt to return such gifts to the donor.
- i. Prohibited gifts such as flowers, plants, or floral arrangements (including artificial flowers) that cannot be returned should be donated to a local hospital, nursing home, or other similar facility.
 - ii. Food and beverage items that cannot be returned to the donor, such as cookies, candies, fruit baskets, or alcoholic beverages, should be donated to a charitable organization.
 - iii. The return or donation of prohibited gifts must be done within one business day after receipt by the employee, and should be turned over to a supervisor or manager for impartial disposal.
4. Employees Should Avoid the Appearance of a Conflict of Interest.

The policy regarding the acceptance of gifts does not cover every situation. An employee should refuse a gift if the employee has any question regarding the ethics of accepting the gift. Employees are urged to consult with their supervisor or the OIC Human Resource Office if they need clarification regarding the acceptance of gifts.

D. Using State Resources

1. Employees Must Comply with Laws and Rules Governing Use of State Resources.
- a. Chapter 292-110 WAC, provides rules governing the use of state resources. "State resources" include personnel, property, time, and money. OIC employees may use state resources only for official state purposes, except as allowed in WAC 292-110-010.
 - b. In accordance with WAC 292-110-010 (3), commonly referred to as the de minimis use rule, the OIC allows employees to make an occasional but limited use of state resources only if each of the following conditions are met:

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- i. There is little or no cost to the state;
 - ii. Any use is brief in duration, occurs infrequently, and is the most effective use of time or resources;
 - iii. The use does not interfere with the employee's official duties;
 - iv. The use does not disrupt or distract from the conduct of state business due to volume or frequency;
 - v. The use does not disrupt other state employees and does not obligate them to make a personal use of state resources; and
 - vi. The use does not compromise the security or integrity of state property, information, or software.
- c. The state Constitution, state and federal laws, and the Ethics in Public Service Act strictly prohibit certain private activity and certain uses of state resources. Any use of state resources to support such activity clearly undermines public confidence in state government and reflects negatively on state employees generally.

The following private uses of state resources are explicitly prohibited by state laws or rules:

- i. Conducting an outside business or private employment;
- ii. Supporting, promoting the interest of, or soliciting for an outside organization or group except as allowed by law, rule, or OIC policy;
- iii. Assisting a campaign for election of a person to an office or for the promotion of or opposition to a ballot proposition. Such a use of state resources is specifically prohibited by RCW 42.17.190, subject to the exceptions in RCW 42.17.190 (3);
- iv. Conduct that is prohibited by a federal or state law, rule, or OIC policy;
- v. Using state property that has been removed from state facilities or other official duty stations, even if there is no cost to the state;

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- vi. Participating in or assisting in an effort to lobby the state legislature, or a state agency head;
 - vii. Using state resources for commercial uses such as advertising or selling; or
 - viii. Desk-to-desk or office-to-office solicitations for profit and/or non-profit organizations.
- d. The OIC may authorize a use that promotes organizational effectiveness or enhances the job-related skills of an employee, not otherwise prohibited by law.
- e. Union representatives may use state resources for purposes of contract administration and in accordance with the Collective Bargaining Agreement.
- f. Solicitation for non-profit groups (e.g., candy sales by employees' children, fundraising for charitable organizations, etc.) may be posted on employee bulletin boards or placed in the break room.
2. Employees May Not Use Computer Resources for Personal Business.
- Computer resources may not be used for outside business or private employment, even if there is no cost to the state. Refer to OIC Policy 5 - Internet Usage, and the guidelines issued by the State Executive Ethics Board.
3. Employees May Not Use Consumable Items for Personal Business.
- Employees may not use consumable items such as paper, envelopes, or spare parts for outside business or private employment.
4. Electronic Messaging and Communications Systems are State Resources.
- a. Employees' use of state messaging and communications systems must comply with the guidelines issued by the Executive Ethics Board.
 - b. Refer to OIC Policy 6 – Electronic Mail; OIC Policy 8 - Cellular Phones; OIC Policy 7 – Use of State Controlled Area Network (SCAN) Telephone system; OIC Policy 5 – Internet Usage.
5. Employees Should Report Improper Use of State Resources.

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- a. Any OIC employee who suspects or knows of improper use of state resources should report it to a supervisor, manager, Deputy Commissioner, the Executive Ethics Board, or the State Auditor.
 - b. Refer to State Auditor - Whistle Blower Policy (on Intranet under OIC Policies and Procedures).
6. Supervisors Will Report Improper Use of State Resources.

Supervisors will notify their Deputy Commissioner if they become aware of improper use of state resources by employees.

E. Identifying Conflicts of Interest.

1. Employees Cannot Work on a Relative's or Friend's Insurance Complaints or Issues.

To avoid any appearance of a conflict of interest, employees must refer insurance complaints or issues that involve relatives or friends to their supervisor to be referred to another employee for resolution.

2. Employees Must Disclose Actual, Potential or Perceived Conflicts of Interest.
 - a. Employees must notify their Deputy Commissioner of any new situation or changed circumstances involving an actual, potential, or perceived conflict of interest as soon as the employee becomes aware of it.
 - b. Employees must submit a completed disclosure form when they acquire a beneficial interest in, or become officer, director, or partner of a firm.
3. Regulatory Employees Must Disclose Actual, Potential or Perceived Conflicts.
 - a. Upon hire and on an annual basis, employees who are personally and substantially involved in regulatory activities must identify actual, potential or perceived conflicts of interest in entities regulated by the OIC.
 - b. The Commissioner or designee may act to eliminate an actual, potential or perceived conflict of interest when presented verifiable information indicating a conflict of interest. Every effort will be made to work with the employee to resolve such conflicts.

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F. Restricting Political Activities

1. State Law Restricts Political Activities of Employees.

- a. Employees may not engage in political activities during working hours. This includes the display of political signs or materials on desks, in work spaces or on state vehicles.
- b. Employees may not solicit or accept contributions for a political purpose during working hours or on state property. "Political purpose" means a candidate, political committee, ballot issue or cause.

2. Employees May Provide Information in Certain Situations.

Employees may provide information or respond to questions or inquiries from the public or elected officials if responding or giving such information is part of the employees' official duties.

3. States Resources May Not Be Used To Assist Political Activities.

- a. No officer or state employee may use or authorize the use of facilities of an agency, directly or indirectly, for the purpose of assisting with a campaign for election, of a person to an office or for the promotion of or opposition of a ballot proposition.
- b. Facilities of an agency include, but are not limited to, use of stationery, postage, machines, and equipment; use of state employees of the agency during working hours, vehicles, office space, publications of the agency, and clientele lists of persons served by the agency.

G. Requiring Notice of Outside Employment

1. Employees considering employment outside their regular position with the OIC must notify the agency before accepting the outside employment.

- a. Notice to the agency of such outside employment will be made by completing a Notification of Outside Employment form and submitting it to the employee's supervisor.

If an employee has outside employment but objects to reporting the information on this form for privacy reasons, an alternative procedure is available to report the information verbally.

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Employees are advised to consult the Notification of Outside Employment form for more information regarding this alternative reporting procedure.

- b. Outside employment includes, but is not limited to:
 - i. Employment by a private company or public agency;
 - ii. Ownership or operation of a private business by the employee or the employee's spouse;
 - iii. Employment as a consultant or advisor; and
 - iv. Personal services contracts with the state or other public agency.
- c. Outside employment must not conflict with the proper performance of assigned duties or result in a conflict of interests.
- d. Employees may not solicit or accept any offer of employment if they have reason to believe the offer is made to influence the performance of their official duties and obligations.
- e. Employees may not accept employment or engage in any business or professional activities that require or induce the disclosure of confidential information acquired by reason of their official position.

2. Factors to Consider in Determining Whether the Outside Employment Poses a Conflict.

In reviewing an employee's outside employment for possible conflicts, the employee's supervisor will consider whether the person or organization offering the employment:

- a. Is regulated by OIC
- b. Does business or has a contract with OIC, or
- c. Tries to influence OIC's policies or regulations.

H. Employment after Termination

- 1. State Law Restricts Certain Employment after Termination.

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- a. All of the provisions of RCW 42.52.080, Employment after Public Service, apply.
 - b. A former OIC employee may not assist other people in a transaction involving the state if, at any time, the employee participated in that transaction during his or her state employment.
2. After leaving OIC employment, a former employee may not accept any offer of employment or receive compensation if:
- a. A reasonable third party would perceive that the intent of the offer of employment is to influence performance or non-performance of the employee's duties during state employment.
 - b. The employee perceives the purpose of the offer was to influence performance or non-performance of official duties during the course of state employment.
- I. Restrictions on Accepting Employment.
1. An employee may not accept employment or engage in any business or professional activities requiring or inducing the disclosure of confidential information acquired by reason of his or her official position. This applies both during employment with OIC and for one year after termination of employment with OIC.
 2. Employees should seek advice from the Washington State Executive Ethics Board or the Attorney General's Office on how the restrictions would affect post-state employment opportunities.
- J. Any employee who violates this policy will be subject to disciplinary action up to and including dismissal.

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