



Code of Ethics

Adopted January 20, 2004
Restated November 10, 2004

Message from the President and CEO

To all APCapital colleagues,

Integrity is at the heart of what our Company is all about. A reputation for integrity is one of the most important assets any individual or company can possess. That is why it is so important that all of us make a commitment to uphold the Code of Ethics and Conducts.

Our customers, shareholders, co-workers, business partners and communities expect us to uphold the highest legal and ethical standards and perform as a good corporate citizen.

All employees, executive officers and directors occupy positions of trust and confidence. Each has a duty to serve the Company in good faith, in a manner that he or she reasonably believes to be in the best interests of the Company and its shareholders. Our duty to the company begins with respect for each other, and demonstrating that respect through everyday interaction and behavior. We must strive to avoid, and always disclose, any activities which could create, or appear to create, a conflict with the interest of the Company. We have and will continue to build a company upon openness and integrity by honoring the commitments we make, and taking personal responsibility for actions and results.

Each of us must understand and adhere to the spirit as well as the letter of the APCapital Code of Ethics and Conduct. Together with the employee policy handbook, this Code provides a framework on how to conduct ourselves and make good decisions every day. When in doubt about whether something meets our standards of ethical behavior, consult with the Ethics Officer for guidance. If you believe in good faith that any action is an actual or apparent violation of our standards you are required to report it. Such communications are handled confidentially and may be anonymous, and we provide a special toll-free telephone number established just for this purpose.

I appreciate your continuing contribution to APCapital's success and your commitment to living our values.

R. Kevin Clinton, President and CEO

APCapital's Commitment to Ethical Conduct

APCapital and all subsidiary companies (hereinafter referred to as APCapital) are committed to the highest standards of integrity and ethical conduct. For many years, APCapital has had a number of corporate policies concerning legal and ethical behavior in various areas. It has also been the policy of APCapital to be a good "corporate citizen" of the communities in which we do business. We have a responsibility to obey the laws that govern the way we do business, the policies governing our relationship with employees and the laws relating to our status as a publicly owned company. This Code of Ethics and Conduct has been approved by the APCapital Board of Directors. Although it cannot possibly cover every single situation, it serves as a roadmap to guide directors, executive officers and employees in their day to day decision-making.

Annual Acknowledgement

It is the responsibility of every employee, director and officer to understand and comply with the policies outlined in this Code of Ethics & Conduct. A copy of the Code can be found on the APCapital Intranet site. Each year, every employee will be required to sign a statement affirming they have read and understand APCapital's Code of Ethics and Conduct and are in full compliance with the Code.

Accountability

We make decisions every day at all levels within the organization in order to accomplish our business goals. As individuals, we are accountable for making good decisions and for the outcomes those decisions produce. The Code of Ethics and Conduct provides guidance for those decisions.

This Code outlines key responsibilities to ensure that we act at all times responsibly, ethically, and lawfully. Each of us must abide by the Code of Ethics and Conduct. Violators of the Code are subject to appropriate discipline, up to and including termination from the Company and prosecution under the law.

If you are unsure of the appropriateness or ethics of any activity, ask yourself the following questions:

- Does it comply with the law, and/or APCapital's Code of Ethics and Conduct?
- How would our customers, shareholders, and the general public look upon it?
- Does it make me uncomfortable because it appears to conflict with the Code?

Would I be proud to explain my actions to my family or fellow employees - or to millions of people on tonight's news broadcast? When in doubt, ask for guidance. Consult with the Secretary of the APCapital Board of Directors, Ann Flood, or the Manager of Human Resources. The Secretary of the APCapital Board of Directors has been designated the Ethics Officer and will be responsible for overseeing compliance with this Code and all applicable laws. If you know or reasonably suspect a violation of any applicable law, the Code of Ethics and Conduct, or any other related company policies, you have an obligation to report that information. No one will be subject to retaliation because of a good faith report of suspected misconduct. However, failure to report any such acts or transactions will be grounds for disciplinary action.

Reporting Your Concerns

You may report a violation in person, by telephone or in writing. If in writing, it may be anonymous but you should give a sufficiently detailed description of the factual basis for the allegations to allow for an appropriate investigation. Those who wish to report concerns anonymously may also call the APCapital Ethics Hotline at 1-888-855-2227. If your concern involves a violation of internal accounting controls or auditing matters, you may report directly and confidentially to the APCapital Board Audit Committee by calling 1-866-244-6129, emailing the Committee at acap@openboard.info, or submitting the information via the secure form found at this website: <https://www.openboard.info/acap/index.cfm>.

Additional Responsibilities of Managers

In addition to abiding by this Code, managers must actively demonstrate the importance of integrity and compliance with this Code. Managers should lead by example and make themselves available for employees who have ethical questions or wish to report possible violations.

Managers must ensure that this Code is enforced through appropriate disciplinary measures. If a manager suspects that this Code is being violated, or an employee approaches them with a reported violation, the manager should take appropriate steps to address the matter including immediately reporting the allegations to the Ethics Officer or Manager of Human Resources.

Possible violations of this Code will be investigated by the Ethics Officer or by an appropriate independent committee of the Board and appropriate action will be taken in the event violations are found, up to and including possible termination. Confidentiality regarding those who make compliance reports and those potentially involved is maintained to the extent possible during a compliance investigation. APCapital does not tolerate retribution, retaliation or adverse personnel action of any kind against anyone for lawfully reporting a situation of potential illegal practice or noncompliance with the Code of Ethics and Conduct.

Respect for the Individual

Non-discrimination

One of APCapital's guiding values is respect for one another. As a company, we expect that all employees treat one another with respect and dignity, creating a safe, comfortable and enjoyable place to work.

We are proud of being an equal opportunity employer. All employment decisions such as recruitment, employment, development and promotion are based solely on a person's ability and potential to perform the job, not upon extraneous factors such as race, color, religion, sex, sexual orientation, national origin, age, disability, height, weight, or marital status. We make reasonable job-related accommodations for any qualified employee with a disability when notified by the employee that he/she needs an accommodation.

Equal employment opportunity includes an opportunity for all employees to work in a positive work environment, regardless of their sex, race, religion, or other differences. This means that everyone should be sensitive to statements and actions which can cause others to feel excluded or which can create a hostile work environment. Specifically, references to and jokes about sex, race, religion, or other differences, can be offensive and can cause employees to feel excluded.

Any incidents or actions which an employee considers to be discriminatory should be promptly reported to a supervisor or to the Manager of Human Resources. Any supervisor receiving such a report should, in turn, report it to the Manager of Human

Resources. If a determination is made that an employee has violated its policy against discrimination, appropriate disciplinary action will be taken, up to and including discharge.

Harassment-Free Workplace

APCapital has always taken pride in striving to provide a positive and harassment-free work environment that offers each employee the opportunity to perform to full potential. The company has a long-standing policy prohibiting harassment relating to an individual's race, color, sex, religion, sexual orientation, height, weight, health, age, creed, national origin, marital status, veteran status, or disability. APCapital's commitment to a harassment-free work environment applies to every aspect of the employment relationship and also includes those times when employees are engaged in work-related activities or functions that take place away from the workplace and/or after regular business hours. It also extends to business associates such as outside vendors, and business partners.

Any conduct that could be construed as harassment of an employee is expressly prohibited. Sexual harassment including unwelcome sexual advances, sexually explicit comments or physical conduct of a sexual nature is prohibited. It is forbidden to retaliate against any employee who complains that he or she has been harassed, even if an investigation shows that no harassment occurred. The Employee Policy Handbook provides detailed information on employees' and managers' responsibilities with respect to harassment.

Substance-Free Environment

Substance abuse - whether alcohol or drug - poses a serious threat to the safety, health, and productivity of APCapital and its employees. APCapital has a drug/alcohol-free workplace policy that extends to all office locations and applies to employees, vendors, customers and guests. Our policy prohibits the use or possession of alcohol, illegal drugs and other controlled substances in the workplace (other than prescription medication) or being under the influence of such substances on the job.

Functions involving Alcohol

On occasion, company-sponsored events may involve the serving of alcoholic beverages. In these cases, all appropriate liquor laws must be followed, including laws regarding the serving of alcohol to minors. Consistent with our policy, intoxication and excessive drinking at company events is prohibited.

Pornography

In keeping with our policy of providing a safe, comfortable workplace for all employees, possession, distribution, or viewing of any pornographic materials on APCapital premises, including computer equipment, is prohibited.

Violence

APCapital will not tolerate threats or acts of violence or physical intimidation of any kind in the workplace. Any person who has been threatened with or subjected to physical violence by a fellow employee should report it to their manager or Human Resources. The possession of weapons, firearms or any dangerous devices is prohibited on company property.

Many of the topics above are covered in more detail in the Employee Policy Handbook.

Operating with Integrity

Avoiding Conflicts of Interest

While working every day to make good business decisions for APCapital, we must ensure that those decisions are made in the best interest of the company rather than based on personal considerations or relationships. A conflict of interest arises when anything interferes with or influences the exercise of an employee's independent judgment in the best interest of APCapital. Determining whether a conflict exists is not always a straightforward task and, when in doubt, it is best to disclose to or inquire of management and the Ethics Officer any situation that is, may be, or appears to be a conflict.

Business Opportunities or Employment

Directors, officers and employees are expressly prohibited from personally accepting opportunities discovered through the use of APCapital property, information or position. Any outside employment, activities or services, with or without compensation, that would divert time and attention away from APCapital job performance or require work during APCapital business hours should be avoided. If you serve as a director, officer, or consultant with any company that does business with APCapital, you must notify the Secretary of the APCapital Board.

Other Financial Interests

If you or an immediate family member has any significant financial interest in a business that does or seeks to do business with, or is in competition with, APCapital or any subsidiary, you must notify the Ethics Officer. In the case of a member of the APCapital board of directors and any executive officer, approval must be obtained by the APCapital Board of Directors. A "significant financial interest" is defined as ownership by an employee and/or family member of more than 1% of the outstanding capital value of a corporation. The company, through the Ethics Officer or Manager of Human Resources, will work with you to determine the appropriate course of action.

Meals, Gifts and Entertainment

The exchange of meals, gifts and entertainment is a common practice in business. However, employees should not accept entertainment, gifts or favors that could influence or appear to influence business decisions in favor of, or create a feeling of obligation with, any person or organization with which APCapital has or is likely to have business dealings.

Accepting an occasional meal or entertainment in connection with a business relationship is allowed, but only if it would be appropriate to reciprocate. It is important that all relationships with customers, vendors, agents and other business partners be based on lawful and fair business practices and not present or create the appearance of a conflict of interest. Reasonable business entertainment that is in the best interest of the company is allowed but only if consistent with accepted business practices and are of sufficiently limited value and in a form that will not be construed as improper. Never request or solicit meals, gifts, favors, entertainment or services.

Gifts and Entertainment

The type of gifts and entertainment that are appropriate to receive as a Company employee depends on many factors. If the gift or entertainment in question is lavish, or unusual for the receiver's job, it is probably not acceptable. Infrequent, nominal gifts (\$25 or less) may be accepted if doing so is consistent with common courtesy and accepted business practice. Never offer or accept gifts of cash or cash equivalents, including gift certificates, prepaid credit or charge cards, or gift cards. No gifts in excess of \$100 in the aggregate should be accepted from any one source in any given year. If at any time the acceptance of a gift will result in an excess of this \$100 aggregate limit, written prior approval must be obtained by the department's appropriate Executive, before such gift or entertainment may be accepted.

Meals

It is generally accepted that meals that occur in conjunction with business meetings may be accepted, provided the meals are not excessive, lavish or overly frequent. When considering whether a meal may create a conflict with this Code, consider whether you, as an employee, would be able to obtain company reimbursement for a similar meal expense. If it's in excess of the normally accepted amount, it may be considered lavish. If the frequency with which this business partner pays for a meal on your behalf would cause concern with your manager or the Company if reciprocated, it may be in conflict.

Protecting Company Assets and Information

APCapital's success depends on each of us protecting the company's assets, including physical equipment, funds, information, and reputation.

Theft and Fraud

Fraud - the act or intent to cheat, trick, steal, deceive or lie - is both dishonest and, in most cases, criminal. Intentional acts of fraud are subject to strict disciplinary action, including dismissal and possible civil and/or criminal action. Taking or stealing or knowingly misappropriating the assets of APCapital, any employee or customer is improper and/or illegal. Submitting false expense reports, forging or altering checks, unauthorized reporting of business transactions or destroying anything of value belonging to APCapital without consent, constitutes fraud under company policy. Any employee who suspects fraud or theft must report their concern to the Ethics Officer.

The federal Insurance Fraud Prevention Act (the Act) requires that insurance companies take certain steps to prevent insurance fraud. The Act prohibits the employment of individuals who have been convicted of a criminal felony involving dishonesty or a breach of trust, unless the appropriate insurance regulator has been notified and has given written consent. In order to comply with the Act, APCapital is requiring that any employee who has been convicted of a felony notify the Manager of Human Resources immediately. APCapital will evaluate whether the felony is the type of felony covered by the Act, and whether to request the written consent of the insurance regulators. APCapital may also perform criminal record checks to obtain records of criminal convictions.

The Act also imposes civil and criminal penalties for intentionally submitting false financial information to an insurance regulator or for intentionally making a false entry of material fact in any book, report, or statement of an insurance company with the intent to deceive. The misappropriation or embezzlement of any money, premiums, credits or other property of an insurance company is also covered by the Act. The criminal penalties for violation of the Act include imprisonment for up to 15 years under some circumstances.

Employees with questions concerning the Act, or information concerning possible violations of the Act should contact the Manager of Human Resources.

Limitations on Personal Loans to Directors and Officers

U.S. securities laws strictly limit the company from extending credit or making personal loans to its directors or officers. APCapital regards these limitations as applicable to all companies owned or operated by APCapital.

Proprietary and Confidential Information

The protection of APCapital's proprietary and confidential business information is critical to the ability of the company to compete within the insurance industry and comply with federal and state securities laws. Violations of any applicable law could expose APCapital and/or the person to severe criminal or civil liability.

Employees (both present and past), officers and, in particular, senior management and directors have access to confidential information and have a legal and ethical duty to take steps to protect it. Proprietary information may include, without limitation, financial information and projections, computer records and programs, contracts, customer information, medical information, investments, marketing plans, personnel information etc.

Confidential information should not be:

- Discussed in public places where it may be overheard
- Shared with people outside the company, including agents, customers, vendors, family members and others, except in cases where there is a business purpose and a confidentiality agreement is in place
- Left unsecured on laptop computers or sent via unsecured email
- Shared with co-workers except for valid business purposes.

If you are not sure whether certain information is considered proprietary and confidential, ask your supervisor or the Ethics Officer for guidance. Employees shall not remove any such information, in any format, upon termination of their employment. Employees must return proprietary information to the company upon termination if it has been removed from company premises prior to termination. APCapital reserves the right to inspect materials being removed by departing employees and any other person to prevent unauthorized removal of information.

Computer Usage, Internet and E-Mail

All computers, electronic communication systems and all information transmitted by, received from, or stored in the APCapital systems are the property of APCapital, and as such are intended to be used for company business purposes. In order to protect the interests of APCapital's information and networks, APCapital reserves the right to monitor or review any and all data and information contained on an employee's computer or other electronic device issued by the company. APCapital may also monitor or review an employee's use of the Internet, Intranet and e-mail system without prior notice. In general, the only software that should be loaded on employee computers is that which the company has approved and purchased. In many cases it is illegal to copy, download, or distribute software or other materials or files that are protected by copyright.

All employees should understand that access to APCapital systems will be revoked and disciplinary action may be taken in the event that company systems are used to commit illegal acts, or to violate the non-discrimination, harassment, pornography, proprietary information or any other terms of this Code.

A more detailed description of APCapital's Computer Usage policy is contained in the Policy Handbook.

Insider Information and Trading APCapital Securities

APCapital policy and U.S. securities laws prohibit employees from buying or selling company stock or any other kind of public security using "inside" information. It is also unethical and illegal to disclose such information to others so that they may trade based on that information. Inside information is information that has not yet been disclosed to the public, that might be significant to an investor in deciding whether to buy, sell or hold stock. The company policy applies primarily for APCapital's own stock, but also applies to confidential information which an employee learns about other companies through an employee's job.

APCapital directors, officers and many senior-level employees have additional disclosure requirements for trading in APCapital stock.

Violation of the law against insider trading can result in severe civil and criminal penalties, including jail terms of up to ten years. Any employee who violates the company policy against insider trading will be subject to discipline, up to and including termination of employment.

The company has a formal detailed policy concerning insider trading. Employees with questions concerning this policy should contact the Ethics Officer or Vice President of Investor Relations.



Financial Reporting and Controls

APCapital requires full, fair, accurate, and timely disclosure in reports filed with or submitted to the Securities and Exchange Commission, the IRS, other governmental regulators and in all public communications made by the company. All employees will work to maintain the integrity of APCapital's recordkeeping and reporting systems. All business transactions must be properly authorized and completely and accurately recorded on the company's books. No false or inaccurate records or entries may be made for any reason. Employees should report any indication that APCapital records are being falsified to the Ethics Officer or directly to the APCapital Board Audit Committee by calling 866-244-6129, emailing the Committee at acap@openboard.info, or submitting the information via the secure form found at this website: <https://www.openboard.info/acap/index.cfm>.

Section 303 of the Sarbanes-Oxley Act specifically makes it unlawful to take any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in the performance of an audit of the financial statements of that issuer for the purpose of rendering such financial statements materially misleading.

Interacting with the Media and Other Outside Parties

It is important that public statements that might be attributed to APCapital be carefully considered. Personal views must be kept separate from company views. To protect the company and our employees, no one should speak publicly for the company unless specifically authorized to do so by senior management. If you are approached by the media regarding the company, direct them to the Chief Executive Officer or Vice President of Investor Relations.

Posting information on Internet message boards or communicating in chat rooms is essentially the same as "talking to the media." Employees should not use these forums to discuss company matters or to respond to comments about the company. If you see a comment or posting of concern, you are encouraged to bring it to the attention of the Vice President of Investor relations.



Violations of the Code of Ethics and Conduct

All employees shall promptly disclose any acts or transactions known to such person that may be in violation of the Code. No one will be subject to retaliation because of a good faith report of suspected misconduct. However, failure to report any such acts or transactions shall be grounds for disciplinary action. Any person who violates the Code, or permits a subordinate to do so, shall be subject to disciplinary actions, which may include immediate dismissal or termination.

All questions, issues or reports of violations should be made through the employee's supervisor or the Ethics Officer. If the matter involves an officer or director, the report may be made directly to the Chairman of APCapital's Board of Directors. To the extent permitted by law, and consistent with its enforcement objectives under this Code, APCapital will keep confidential the identity of any employee about or against whom allegations of violations are brought, unless or until it has been determined that a violation has occurred. Similarly, to the extent permitted by law, and consistent with its enforcement objectives under this Code, APCapital will keep confidential the identity of anyone reporting a possible violation.

Waivers of the Code of Ethics and Conduct

Any express or implied waiver or any amendment of this Code may only be made by the APCapital Board of Directors and will be promptly disclosed as required by law.