

# **HILB ROGAL & HOBBS COMPANY**

## **CODE OF BUSINESS CONDUCT AND ETHICS**

This Code of Business Conduct and Ethics (the “Code”) covers a wide range of business practices and procedures and supplements the Company’s Employee Handbook and other policies. All employees and officers of the Company (including its subsidiaries and affiliates) are required to be aware of the contents and operation of this Code and are responsible for conducting themselves in compliance with this Code, other Company policies, and applicable laws and regulations. In addition, all members of the Company’s Board of Directors are responsible for conducting themselves in compliance with applicable provisions of this Code and other Company policies, and applicable laws and regulations.

This Code is designed to provide the Company a means to exercise due diligence to prevent and detect criminal conduct. It reflects that the Company is committed to an organizational culture that encourages ethical conduct and a commitment to compliance with the law. The Company’s Board of Directors, through the Business Practices Committee and the Audit Committee, is committed to exercising reasonable oversight with respect to the implementation and effectiveness of this Code.

Employees who manage other employees (“Managers”) are expected to set the proper tone and lead by example. Managers must communicate the Code to all employees reporting directly to them and see that those employees understand the Code. If a Manager engages in illegal activities that fall within the scope of the Code, or engages in conduct that is inconsistent with the Code, the Company will take action, where appropriate under the circumstances, to relieve that person from his or her position of authority.

The Company is committed to respect in the workplace, where people are valued and their opinions are respected. Such a workplace allows for openness and communication, will not tolerate dishonesty and will not cause any employee to fear for his or her job for doing the right thing. Managers must protect the Company by seeking to prevent violations of the Code, by responding appropriately to violations of the Code, and by dealing fairly, openly and honestly with their employees who voice concerns about, or report suspected violations of, the Code. Similarly, employees must do their part by adhering to the Code and by reporting suspected violations to the appropriate person or confidential reporting mechanism. While the confidential reporting tools are available to all, it is the Company’s aspiration that the workplace atmosphere would be such that no employee would feel jeopardized to report a suspected violation to the appropriate Manager or, failing appropriate response, up the ladder.

Operational responsibility for the Code is vested in the Senior Vice President, Business Practices & Quality Assurance, who has been given the resources and authority to carry

out, implement and operate an effective Code. With respect to operation and effectiveness of the Code, the Senior Vice President, Business Practices & Quality Assurance reports directly to the Business Practices Committee and the Audit Committee.

The Senior Vice President, Business Practices & Quality Assurance shall have responsibility to monitor and audit compliance with the Code and shall periodically (at least annually) evaluate the Company's compliance with the Code. If a material violation of the Code is discovered, the Company shall take reasonable steps to respond to such conduct and shall evaluate and modify, where appropriate, the Code to reasonably prevent such violations in the future.

After you have read this Code of Business Conduct and Ethics, please execute the attached Compliance Statement. If you have any questions about these policies, please contact the Company's Senior Vice President, Business Practices & Quality Assurance. All employees are required to review this form on at least an annual basis and failure to complete the certification at the end hereof may be a disciplinary offense, up to and including termination.

## **1. Compliance with Laws, Rules and Regulations**

Obeying the law, both in letter and in spirit, is the foundation on which this Company's ethical standards are built. All employees, directors and officers must respect and obey the laws of the cities, states and countries in which we operate, and the rules and regulations of governing agencies, authorities and bodies that have jurisdiction over the Company. All employees are required to grant consent to the Company to use and obtain information about the employee for purposes of obtaining, maintaining or removing licenses and appointments in the employee's name or applicable to the employee. All contracts entered into by the Company must comply with all applicable laws and regulations and should be in writing, should include a complete description of each party's responsibilities, and our fees and compensation should be adequately disclosed.

## **2. Competition and Fair Dealing**

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Each employee, director and officer should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors and employees. No employee, director or officer should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other deceptive or unfair-business practice.

Communications to our customers or prospects must be truthful and must accurately reflect what the Company promises to do. Employees must not make commitments without proper authorization, which generally should be given by the

President of a local office. Commissions, fees or other payments to third parties must reflect the value of services performed and otherwise be lawful. Similarly, gratuities or business courtesies must be in the ordinary course and part of a normal relationship. When such courtesies rise to the level that a sense of personal obligation arises from the recipient, they may improperly influence one's decision-making. Employees must use sound judgment when giving or receiving such courtesies that their decisions will not be second-guessed. If an employee would be embarrassed to read about his or her receipt or gift of a business courtesy in the newspaper, then it is likely that it was excessive. When in doubt, consult your Manager.

Of primary importance in the Company's competition and fair dealing principles is compliance with federal and state antitrust laws and other laws prohibiting deceptive or unfair business practices. Employees must not plan or agree to participate in, whether written, electronic or oral, any course of conduct with competitors, clients, prospects, markets, trade associations or others which would constitute price fixing, bid rigging, fake or fraudulent price quotes, an allocation or dividing of markets, clients, products, services or territories, a refusal to do business with, or boycott of, a qualified market, an improper limitation on competition, or any other illegal activity.

Government authorities nearly everywhere regulate compliance with competition and antitrust laws. Courts will often use circumstantial evidence to determine if a violation occurred. Any violations, regardless of whether they are "good for the industry" or "good for the client", may lead to criminal or civil penalties for the employee or the Company, or imprisonment for the employees.

### **3. Agent or Broker**

In almost all transactions, the Company will be acting as an independent agent for an insurance company pursuant to an agency, producer or other contract. For larger, more complex risks, the Company will be acting as a broker for the client pursuant to a written broker agreement with the client. The Company's relationship with a client can only be as an agent or broker; it cannot be both. You should be sure that both you and the client understand which relationship the Company has with a client because each relationship comes with different and important responsibilities.

In the broker model, the Company is exclusively representing the client and must always act in the best interests of the client. When acting as a broker, the Company will receive compensation only as agreed to by the client, usually in the form of a fee. When the Company is acting as a broker, the Company may not receive contingent compensation<sup>1</sup> or any other items of material value from an insurance carrier, except that regular commissions are permitted if they are provided for in the broker agreement and agreed to by the client. The Company can never accept contingent compensation from an insurance company if the Company has any authority to settle claims on behalf of that insurance company, regardless of whether the

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<sup>1</sup> "Contingent Compensation" for the Company's broker business is defined in Section 12 of the agreement with the Connecticut Attorney General and is posted on the Company's intranet under "Regulatory Compliance."

Company is acting as a broker or an agent. Further, when acting as a broker and in the process of obtaining bids for a broker client, the Company will not accept further compensation attributable to a client until it has disclosed to the client all quotes and declinations relative to that client's placement.

When the Company is acting as an agent, which applies to the majority of the Company's clients, there are different disclosure rules than when the Company is acting as a broker. When the Company is acting as an agent, the Company may receive contingent compensation from insurance companies. All new agency clients must sign the Customer Bill of Rights, except when there is no face-to-face contact with the client. Where there is no face-to-face contact with the client, an HRH representative must read the substance of the Customer Bill of Rights to the client, with such reading being noted and placed in the client's file, and a copy of the Customer Bill of Rights being mailed to the agency client.

In all circumstances, whether acting as agent or broker, any client's claim, unless directed otherwise by the client, must be reported promptly to the insurance company no later than two (2) business days after notice to the Company. Further, any written client complaint over the Company's compensation, whether as an agent or broker, must be provided to the Business Practices Committee of the Board of Directors as soon as possible, with a copy to General Counsel.

Both the agency and broker models have more detailed rules regarding what must be disclosed to a client, when such disclosures must be made, and under what circumstances such disclosures must be made, such as when dealing with affiliated and nonaffiliated wholesalers when acting as a broker, or affiliated wholesalers when acting as an agent, or when placing coverage with an affiliated insurance company. These specific rules are available on the Company's intranet and your Manager will also be available to provide guidance, in addition to the Senior Vice President, Business Practices & Quality Assurance. If you deal with Company clients, you are responsible for knowing and complying with these rules. All employees must be mindful of the Company's relationship with the client, which can only be agent or broker (or wholesaler). Unless acting pursuant to a written agreement wherein the Company has agreed to act as a broker, or where acting as an agent for other licensed producers (E&S and MGA programs), the Company is typically acting as an agent.

#### **4. Training**

All new employees shall complete the training course within one month of the first day of employment. Additionally, the Company shall periodically require some or all individuals to go through training again, as determined by the Senior Vice President, Business Practices & Quality Assurance. An individual's failure to complete training within the specified time may lead to disciplinary results, up to and including termination.

## **5. Confidentiality**

The Company has a moral and legal responsibility to safeguard private information about its clients, customers and the Company's business. Each employee, director and officer must be aware of the proprietary and confidential nature of information at our disposal. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. Employees, directors and officers may learn information about the Company's organization, strategies, business, customers (including but not limited to, customer identities and lists, revenues from customers' accounts, customer risk characteristics and requirements, key contact personnel, financial data and performance, payroll, policy expiration dates, policy terms, conditions and premium rates and information about prospective insurance customers). Similarly, each employee, director and officer should assume all information about the Company and its business (including, but not limited to, the business of all subsidiary and affiliate companies) is confidential. Each employee, director or officer is obliged to hold all such confidential information in confidence, to refrain from disclosing any such information to any person outside the Company and to refrain from using such information for any purpose other than the performance of his or her duties to the Company. Each employee's obligations of confidentiality shall continue in effect following the termination of such employee's employment.

The Company is fully committed to the intent and implementation of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Each employee, director and officer shall not use, access or disclose individually identifiable health information to any person or entity, internally or externally, except as is required and permitted under HIPAA and Company policies.

## **6. Corporate Opportunities**

Employees, directors and officers are prohibited from taking for themselves, personally, opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors. No employee, director or officer may use corporate property, information, or position for improper personal gain, and no employee, director or officer may compete with the Company directly or indirectly, or undertake the planning or organizing of any business activity competitive with the Company. Employees, directors and officers owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. For a period of two (2) years (or such lesser period set forth in an employment or other restrictive covenant agreement if such agreement so provides) following an employee's termination of employment with the Company or its subsidiaries, no employee or officer shall solicit or accept (except in states where it is unlawful to prohibit the "acceptance" of insurance business, the acceptance of insurance business by such former employee is permitted provided no other unfair means has been used to induce the offer, such as use of Confidential Information) or service, directly or indirectly, as insurance broker or agent, employee, owner, consultant, or otherwise, any insurance or bond business of

any kind or character from any customer or account of the Company subsidiary that employs employee, and for a period of twelve (12) months following an employee's termination of employment with the Company or its subsidiaries, no employee or officer shall hire or solicit any of the Company's employees who became known to employee during his or her employment with the Company or its subsidiaries to work for employee or any competitive company. The policies set forth in this paragraph 6 shall in addition to, and shall in no way limit or diminish, any requirements or covenants set forth in any employment agreement to which an employee or officer of the Company or its subsidiaries is bound, and such policies shall not be considered an amendment of any such agreement which shall continue according to its terms.

## **7. Protection and Proper Use of Company Assets**

All employees, directors and officers should endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes. Any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-Company business, though incidental personal use may be permitted. All systems (and information thereon) belong to the Company and may be monitored at any time.

The obligation of employees, directors and officers to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or even criminal penalties.

## **8. Conflicts of Interest**

A conflict of interest occurs when an individual's private interest interferes in any way, or even appears to interfere, with the interests of the Company as a whole. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Board of Directors. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with the Company's Senior Vice President, Business Practices & Quality Assurance. In order that conflicts of interest may be avoided, the following standards and procedures must be adhered to strictly:

a. An employee ("employee" shall include officers for the purpose of this Code) must maintain constantly a high standard of conduct and abstain from

exerting influence in any transaction where the employee's interests may conflict with the best interests of the Company, or where the employee may gain any financial benefit.

b. An employee must report to his or her relevant supervisor any financial interest held in any concern doing business with the Company. Stock ownership of less than 1% in any publicly owned corporation need not be reported. (A publicly owned corporation is any corporation required to file reports with the Securities and Exchange Commission).

c. An employee must report promptly to his or her relevant supervisor or to the Company's Senior Vice President, Business Practices & Quality Assurance: (1) any remuneration received or offered from any individual or concern with whom the Company does business; and (2) any potential conflict of interest which may arise.

d. Except for events approved as set forth in f., below, whether given as entertainment, as a reward or pursuant to an advisory or other council, an employee must accept no gifts or payments whether cash or merchandise of significant value (\$250 or more) from anyone who has a business relationship with the Company.

e. An employee must refrain from lending money to, borrowing money from, or having loans guaranteed by anyone doing business with the Company, except that an employee may borrow from a financial institution with which the Company does business. No loan to, or guarantee of obligations of, any employee or officer may be made by the Company without the prior approval of the Company's Senior Vice President, Business Practices & Quality Assurance.

f. Relationships with the Company's vendors are of vital importance and a routine part of many employees' duties. Employees may be asked to attend meetings or events which are usually given as a reward for business levels achieved with the vendor or pursuant to an advisory type council with other producers. Employees are to look after the clients' interests first, and the potential of an award shall not influence any placement. No employee may attend any award, advisory or entertainment trip in excess of a \$250 value without first getting approval from the Senior Vice President, Business Practices & Quality Assurance, who shall review such requests for compliance with this Code and other requirements, such as legal settlements. The Senior Vice President, Business Practices & Quality Assurance shall, at least annually, apprise the Corporate Governance or Business Practices Committee of all such activity approved and rejected pursuant to the Code.

## **9. Record-Keeping and Retention**

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions. For example, business expense accounts must be documented and recorded accurately. If you are not sure

whether a certain expense is legitimate, ask your supervisor, the accounts payable department and/or the Company's Controller.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to the Company's system of internal controls. Employees must not create or help create false or misleading records. Business records must reflect accurately the recipient of payments and the true nature of payments made. Funds belonging to others, whether in a fiduciary capacity or not, must be properly accounted for and maintained in compliance with all applicable laws and regulations. Internal controls require that transactions be properly authorized and recorded.

Business records and communications often become public, and you should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. All records and all systems belong to the Company and are capable of being examined physically or electronically at any time.

Records must always be retained or destroyed according to the Company's record retention policies. The general rule is that all documents must be retained for five years, except where required by statute, regulation or agreement to retain documents for a longer period. For example, the settlement between the Company and the Connecticut Attorney General and Insurance Department requires that all documents or records pertaining to that matter be retained for a period of at least six (6) years. Policies by office establish schedules for the maintenance and destruction of documents. All documents must be retained on premises or in secure storage facilities.

When an employee receives a subpoena or notice of actual or contemplated litigation or governmental investigation, all documents or records, including emails and voicemails, which may be relevant to the subpoena, litigation or investigation must be preserved until instructed otherwise by General Counsel. Destruction of relevant records, even when accidental or unintentional, is an extremely contentious issue, which causes great harm when dealing with opponents in litigation or regulatory authorities. Companies can be heavily fined for unauthorized destruction and can have findings of fact against them imposed by a judge's instruction for such occurrences. Questions about which records are relevant should be directed to your Manager, supervisor or the General Counsel.

## **10. Insider Trading**

The Company and its employees, officers and directors must comply fully with the federal securities insider trading laws. Failure to comply could result in serious penalties to you and the Company as well as damage to the Company's reputation.

Consequently, this section of the Code provides you with the basic principles of insider trading law compliance. You should read this section carefully, and ask any questions you may have to the Company's General Counsel.

a. The Basic Insider Trading Law

Securities and Exchange Commission Rule 10b-5 generally prohibits fraud and deception in stock and securities trading. The courts have held that this provision precludes anyone who has material inside information about a corporation from trading in that corporation's securities until the information has become public. Inside information is any information not generally available to the public.

b. The Rules

In order to comply with these provisions, you should always adhere to the following rules regarding trading in the stock, or any other securities, of the Company.

i. When you know about an impending significant event, good or bad, regarding the Company that is not generally known to the public, do not buy or sell the Company's securities or exercise options until the event occurs or becomes publicly known. Such events include, but are not limited to:

- the release of an earnings or other financial report with significant good or bad results,
- a proposed or expected tender offer or merger for or by the Company,
- a significant acquisition or sale of a subsidiary or other operating unit,
- a significant event involving litigation or regulatory matters affecting the Company,
- a significant corporate management change, or
- a change in the Company's dividend policy or the declaration of a stock split.

ii. Do not rely on the fact that you do not intend to defraud anyone or do not believe your shares will make any difference – if you have material inside information, refrain from trading. Remember that, if your transactions are scrutinized, it will occur after the fact and be viewed with the benefit of hindsight.

iii. Do not give tips or suggestions to friends, family or acquaintances to buy or sell Company stock when you have material inside information – both you and they may be liable for trading on such tips regardless of whether you benefited in any tangible way from giving the tip. Members of your family living in your household should know that they are subject to the same rules and restrictions you are, and you are responsible for their compliance. (Of course, you should never tell anyone outside the Company, or anyone inside the Company who does not need to know, any actual confidential information of the Company.)

iv. A rule of thumb as to whether information is material is whether a member of the investing public would consider it important to his decision to buy, sell or hold stock. When in doubt, always consult the Company's General Counsel before buying or selling or simply refrain from buying or selling.

v. After the information becomes public, do not buy or sell the Company's securities or exercise options until after two full trading days to allow the information to be assimilated in the market (i.e., if earnings were announced at 10:00 a.m. on Monday and Monday and Tuesday were regular trading days, you could purchase stock after 10:00 a.m. on Wednesday).

vi. Regardless of your position within the Company, you must comply with the foregoing whenever you are in possession of material inside information.

vii. These rules apply to all Company employees whenever they may have material inside information. Additional rules apply to officers and directors of the Company and they have received materials on these additional rules.

viii. The foregoing rules also apply to securities other than the Company's common stock, for example, a publicly-traded client about which you have learned material information in the course of your job.

If you have any questions about the foregoing, it is important that you ask the General Counsel before trading. The Company may be liable, as well as you personally, for any insider trading violations and the penalties can be enormous. The Company takes insider trading compliance, and all other securities law compliance, very seriously and expects you to have read the foregoing, to understand or ask questions about it and to comply.

## **11. Discrimination and Harassment**

We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Further information regarding the Company's discrimination and harassment policies can be found in the Employee Handbook.

**12. Reporting any Illegal or Unethical Behavior; Disciplinary Measures**

Employees, directors and officers are required to report any violation of this Code of Business Conduct and Ethics to the Company's Senior Vice President, Business Practices & Quality Assurance and are encouraged to talk to the Company's Senior Vice President, Business Practices & Quality Assurance and to their supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. In addition, confidential reports may be submitted, 24 hours a day, 7 days a week, by calling the Company's Ethics Hotline, which is run by a third party vendor to ensure anonymity, at 800-735-1239. It shall be a violation of this Code to intimidate or impose any form of retribution or retaliation on any employee or agent who, in good faith, reports misconduct of others. Employees, directors and officers are expected to cooperate in internal investigations of misconduct. Directors, officers and employees will be held accountable for failure to adhere to this Code. The Company shall promptly and consistently enforce this Code through appropriate means of discipline, including, but not limited to, counseling, oral or written reprimands, warnings, probation or suspension without pay, demotions, reductions in salary, termination of employment and restitution.

**13. Waivers of the Code of Business Conduct and Ethics**

Any waiver of this Code for executive officers or directors may be made only by the Board of Directors or a Board committee and will be promptly disclosed to shareholders as required by law or New York Stock Exchange regulations. All other waiver requests must be submitted through the Waiver Request Process posted on InfoSource under the Code of Business Conduct and Ethics.

**14. Amendment and Modification**

This Code may be amended or modified at any time by the Board of Directors of the Company.

As approved by the Board of Directors on November 13, 2007.

## COMPLIANCE STATEMENT

PRINT NAME: \_\_\_\_\_ LOCATION: \_\_\_\_\_ DATE: \_\_\_\_\_

I have received and read carefully the Code of Business Conduct and Ethics. I have had the opportunity to ask questions about and now understand such policies.

A. I have complied and will continue to comply with its principles and am aware of no insider trading violations or any other violations of the Code of Business Conduct and Ethics occurring since my last certification except for:

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**(If none, please write "None." Potential disclosures include receipt of trips or gifts from carriers, owning an interest in an insured or other business relationship with an insured and knowledge of any violation of this Code. Please describe any such item.)**

B. I have listed below all appointments directly held and the names of such companies, the amounts of income received therefrom or directly from any customers for risk management business, whether such income has been assigned to the employer, and an explanation of why any income was retained:

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**(If none, please write "None")**

I certify the foregoing to be true. I acknowledge and grant the Company permission, pursuant to the Fair Credit Reporting Act (FCRA), to seek, and use for business purposes, information about my experience and background including insurance licensing information. This consent is good for two years from the date above.

Under the FCRA, I have the right to request disclosure of the "nature and substance" of all such information in Company's files.

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Employee Signature