

Code of Business Conduct for Employees and Directors

Purpose

Town & Country Mutual Insurance Company is committed to the highest level of personal and corporate ethical standards in the conduct of its business.

This Code of Business Practice sets out the minimum standards of business practices that *Town & Country Mutual Insurance Company* expects of each employee and directors to continue to earn the trust and confidence of its policyholders and other stakeholders.

We are committed to meaningful disclosure to consumers that is easily understood, relevant to the sale of our insurance products or services, mitigates real or potential conflicts of interest, and is easily comparable in a vast marketplace of personal line and commercial insurance products.

Information provided to the consumer must be clear, honest, relevant, factual and as complete as is practical. Our agents and brokers are expected to sell our insurance products and services on their merits, with a full description of the benefits and costs.

Scope

This Code of Business Conduct applies to employees and directors of *Town & Country Mutual Insurance Company*.

Strict adherence to the provisions of this Code is mandatory and full compliance is expected under all circumstances.

If you should become aware of a contravention of this Code we would request that you report the matter immediately to either the President of the Company, or to the Chairman of the Board of Directors of *Town & Country Mutual Insurance Company*.

Annual Compliance Acknowledgement

Each year, employees and directors are asked to reaffirm their commitment to comply with the Code, and to provide assurance that they have complied with it over the last year.

Relations with Clients

Client Privacy

To ensure the confidentiality and proper use of personal information relating to its clients, employees, agents and directors, the Company will conduct its business in accordance with its own Privacy Code as well as in accordance with the *Personal Information Protection and Electronic Documents Act* (PIPEDA).

Client Trust

The Company is committed to providing the highest quality of personal service that can reasonably be expected. Honesty, fairness and service are hallmarks of the way *Town & Country Mutual Insurance Company* conducts business.

As mentioned above, information provided to everyone with whom the Company does business must be clear, honest, relevant, factual and as complete as is practical. Our products and services must be sold on their merits, with a full description of the benefits and costs. Misrepresentation of either our products, or our competitors' products and services, is prohibited.

The Company expects that its brokers and agents will document and explain to their clients their reasons for recommending a particular product.

- A broker or agent should conduct fact finding appropriate to the circumstances and assessment of the client's specific needs;
- A needs' assessment should be flexible – the assessment should reflect factors including the underlying risk, the client's objective, and the complexity of the product being sold; and
- An agent or broker's product recommendation should meet the client's identified needs.

It is important that our agents and brokers maintain a written account of this process for purposes of the client file. This may include documentation such as information gathered from the client; the needs assessment analysis; copies of any engagement letter; product comparison information presented to the client; intermediary disclosure documents addressing conflicts of interest; and any formal suitability letters presented to the client.

The client's file must be kept accurate and up to date to demonstrate that the analysis process is ongoing. In addition, the consumer has the right to request additional information.

Relations with the Company

Company Assets

The assets of *Town & Country Mutual Insurance Company* consist of property and information to which the Company is legally entitled.

These assets are not to be used in any way for personal gain. This applies not only to funds, facilities, equipment and supplies, but also to intellectual property, client data and information technology.

Conflict of Interest

Situations should be avoided where the personal interests of employees or directors conflict, or might appear to conflict, with their responsibility to policyholders or to the Company. The conduct of employees and directors must be able to bear public scrutiny. Any external personal or business interests that could compromise sound judgment or diminish an individual's commitment to the Company, or to the policyholder, must be avoided.

Employees and directors should not use their position in the Company or confidential information acquired in connection with the business of the Company to gain, either directly or indirectly, a personal benefit for themselves or for others.

They should ensure that their actions or decisions are free from the influence of any interest which might reasonably be regarded as conflicting with that of the Company or the policyholder. Situations must be avoided where your personal interests conflict, or might appear to conflict, with your responsibility to policyholders and to the Company.

The need to disclose conflict of interest applies on an ongoing basis. In determining whether a conflict of interest might exist which would require disclosure, you must consider whether it would appear to a reasonable, informed person looking at the facts that you acted both in the best interest of the policyholder and in the best interest of the Company.

Employees and directors should make timely disclosure to the President of the Company or to the Chairman of the Board of Directors, in writing, of all personal business, commercial or financial interests or activities where such interests or activities might create, or appear to create, a conflict of interest.

Relations with Regulators

Compliance with Laws and Regulations

Town & Country Mutual Insurance Company, and all persons acting on behalf of the Company, must comply with both the letter and the spirit of all laws and regulations governing its business. They must make every effort to become familiar with the law as it pertains to the business carried out by the Company.

Human Rights

Town & Country Mutual Insurance Company supports and conducts its business in accordance with human rights legislation.

We hire and promote people on the basis of their individual abilities and compensate them on the basis of performance. Discrimination or harassment in the workplace with respect to such matters as race, colour, sex, sexual orientation, citizenship, age or handicap is strictly forbidden.

Town & Country Mutual Insurance Company observes a “zero tolerance” policy towards discrimination or harassment of any sort, and matters will be dealt with strictly on that basis.

NOTE: Provincial regulations, if any, take precedence over this code of conduct.

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