STATE OF CONNECTICUT

INSURANCE DEPARTMENT

INSURANCE DEPARTMENT POLICY REGARDING SECURITIES OWNERSHIP

I. SOURCE OF AUTHORITY

In addition to the requirements of the Code of Ethics for Public Officials, contained in Conn. Gen. Stat. §§1-84 through 1-90, and summarized both in the Office of State Ethics Guide to the Code of Ethics for Public Officials and State Employees and the Insurance Department's Ethics Statement, employees of the Insurance Department are subject to Conn. Gen. Stat. §38a-14(c)(1) and §38a-15(b), which state that examiners under those sections must be "not officers or connected with or interested in any insurance company . . . other than as a policyholder."

II. PROHIBITIONS

A. Commissioner, Deputies, Chief of Staff, Division Directors, Attorneys, Examination Division and Market Conduct Program Managers

- Ownership of any security in a company conducting business regulated by the Department is prohibited.
- Ownership of any security in a company conducting business regulated by the Department by a spouse or dependent child where the employee reaps the benefit of such an interest is prohibited, except where ownership of a security by a spouse or dependent child is part of the compensation package of the employer of such spouse or dependent child. In the event this exception applies, the employee shall excuse himself or herself from reviewing any matter involving the company in which his or her spouse or dependent child owns stock.

B. Examiners subject to Conn. Gen. Stat. §38a-14(c)(1) and §38a-15(b): persons appointed by the Commissioner to conduct an examination of a company; Financial Regulation Division and Market Conduct Division examiners.

- Person must recuse himself or herself if they own a security in a company they are reviewing.
- Person must recuse himself or herself if they reap a benefit from a security in a company they are reviewing owned by a spouse or dependent child.
- Must notify their supervisor of conflicts pursuant to Insurance Department Ethics Statement.

C. All other employees of Insurance Department

- No restriction regarding ownership of securities. Of course, insider-trading regulations shall continue to be observed.

III. DEFINITION OF SECURITIES AND SECURITY

The terms "securities" and "security" include, without limitation, all types of common or preferred stock, secured and unsecured bonds, debentures, notes, securitized assets, and commercial paper, with a fair market value of more than $500. The terms include both current and contingent ownership interests, including any beneficial or legal interest derived from a trust.

The terms do not include an interest in a publicly traded or publicly available mutual fund or other collective investment fund, or a widely held pension or similar fund such as a "403b" or "401k" plan. The terms exclude any beneficial or legal interest derived from a blind trust or similar arrangement.

IV. LIMITED EXCEPTION FOR EMPLOYEES IN CATEGORY II.A.

Where a prohibited security is acquired by an employee in Category II.A. by inheritance, gift, stock split, involuntary stock dividend, merger, acquisition, or other change in corporate ownership, exercise of preemptive right, or otherwise without specific intent to acquire the security, or such security was owned by an employee on the employee's date of hire by the Insurance Department or on the date of this policy, the employee shall have 18 months within which to dispose of the interest. During that period, the employee shall recuse himself or herself from reviewing any matter involving the company in which they acquired a security without intent to own such a security.

V. EFFECTIVE DATE

This policy shall be effective 90 days after the date of the signature below.

Dated: 23rd day of MAY 2007

Thomas R. Sullivan
Insurance Commissioner