

CALIFORNIA ASSOCIATION OF HEALTH UNDERWRITERS

POLICY & PROCEDURES

POLICY TITLE: Conflict of Interest

CLASSIFICATION: Board

POLICY NUMBER: 3001

COORDINATOR: President

MOTION: Maggie Stedt

SECONDED: Tim Kanter

DATE SUBMITTED: August 17, 2015

DATE APPROVED: August 17, 2015, June 21, 2022

APPROVED BY: Board of Directors

AMENDED: June 21, 2022

REVIEW: 2024

POLICY: It is the Policy of CAHU to maintain the highest ethical standards between CAHU and both present and past leaders and employees and to clearly define what conflicts of interest might occur. No person dealing with CAHU shall receive special favor or consideration because of that individual's current or former position with CAHU. No person acting on behalf of CAHU should have a material, financial stake in transactions concerning the Association without the full knowledge and written consent of the Board of Trustees.

PROCEDURE: *Definitions:* For purposes of this Policy and Procedure:

1. *Conflict of interest* means any transaction in which a current or former CAHU Leader has a material financial interest. A *conflicted individual* is a CAHU Leader with a conflict of interest relative to a particular transaction.
2. *CAHU Leaders* means any member of CAHU Staff or any Member of a CAHU Entity.
3. *Former CAHU Leaders* means individuals who were a CAHU Leader during any part of the 12 months preceding a vote concerning a transaction in which the Former CAHU Leader has a material, financial interest. All CAHU Board members will sign this Policy & Procedure each year.
4. *CAHU Entity* means any CAHU Board, Commission, Committee, Advisory Group, Working Group, Task Force or Foundation.
5. *Material Financial Interest* means any direct or indirect benefit, including salary and/or compensation received directly by a CAHU Leader or by a CAHU Leader's immediate relatives (parents, children, siblings, spouses and the spouse's immediate relatives), co-residents or roommates, or any corporation, partnership or business in which such person is an officer, partner, director, executive or major stockholder.
 - a. In the case of CAHU staff, material financial interest shall exclude regular salary, bonuses, benefits and other compensation paid them in the normal course of their duties on behalf of CAHU.
 - b. In the case of a member of a CAHU Entity, material financial interest shall exclude salary, compensation or benefit resulting from holding a position common to the general membership. (For example, a Board Member voting to spend money on behalf of a group supporting guarantee issue of health insurance does not have a conflict of interest even though such a legal requirement would likely increase their income as many members of CAHU would likewise benefit)

Major stockholder means ownership or control of five percent (5%) or more of the outstanding stock of a business Entity.

Disclosure:

1. A CAHU Leader shall disclose any material financial interest in transactions contemplated or entered into by CAHU as soon as such interest is known. Such notification must be made, in writing, to the President and President-Elect. If the potential conflict involves the President or President-Elect, additional notification shall be made to the Executive Director who would operate in the role as "Staff Ethics Officer."
2. When CAHU Leaders or Former CAHU Leaders are aware of potential conflict of interest concerning a Former CAHU Leader such information shall be disclosed in the same manner as for current CAHU Leaders.
3. Sign a Conflict-of-Interest Form.

FINANCIAL IMPACT:

Board Member Name: _____

Signature _____

Date _____