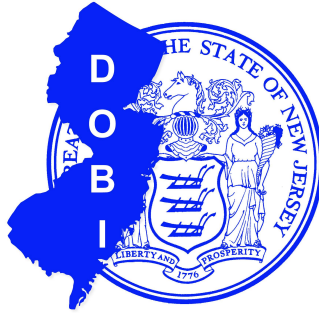


DEPARTMENT OF BANKING AND INSURANCE



**SUPPLEMENTAL**  
**CODE OF ETHICS**

Revision Approved  
September 1, 2010

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DEPARTMENT OF BANKING AND INSURANCE

**SUPPLEMENTAL CODE OF ETHICS**

**I. PURPOSE**

Authority: N.J.S.A. 52:13D-12, 23 and N.J.A.C. 19:61-1.1.

In our representative form of government, it is essential that the conduct of public officials and employees shall hold the respect and confidence of the people. Public officials must, therefore, avoid conduct which is in violation of their public trust or which creates a justifiable impression among the public that such trust is being violated.

To ensure propriety and preserve public confidence, persons serving in government should have the benefit of specific standards to guide their conduct and of some disciplinary mechanism to ensure the uniform maintenance of those standards amongst them. Some standards of this type may be found in statutory prohibitions or requirements; others are spelled out in the New Jersey Uniform Ethics Code and this code is promulgated as a supplement to the Uniform Ethics Code, and address the particular needs and problems of the Department and its officers and employees.

All officers and employees of the Department are subject to all the provisions of the New Jersey Conflict of Interest Law, N.J.S.A. 52:13D-12 et seq., the rules promulgated by the State Ethics Commission at N.J.A.C. 19:61-1.1 et seq., the New Jersey Uniform Ethics Code, N.J.S.A. 52:13D-23 and the Department Code of Ethics.

**The Uniform Ethics Code shall be the primary code of ethics.**

**II. ETHICS LIAISON OFFICER**

The Department of Banking and Insurance Ethics Liaison Officer is the official liaison to the State Ethics Commission. Employee questions regarding conflicts of interest or other ethics related matters should be directed to the Ethics Liaison Officer, or an employee may request a review and opinion on an ethical issue from the Ethics Commission pursuant to N.J.S.A. 52:13D-21 and N.J.A.C. 19:61-2.2(c).

**III. DEFINITIONS**

Authority: N.J.S.A. 52:13D-1

"State Agency" means the New Jersey Department of Banking and Insurance;

"State official" means any State officer or employee or special State officer or employee as defined in the Conflicts of Interest Law, N.J.S.A. 52:13D-13(b) and (e)-l.

"Commissioner" means the Commissioner of the New Jersey Department of Banking and Insurance;

"Department" means the New Jersey Department of Banking and Insurance-,

"Direct benefit" means acceptance by a State official from the sponsor of an event or any other person of travel, meals, accommodations, waiver of conference or event fee or any other costs associated with attending the event for which no payment is made by the State but is not intended to mean nominal refreshments such as nonalcoholic beverages and snacks such as doughnuts, pastries and cookies;

"Indirect benefit" means acceptance by a State official from the event sponsor or any other person of reimbursement for costs of travel, meals, accommodation, event fees, or any other costs associated with attending the event for which no reimbursement is made by the State but is not intended to mean nominal refreshments such as nonalcoholic beverages and snacks such as doughnuts, pastries and cookies;

"Personal funds" means funds of a State official. It does not include funds that are loaned, advanced, promised or reimbursed to a State official for any purpose by an interested party-,

"Trade group" means an organization which includes in its membership interested persons as defined herein, and which advocates or represents the positions of its members in addressing issues affecting them.

See also Uniform Ethics Code: Section I – Definitions

#### **IV. GENERAL RULES OF CONDUCT**

No department employee and no spouse, parent or child of a department employee shall knowingly have a business relationship with any licensee of the department who is the target of, or otherwise personally involved, directly or indirectly, in an open departmental investigation or pending departmental disciplinary action. This prohibition includes a business relationship as: a customer or a client of the licensee; a provider of services for a fee to a licensee; or a provider of services for a fee to a party to a transaction in which the licensee will receive a commission or other compensation.

#### **V. GUIDELINES ON SPECIFIC SUBJECTS**

##### **A. Joint Ventures and Private Financing of State Activities**

All proposals for joint ventures between private entities and State agencies or private financing of State activities must receive prior approval from the Commissioner and the State Ethics Commission. The Ethics Liaison Officer will supply necessary information for this purpose.

## **B. Sexual Harassment**

Authority: Personnel Directive, September 1, 1993

All forms of sexual harassment are strictly prohibited. A request for information or confidential complaint shall be addressed to the Department's Affirmative Action Officer.

## **C. Professional Licenses**

Authority: See N.J.S.A. 52:13D-23(e)(2) and N.J.A.C. 11: 17-2.14.

No State official may engage in any particular business, profession, trade or occupation which is subject to licensing or regulation by a specific agency of State Government without first filing notice of such activity with the Ethics Liaison Officer and with the State Ethics Commission. Any State official must disclose any professional or business license held by that officer or employee on the Conflict of Interest and Outside Activities form annexed to this Code of Ethics.

Notwithstanding the foregoing, a Department of Banking and Insurance officer or employee holding an insurance producer license issued by the Department of Banking and Insurance must relinquish the license to the Ethics Liaison Officer immediately upon employment with the Department. Upon surrender of said license to the Ethics Liaison Officer, the license shall be declared inactive and the appropriate licensing personnel in the Department shall be notified. Thereafter, such license may not be used until properly reinstated pursuant to N.J.A.C. 11: 17-2.14. A Department of Banking and Insurance officer or employee who holds any other license issued by the Department of Banking and Insurance must consult with the Ethics Liaison Officer concerning its status immediately upon employment with the Department.

Questions arising under this section of the Code of Ethics shall be referred to and resolved in consultation with the State Ethics Commission.

## **D. Political Views**

The posting of political literature in the Department workplace is prohibited. An employee shall not directly or indirectly use or seek to use their authority or the influence of their position to control or modify the political action of another person.

## **VI. PROHIBITED ACTIVITIES: LIMITATION ON FINANCIAL TRANSACTIONS**

Authority: N.J.S.A. 17:1-2 (b)

Neither the Commissioner nor any officer or employee of the Department shall have any interest in nor any dealings or transactions in any capacity with any financial institution, insurance company or other entity chartered, licensed, or regulated by the Department, save in the strict performance of his or her duties except as stated below.

- i) An employee may be a provider of services for a fee to a licensee in a non-conflicting activity provided there is Director and Ethics Officer approval and the restrictions of section IV do not apply. The non-conflicting outside activity must be disclosed on a Conflict of Interest and Outside Activity form. The employee shall also have a permanent length of employment written recusal on file for the licensee he is conducting non-conflicting outside activities with.

No Department of Banking and Insurance officer or employee shall hold, invest in or obtain either directly or indirectly, any equity investment (such as common stock), preferred debt instrument (such as preferred stocks or bonds), or acquire stock options, futures, derivatives or similar financial instruments in any financial institution, insurance company or other entity under the jurisdiction of, or subject to regulation or licensure by the Department, whether such investments were previously acquired or obtained subsequent to employment with the department. This prohibition does not apply to investments in mutual funds, deferred compensation plans, blind trusts, or similar investments in which the employee does not make or influence the selection of individual investments.

This prohibition shall not preclude the commissioner, or officers or employees of the department from continuing routine banking services with financial institutions, including but not limited to, mortgages, checking and savings accounts, and personal loans, entered into prior to their employment, or from establishing banking accounts and from obtaining loans and other services normally obtained by members of the general public, or from obtaining insurance or making claims involving their person, property, or affairs, under the same terms and conditions as are available to members of the general public.

Notwithstanding the forgoing, no Banking examiner shall examine any entity with which the examiner conducts personal or family banking or insurance activities. No employee serving in the Solvency Regulation Unit as a Certified Financial Examiner (CFE Reviewer) or Field Examiner shall examine any entity with which the examiner conducts personal or family banking or insurance activities.

Questions arising under this section shall be referred to and resolved in consultation with the State Ethics Commission.

Any violation of this section shall be cause for the dismissal of the violator.