



COMMUNITY ASSOCIATIONS INSTITUTE COMMUNITY INSURANCE & RISK MANAGEMENT SPECIALIST (CIRMS) CODE OF ETHICS

The Community Insurance & Risk Management Specialist shall:

1. Comply with current standards and practices as may be established from time to time by CAI, subject to all federal, state and local laws, ordinances, and regulations, if any, in effect where the CIRMS designee practices.
2. Participate in continuing professional education through CAI and other industry related organizations as required.
3. Act in the best interests of the client; refrain from making inaccurate or misleading representations or statements; not knowingly misrepresent facts to benefit the Specialist.
4. Undertake only those engagements that he/she can reasonably expect to perform with professional competence.
5. Exercise due care and perform planning and supervision as specified in the written client engagement agreement.
6. Disclose all relationships in writing to the client regarding any actual, potential or perceived conflict of interest between the Specialist and other parties, including, but not limited to, management companies, insurance carriers, developers, contractors and legal counsel.
7. Provide written disclosure of any compensation, gratuity or other form of remuneration from individuals or companies who act or may act on behalf of the client.
8. Conduct oneself in accordance with the Community Insurance & Risk Management Specialist requirements.
9. Not represent to anyone as being an Insurance & Risk Management Specialist designee until such time as he or she receives written confirmation from the Insurance & Risk Management Specialist Designation Review Board or CAI of receipt of the designation;
10. Recognize the original records and files held by the Community Insurance & Risk Management Specialist are the property of the client and are to be returned to the client at the end of the Specialist's engagement; maintain the duty of confidentiality to all current and former clients/employers.
11. Refrain from criticizing competitors or their business practices; act in the best interests of his/her employers; maintain a professional relationship with peers and industry related professionals.
12. Conduct oneself in a professional manner at all times when acting in the scope of his/her employment.
13. Not engage in any form of price fixing, anti-trust or anti-competition.
14. Not use the work products of colleagues or competing insurance and risk management firms that are considered proprietary without the expressed written permission of the author or the insurance and risk management firm.
15. Abide by the re-designation policy of CAI.

Compliance with the Community Insurance & Risk Management Specialist Code of Ethics is further amplified in the Code Clarification Document provided by Community Associations Institute.

CODE CLARIFICATION DOCUMENT

Last revised 2016

A. Authority

The Code derives its authority from Community Associations Institute (CAI). CAI's Board of Trustees has established a minimum standard of professional ethical performance for those individuals who receive recognition or designations from CAI. Those individuals that have received the Community Insurance & Risk Management Specialist (CIRMS) designation from CAI are subject to this Code.

B. Definitions

The Code shall apply in any Community Insurance & Risk Management Specialist-client relationship where the CIRMS designee receives some form of compensation for professional services offered or provided to the client.

1. **Community Insurance & Risk Management Specialist (CIRMS)** – a singular term which shall apply to all of the following persons who are primarily compensated to consult, advise and/or provide insurance services for community associations, including insurance consulting reviews, loss control inspections, program analysis and recommendations:

- a. A single practitioner functioning as a client employee, or
- b. A single practitioner employed by a firm contracted by one or more clients, or
- c. A principal or supervisory staff member for a firm which is contracted by one or more clients.

This includes, but is not limited to, agents, brokers, producers, customer service representatives, underwriters, claims adjusters, claims managers, insurance consultants, and full-time insurance coordinators.

Because the Code is designed to establish a standard of conduct for the practice of preparing and providing the services and products mentioned above to community association clients, it is equally applicable to individuals and firms. An individual who agrees to abide by this Code shall also be responsible for seeing that any other person or firm under his/her supervision complies with the Code.

2. **Client** – a singular term applying to one or more community association properties (condominium, homeowners association, cooperative, PUD, PRD, etc.) and their governing body. The client may employ the Community Insurance & Risk Management Specialist directly or be under some form of independent contract with the Community Insurance & Risk Management Specialist.

C. Amplification

CAI, to further explain and define the Code of Ethics, provides the following information.

**The following explanations correspond to the numbered paragraphs in the
Community Insurance & Risk Management Specialist Code of Ethics**

1. **Current standards or practices** are those numbered one through 15 in the Code. Community Insurance & Risk Management Specialists who practice in states with legislative requirements must comply with those laws. Community Insurance & Risk Management Specialists shall not discriminate in any relationship, with any individual or firm, based upon race, color, religion, sex, national origin, familial status, or handicap, and shall comply with all federal, state and local laws concerning discrimination.

2. ***Continuing professional education*** requirements are consistent with the Community Insurance & Risk Management Specialists designation. While CAI membership is not mandatory, the Community Insurance & Risk Management Specialist must satisfy the designation requirements in order to use said designation. Additionally, the Community Insurance & Risk Management Specialist has a duty to remain informed on relevant matters affecting the industry.
3. ***Act in the best interests of the client; not make any inaccurate or misleading representations or statements to a prospective client; not knowingly misrepresent facts to benefit the Community Insurance & Risk Management Specialist.*** The Community Insurance & Risk Management Specialist has a fiduciary duty/responsibility to the client and should at all times act in the best interests of the client. Community Insurance & Risk Management Specialists should avoid exaggeration, misrepresentation, concealment and knowingly distributing misinformation.
4. ***Undertake only those engagements that he/she can reasonably expect to perform with professional competence.*** The Community Insurance & Risk Management Specialist shall provide accurate information within his/her area of expertise and refrain from the unauthorized practice of other professions. No Community Insurance & Risk Management Specialist should provide any service or advice that is outside of his/her field of competence, including dispensing of professional advice that falls under the auspices of other disciplines such as legal representatives and contractors. The Community Insurance & Risk Management Specialist should not undertake engagements that he/she cannot perform in the required time-frame and with professional competence.
5. ***Exercise due care and exhibit planning and supervision as specified in the written client engagement agreement.*** The intent of this statement is for the Community Insurance & Risk Management Specialist to make a good faith effort to operate within the framework of the applicable engagement agreement and to abide by the terms of said agreement. The Community Insurance & Risk Management Specialist must plan his/her own work and adequately supervise his or her employees' work to ensure the work is performed with professional competence.
6. ***Disclosure of any possible conflict of interest*** is the key here. For example, a Community Insurance & Risk Management Specialist (individually or through a company) may have financial interest in a service contractor, supplier or professional firm that is being considered by that Community Insurance & Risk Management Specialist's client. Disclosure must be in writing and sufficiently in advance of the selection process to allow full consideration of the possible conflict and any alternatives. The fact that the client may still choose the Community Insurance & Risk Management Specialist's related entity is not a violation of the Code, provided ample disclosure was given.
7. ***Provide written disclosure to the client any compensation, gratuity or other from of remuneration from individuals or companies who act or may act on behalf of the client.*** Written disclosure shall be made to the client by the Community Insurance & Risk Management Specialist confirming receipt of all commissions, rebates, discounts, payments or other benefits received in excess of \$200.00 annually by the Community Insurance & Risk Management Specialist from any vendor or vendor related client.
8. ***Conduct oneself in accordance with the Community Insurance & Risk Management Specialist requirements.*** Self-explanatory.
9. ***Not represent to anyone as being an Insurance & Risk Management Specialist designee until such time as he or she receives written confirmation from the Insurance & Risk Management Specialist Designation Review Board or CAI of receipt of the designation.*** Self-explanatory.

10. **Original records and files** are those items that were given to the Specialist at any time prior to, during or at the conclusion of his or her engagement or were developed by the Specialist and/or the client during the period of the Specialist's engagement. This definition may be further expanded by the engagement agreement. Return of these items should be consistent with the timeline established for payment in full for services rendered or the completion of the engagement. Unless provided in such an agreement or otherwise, the Specialist has no obligation to provide the client with client-related computerized data unless the client owns the computer and software, and such data can be separated from that data and software which are proprietary to the Specialist. Those items that the Specialist brought to and used during the engagement, such as operation or procedure manuals, remain the property of the Specialist.

While the Specialist must return all records and files, he/she may retain photocopies of those key materials that might be necessary for the Specialist in dealing with post-engagement client-related matters. The Community Insurance & Risk Management Specialist shall maintain **a duty of confidentiality to all current and former clients**, commencing the effective start date of the relationship and continuing through infinity.

11. **Refrain from criticizing competitors or their business practices; act in the best interests of their Employers; maintain a professional relationship with our peers and industry related professionals.** Self-explanatory.

12. **Shall conduct themselves in a professional manner when acting within the scope of their employment.** Self-explanatory.

13. **Not engage in any form of price fixing, anti-trust or anti-competition.** Subject to all federal, state and local statutes, laws and ordinances.

14. **Not use the work products of colleagues or competing insurance & risk management firms that are considered proprietary without the expressed written permission of the author or the insurance agency.** Work products that are posted on the internet, e-mailed or presented as part of an education session or industry related networking exchange are not considered proprietary unless they are clearly labeled as proprietary documents or subject to further protection under a copyright or registration. Lists of clients along with their contact and confidential contract information that are maintained by a Community Insurance & Risk Management Specialist or insurance agency are considered proprietary.

15. **Abide by the re-designation policy of CAI.** Self-explanatory.

D. Future

The Board of Trustees may expand application of this Code, and CAI reserves the right to update or amend both the Community Insurance & Risk Management Specialist Code of Ethics and the Code Clarification Document. Any such revision, updates or amendments shall be promptly promulgated to Community Insurance & Risk Management Specialists and, after due notice, will apply to all Specialists subject to the Code.

E. E-mail as Official Correspondence

The Board of Trustees establishes e-mail as official correspondence in matters relating to alleged violations of CAI RS Code of Ethics. The CAI Designation Ethics Committee, Chief Executive Officer, or CAI staff designee, may elect to notify and or update a designee of a complaint that has been filed against their designation by e-mail, and upon doing so will make effort in tracking delivery of correspondence to ensure the designee has the opportunity to respond.

F. Disciplinary Action

After an internal investigation and hearing as provided in CAI's Code of Ethics Enforcement Procedures, a Community Insurance & Risk Management Specialist found to be in violation of this Code shall face a sanction in accordance with the enforcement policies adopted by the CAI Board of Trustees. The extent of such sanction shall be commensurate with the nature, severity and intent of the violation

Please answer the following questions.

Have you ever been involved in reorganization for the benefit of creditors or in bankruptcy as a debtor? *If yes, attach a detailed explanation.* Yes No

Have you ever been convicted of a felony or misdemeanor (or equivalents thereof) or imprisoned under sentence for any felony or misdemeanor (except traffic violations)? *If yes, attach a detailed explanation.* Yes No

Have you ever been found liable or had a judgement or consent decree entered against you in civil court related to any business or professional matter or in any other civil case (with the exception of any domestic or family law, e.g., divorce or child custody)? *If yes, attach a detailed explanation.* Yes No

Have you ever been convicted of fraud, misrepresentation, misappropriation of funds or property? *If yes, attach a detailed explanation.* Yes No

Do you know of any reason why you would be unable to obtain bonding? *If yes, attach a detailed explanation.* Yes No

Have you ever been subject to disciplinary action by any professional organization? *If yes, attach a detailed explanation.* Yes No

G. Signature

By signing below, I agree to abide by the CAI Community Insurance Risk Management Specialist and to be subject to disciplinary action as adopted by the Board of Trustees. All the information provided by me is complete and correct to the best of my knowledge and belief. If I made or at any time make statements with knowledge of its falsity, I understand that it shall be cause for denial or revocation of the CIRMS designation.

Further, if any circumstance changes my answer to any of the questions above, I will notify CAI Education/Designations Department by providing a written statement and detailed explanation within 30 days. I will address the statement and detailed explanation to: CAI Designations Department, 6402 Arlington Blvd., Ste. 500 Falls Church, VA 22042 or info@caionline.org.

Printed Name Signature

Firm Name *(if employed by a firm or you are a principal or supervisory staff member of the firm)*

Printed Name and Signature of an Officer of that Firm, *if applicable*