



Policy No. 1 / Ethics

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**Approving
authority**

Mike Kreidler, Insurance Commissioner

Reference

RCW Chapter 42.52

RCW Chapter 48.02.090(5)

RCW Chapter 42.17A.635

WAC 292-110

RCW Chapter 42.56

1. Purpose

- A. To provide guidance for all Office of Insurance Commissioner (OIC) employees regarding Ethics in Public Service and the appropriate use of state resources.
- B. This policy applies to all agency employees.

2. Policy

- A. The agency is firmly dedicated to providing public service and fulfillment of its mission through respect and full compliance with the laws that govern our collective and individual actions. Employees are responsible to conduct all agency business in a manner bearing strict compliance with all relevant federal, state and local laws and regulations and to exhibit ethical behavior in all work activities. Employees will perform all work under the direction of agency policies and procedures, and fulfill all legally required processes. This policy does not address every situation. Employees must consult with their supervisor, management or the designated agency Ethics Advisor if they are uncertain of legal or other ethical requirements. Management will determine if advice from the Office of the Attorney General is necessary.
- B. Agencies are allowed to adopt policies that are more restrictive than the governing statute of Ethics in Public Service. If there are differences between this policy and any state law, the more restrictive authority will apply.

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C. Using Official Position

1. Employees may not engage in activities incompatible with public duties.
 - a. Employees may not have an interest, financial or otherwise, direct or indirect, or engage in a business or transaction or professional activity, or incur any obligation of any nature that is in conflict with official duties.
 - b. In accordance with RCW 48.02.090(5), employees are prohibited from having any interest, directly or indirectly, in an insurance company other than as a policy holder. This prohibition includes the receipt of renewal commissions.
 - c. Employees should avoid situations inviting a conflict or the appearance of a conflict with their employment, or which undermines the confidence of OIC-regulated industries.
2. Employees may not accept or give special privileges.

Except as required to perform duties within the scope of employment, no employee may use a state position to secure special privileges or exemptions for himself or herself, or for any other person.
3. Safeguarding information gained during employment.

Employees may not disclose to unauthorized persons confidential information gained through official duties. Employees may not use such information for personal gain or benefit, or for the gain or benefit of others. An employee may not intentionally conceal a record if the employee knew the record was required to be released under public disclosure or other laws, was under an obligation to release the record, and failed to do so.

D. Accepting compensation, gifts, gratuities, and honoraria.

1. Employees may not accept outside compensation for official duties.
 - a. Employees may not, directly or indirectly, ask for, give, receive or agree to receive any compensation, gift, reward, or gratuity from any source except the state of Washington for performing, omitting, or deferring the performance of any official duty, unless otherwise authorized by law.
 - b. This includes receipt of honoraria, which is money or any item offered to an employee for a speech, appearance, article or similar activity in connection with the employee's official role.
2. An employee may accept gifts only in certain circumstances.
 - a. No employee may receive, accept, take, seek, or solicit (directly or indirectly) anything of economic value as a gift, gratuity, or favor from a person if it could be reasonably expected that the gift, gratuity, or favor would influence the vote, action, or judgment of the employee, or be considered as part of a reward for action or inaction.

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- b. The OIC is a regulatory agency. As such, the OIC has adopted more stringent rules regarding which gifts employees will be allowed to accept. Only the following gifts may be accepted by employees:
 - i. Unsolicited advertising or promotional items of nominal value, such as pens and notepads;
 - ii. Unsolicited tokens or awards of appreciation in the form of a plaque, trophy, desk item, wall memento, or similar item;
 - iii. Unsolicited items for the purpose of evaluation or review, if the employee has no beneficial interest in the use or acquisition of the item by the OIC;
 - iv. Informational material, publications, or subscriptions related to the employee's performance of official duties;
 - v. Food and beverages consumed at hosted receptions where attendance is related to the employee's official duties;
 - vi. Cost of admission, food, and beverages consumed at events sponsored by or in conjunction with a civic, charitable, governmental, or community organization.
3. A "gift" means anything of value for which you do not pay. "Gift" does not include the following items which may be accepted by employees:
 - a. Items from family and friends where it is clear beyond a reasonable doubt that the gift was not made as part of any design to gain or maintain influence at the OIC.
 - b. Items related to the outside business of the employee that are customary and not related to the recipient's performance of official duties.
 - c. Items exchanged among employees or at a social event for co-workers.
 - d. Items a state officer is allowed to accept (i.e., discounts available to members of a broad-based group and employee recognition items for work-related accomplishments within applicable laws and rules).
 - e. Campaign contributions reported under Chapter 42.17 RCW.
4. If an employee receives a gift that is not allowable under these rules, the item shall be returned to the donor within thirty days of receipt, or donated to a charitable organization within thirty days of receipt. By taking this action, the item received is no longer considered a gift. In instances where returning the gift to the donor is not practical, employees may do the following:
 - a. Prohibited gifts such as flowers, plants, or floral arrangements that cannot be returned must be donated to a local hospital, nursing home, or other similar facility. Employees should ask for a receipt of donation, when possible, and maintain such receipt in case future questions arise. To avoid perception that an employee kept an unauthorized item, the donor should be informed of such action, when possible.

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- b. Food and beverage items that cannot be returned to the donor, such as cookies, candies, and fruit baskets should be donated to a charitable organization such as a food bank or placed in the reception area for walk-in customers to enjoy (and then discarded at the end of the day rather than being taken home by any employee). Employees should ask for a receipt of donation, when possible, and maintain such receipt in case future questions arise. To avoid perception that an employee kept an unauthorized item, the donor should be informed of such action, when possible.
 - 5. An employee should reject any gift or benefit which would be a personal benefit or benefit to a family member if the gift may cast doubt on the integrity, independence, or impartiality of the employee or agency.
- E. Using state resources
- 1. Employees Must Comply with Laws and Rules Governing Use of State Resources.
 - a. Chapter 292-110 WAC, provides rules governing the use of state resources. State resources include funds, facilities, tools, property and state time.
 - b. OIC employees may use state resources to conduct official duties, activities reasonably related to the conduct of official state duties, activities related to state employment, and activities otherwise allowed by statute. Examples of official state purposes include:
 - i. Training and career development approved by the OIC.
 - ii. Membership or participation in professional associations that enhance job-related skills of the employee, so long as use of state resources for this purpose has been approved in writing by the OIC.
 - iii. State or agency sponsored health, safety, or diversity fairs.
 - iv. Management of or access to state-provided or state-sponsored benefits, including health, deferred compensation, insurance, retirement, and the employee assistance program.
 - v. Placement of non-governmental web page links on the OIC web site for official state purposes, as long as the use does not violate RCW 42.52.180.
 - c. The Chief Deputy and respective deputy insurance commissioners may additionally authorize limited use of agency staff time and resources for:
 - i. Supporting, promoting, or soliciting for charitable activities.
 - ii. Employee recognition, including birthday, retirement, wedding/baby showers, or other similar celebrations.
 - iii. Activities promoting organizational effectiveness, specifically by supporting a collegial work environment. This includes activities benefiting an employee suffering from a serious illness or tragedy.

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- iv. State or OIC-sponsored health activities, such as vaccinations, diabetes screenings, cholesterol screenings; or recording participation in an OIC or Public Employee Benefits Board-sponsored wellness program.
 - d. OIC employees may only exercise de minimis personal use of state resources. To meet de minimis requirements, each of the following conditions must be met:
 - i. There is little or no cost to the state;
 - ii. Any use is brief in duration and occurs infrequently;
 - iii. The use does not interfere with the employee's or any other employee's official duties;
 - iv. The use does not compromise the security or integrity of state property, information systems, or software;
 - v. The use is not for the purpose of conducting an outside business, in furtherance of private employment, or to realize a private financial gain; and
 - vi. The use is not for supporting, promoting the interest of, or soliciting for an outside organization or group.
 - e. An employee may use state resources for wellness or combined fund drive activities as long as the use conforms to de minimis standards cited above, or as authorized by state law or rule.
 - f. Union representatives may use state resources for purposes of contract administration and in accordance with the Collective Bargaining Agreement.
 2. Employee use of agency electronic messaging and communications systems must also comply with all other OIC policies related to such topics.
- F. Identifying conflicts of interest
 1. To avoid any appearance of a conflict of interest, employees must refer insurance complaints or issues that involve relatives or friends to their supervisor to be referred to another employee for resolution.
 2. All employees must disclose actual, potential or perceived conflicts of interest, including conflicts of interest in entities regulated by the OIC.
 - a. Employees must notify their respective deputy insurance commissioner of any new situation or changed circumstances involving an actual, potential, or perceived conflict of interest as soon as the employee becomes aware of it.
 - b. Employees must submit a completed disclosure form when they acquire a beneficial interest in, or become officer, director, or partner of a firm.
 - c. The Commissioner or designee may act to eliminate an actual, potential, or perceived conflict of interest when presented with verifiable information indicating a conflict of interest. Every effort will be made to work with the employee to resolve such conflicts.

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G. Restricting political activities

1. State law restricts political activities of employees.

- a. Employees may not engage in political activities during working hours. This includes the display of political signs or materials on desks, in workspaces or on state vehicles. Employees are prohibited from wearing political buttons while interacting with the public or displaying political signs in areas in which consumers and/or regulators may be meeting with employees.
- b. Employees may not solicit or accept contributions for a political purpose during working hours or on state property. "Political purpose" means a candidate, political committee, ballot issue or cause.

2. Employees may provide information in certain situations.

Employees may provide information or respond to questions or inquiries from the public or elected officials if responding or giving such information is part of the employee's official duties.

3. States resources may not be used to assist political activities.

- a. No officer or state employee may use or authorize the use of facilities of an agency, directly or indirectly, for the purpose of assisting with a campaign for election, of a person to an office or for the promotion of or opposition of a ballot proposition.
- b. Facilities of an agency include, but are not limited to, use of stationery, postage, machines and equipment, use of state employees of the agency during working hours, vehicles, office space, publications of the agency, clientele lists of persons served by the agency, and databases (including Law Manager or Westlaw).

H. Requiring notice of Outside Employment

1. An employee's employment with the OIC is considered his/her primary employment.

Employment outside of the OIC must not be incompatible or interfere with the discharge of the employee's official duties in state employment. In addition, no employee may use (or cause to be used) state premises, materials, facilities, time, funds, equipment, or personnel in connection with outside employment.

2. An employee who wishes to obtain outside employment by a private company or public agency, receive compensation for other personal services, or engage in business activities (ownership or operation of a private business by the employee) must notify the agency prior to beginning such work by submitting a completed Outside Employment form through the supervisory chain to the Human Resources (HR) Service Center. The supervisor will make the final determination on whether or not the outside employment interferes with the performance of the employee's duties or results in a conflict of interest. In reviewing an employee's outside employment for possible conflicts, the employee's supervisor will consider whether the person or organization offering the employment:

- a. Is regulated by the OIC;

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- b. Does business or has a contract with the OIC, or
 - c. Tries to influence the OIC's policies or regulations.
3. Outside employment that presents a conflict of interest or interferes with job performance will not be allowed.
 4. Special standards govern receipt of a contract or grant with another state agency while you are employed by a state agency. In those circumstances, prior approval of the Executive Ethics Board may also be required before entering into a contract or grant.
 5. Employees may not solicit or accept any offer of employment if they have reason to believe the offer is made to influence the performance of their official duties and obligations.
 6. Employees may not accept employment or engage in any business or professional activities that require or induce the disclosure of confidential information acquired by reason of their official position.
 7. Employees are required to complete the Outside Employment form, which identifies whether the employee does or does not have outside employment, upon hire, annually, and proactively upon any change in individual circumstance of the employee.
- I. Employment after Separation
1. State law restricts certain employment after separation from the OIC and/or state.
 - a. All of the provisions of RCW 42.52.080, Employment after public service, apply.
 - b. A former OIC employee may not assist other people in a transaction involving the state if, at any time, the employee participated in that transaction during his or her state employment.
 - c. After leaving OIC-employment, a former employee may not accept any offer of employment or receive compensation if:
 - i. A reasonable third party would perceive that the intent of the offer of employment is to influence performance or non-performance of the employee's duties during state employment.
 - ii. The employee perceives the purpose of the offer was to influence performance or non-performance of official duties during the course of state employment.
 - d. Employees should seek advice from the Washington State Executive Ethics Board on how the restrictions would affect post-state employment opportunities.
- J. Employee Training
- Within the first six months of employment, all employees will be required to complete a formal agency training course on Ethics in Public Service, to include state sponsored e-learning. Thereafter, permanent employees will be required to annually review and acknowledge this policy for purposes of refresher training.
- K. Reporting Ethics Violations

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1. Protecting state resources is an obligation of all agency employees; therefore, employees must notify their supervisor, manager, the Human Resources Director (or designee), the Executive Ethics Board, or the State Auditor's Office, of a known or suspected ethics violation, including violations of ethics law or rules, or this policy.
2. Supervisors and managers are required to act upon reported alleged violations. In consultation with the HR Director (or designee) and as delegated in job descriptions, action taken by a supervisor or manager may include conducting fact finding, doing remedial education for inadvertent or minor violations, or taking corrective and/or disciplinary action, as appropriate. More complicated investigations and/or follow-up disciplinary actions may be assigned to the Human Resources Director (or designee) by the Chief Deputy Insurance Commissioner.
3. Employees are required to fully, honestly, and completely cooperate in any fact finding/investigation into any allegation of violation of the ethics law or rules or this policy.

L. Violations of Law or Policy

1. Disciplinary action, up to and including dismissal, may be taken against individuals who authorize or participate directly in a violation of the ethics law or rules or this policy, who deliberately fail to report a violation of the ethics law or rules or this policy, or who may have deliberately withheld relevant and material information concerning a violation of the ethics law or rules or this policy.
2. In some instances, an employee's act may not constitute a violation of RCW 42.52.160, but may nevertheless constitute a violation of agency policy. The agency reserves the right to take disciplinary action, up to and including dismissal, in those cases as well. Disciplinary action may also be taken against the violator's managerial superiors, to the extent that the circumstances of the violation reflect inadequate leadership or lack of diligence.

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