

. . . our commitment to
INTEGRITY

Affirmative Insurance Holdings, Inc.
Code of Business Conduct and Ethics

COMPANY • CUSTOMERS • COLLEAGUES

A MESSAGE FROM OUR CEO



Dear Colleagues:

One of the most valuable assets that any company, including Affirmative, has is its integrity. Protecting this important asset is everyone's job.

To assist in accomplishing this, the Board of Directors has established a Code of Business Conduct and Ethics ("Code") to help all of us, including the Board, comply with the law and maintain the highest standards of ethical conduct. The Code does not cover every issue that may arise, but sets out basic principles and a methodology to help guide all of us to reach this common goal.

Please read this document carefully and apply the principles it states in the course of your work. If you are in or observe a situation that you believe may violate or lead to a violation of this Code, follow the procedures described in the Code.

Our reputation is extremely important to our success, and reputation comes from our collective actions on a continuous basis. Your performance in conducting our business in a manner that is consistent with the principles contained in the Code will enable us to keep and enhance that reputation.

Thank you,

Mike

AFFIRMATIVE VALUES

- **INTEGRITY** – The organization must stand for ethical conduct, fairness, objectivity and honesty in all matters. There must be constructive tension and open honest debate without individual retribution.
 - **RESPECT FOR THE CUSTOMER** – We will provide accurate information and offer choices in our sales and claims processes and will always consider both customer and company interests.
- **INDIVIDUAL RESPECT AND RESPONSIBILITY** – We will respect the views of every person, promote the positive use of positional power and break down territorial barriers. The best ideas win, not position or power.
 - **TEAMWORK** – We will seek and consider input from every person potentially affected by our decisions. We will debate issues, not defend positions. Once a decision is finalized, we will execute relentlessly.
- **RESULTS** – We must be decisive and measure success by the results we produce, not activity or effort. We must be disciplined in managing through process and metrics and set clear and ambitious goals for every person. We can never be satisfied and will focus on continuous improvement in every aspect of what we do.

TABLE OF CONTENTS

OUR COMMITMENT TO INTEGRITY	1
LEADERSHIP COMMITMENTS	4
EMPLOYEE COMMITMENTS	5
YOUR COMMITMENT TO OUR COMPANY	6
Obey the Law	6
Maintain Accurate Business Records	7
Avoid Conflicts Of Interest	9
Protect Affirmative’s Assets.....	12
Do Not Misuse Inside Information.....	13
YOUR COMMITMENT TO OUR CUSTOMERS	15
Deal Fairly.....	15
Protect Our Customers’ Privacy.....	17
YOUR COMMITMENT TO YOUR COLLEAGUES	18
Do Not Retaliate.....	18
Provide Equal Opportunities.....	19

OUR COMMITMENT TO INTEGRITY

Affirmative¹ is committed to ensuring that integrity is fundamental to all that we do. For us, integrity means much more than not lying, cheating or stealing. Rather, integrity at Affirmative takes on a much larger meaning in that we must be absolutely honest with ourselves in all that we do. Not only must we endeavor to hold ourselves to the highest ethical standards, but each and every one of us must be constantly vigilant and confront the challenges and problems in front of us. It is only through this commitment to integrity that we will build and maintain a stronger and more profitable organization.

The Code is not a comprehensive rulebook, nor does it address every possible scenario that may arise during your time with Affirmative.² Rather, this Code sets forth the minimum guidelines embodying our values and commitment to our key constituencies – our Company, our Customers, and your Colleagues.

Who Must Follow This Code?

All directors, officers and employees of Affirmative are expected to understand and abide by the spirit as well as the letter of this Code. Failure to do so may result in disciplinary action, up to and including termination of employment.

While this Code is specifically applicable to Affirmative directors, officers and employees, we also expect that Affirmative’s contractors, consultants and others who may be temporarily assigned to or engaged by Affirmative to perform work will follow the guidelines set forth in this Code. Failure of a contractor, consultant or services provider to follow this Code may result in termination of their relationship with Affirmative.

¹ “Affirmative” includes Affirmative Insurance Holdings, Inc. and all of its consolidated subsidiaries.

² This Code is not an employment contract and does not modify the employment relationship between Affirmative and you. No contractual rights are created through the policies stated herein.

INTEGRITY (in-teg-ri-tee) –
noun

1. adherence to moral and ethical principles; soundness of moral character; honesty.
2. the state of being whole, entire, or undiminished.
3. a sound, unimpaired, or perfect condition.

- *Random House Dictionary*

Integrity is a concept of consistency of actions, values, methods, measures, principles, expectations, and outcomes.

- *Wikipedia.com*

What If I Have A Question Or Concern About This Code?

Please do not hesitate to raise any question or concern about this Code or behavior that may be unethical. Your questions or concerns (including reporting a potential violation) should be addressed to any of the following resources:

- Your immediate manager or next level of management
- Human Resources
- General Counsel (via phone or the compliance inbox)

If you want to remain anonymous, you can report a potential violation or concern through Affirmative's Values Line. The Values Line is maintained by a third party 24 hours a day, 7 days a week. The Values line is accessible by phone at **1-855-541-4167**. Alternatively, you can report online by visiting **www.affirmativeinsurance.ethicspoint.com**. Both ways of reporting are completely anonymous. Calls are not recorded and caller ID is not used.

Constructive tension and open, honest debate is central to our value of integrity. Affirmative strictly prohibits retaliation against anyone who raises a question or concern, reports a potential violation in good faith or participates in an investigation into a possible violation of this Code. If you believe you have been the victim of retaliation, please contact Human Resources or the General Counsel.

Q&A

Where should I go with a problem or concern?

Choosing the correct resource is an important consideration. If we are successful in cultivating an environment consistent with our values – i.e. where integrity, individual respect and teamwork prevail – our employees should feel comfortable raising any issue with their direct supervisor in an open and honest fashion. We encourage all of our employees to consider first bringing their problem or concern directly to management before approaching any of the other resources. Not only is this consistent with Affirmative's values, but it should result in the most efficient resolution of the issue.

Of course, we recognize that it is sometimes difficult approaching your boss. That is why we offer other resources. Human Resources is typically the best option to choose if you are having difficulties in your relations with co-workers or supervisors. The General Counsel is available to assist with legal concerns affecting the Company, ethical questions or other matters addressed in this Code.

While the Values Line is always available and encouraged, it is not always the most appropriate option. Bear in mind that the report will only include the information you provide – if you do not identify yourself, the report will be anonymous. It is also important when calling the Values Line that you call back on the assigned follow-up date – often additional information is required and the only way to contact you is through the Values Line. If that information is not received, it may be impossible to resolve your issue. For these reasons, the Values Line is typically not an appropriate resource to address general workplace or performance issues.

Amendments, Modifications and Waivers

Affirmative's Board of Directors or the Nominating and Corporate Governance Committee of the Board of Directors has the right to amend, modify, waive or terminate the policies contained in this Code at any time for any reason. Waivers of the Code for executive officers or directors can only be granted by the Board of Directors. Affirmative will promptly disclose waivers of this Code for executive officers or directors in accordance with the provisions of the Securities Exchange Act of 1934 and the rules thereunder and the applicable rules of the NASDAQ National Market.

There are seven things that will destroy us: Wealth without work; Pleasure without conscience; Knowledge without character; Religion without sacrifice; Politics without principle; Science without humanity; Business without ethics.

- *Mahatma Gandhi*

Laws control the lesser man. Right conduct controls the greater one.

- *Chinese Proverb*

LEADERSHIP COMMITMENTS

Affirmative's managers and leaders are expected to commit to building and maintaining a culture based on integrity, ethical behavior and compliance. First and foremost, this commitment is established through leadership by example, not by wielding positional power. In addition, managers and leaders are charged with anticipating, identifying and reacting to conduct in conflict with Affirmative's values and culture.

The supreme quality for leadership is unquestionably integrity. Without it, no real success is possible, no matter whether it is on a section gang, a football field, in an army, or in an office.

- Dwight David Eisenhower

Anticipate:

- Communicate with employees to ensure they understand that business results are never more important than integrity, ethical behavior and compliance.
- Promote understanding of this Code by ensuring that employees attend compliance training and adhere to the Code.
- Incorporate integrity, ethical behavior and compliance into employee goals and performance management processes.
- Discourage even the appearance of impropriety.
- Encourage employees to seek help when faced with ethical or compliance dilemmas.

Identify:

- Encourage the development and proper monitoring of appropriate controls and business processes to detect ethical and compliance risks/violations.
- Foster an environment of open communication, making it easy for employees to raise concerns or issues, or to report potential violations.
- Stay vigilant to the business activities around you.
- Prohibit retaliation in any form.

React:

- Report potential violations of the Code or unethical behavior immediately.
- Encourage cooperation in all investigations into potential violations.
- Establish accountability for ethical and compliance violations (including appropriate disciplinary action).

EMPLOYEE COMMITMENTS

Affirmative expects every one of its employees to personally commit to Affirmative’s values and culture based on integrity, ethical behavior and compliance. Our reputation depends upon making sound decisions and taking appropriate actions every day.

As an Affirmative associate, you are expected to follow these basic rules:

- Act with integrity each and every day.
- Read, understand and acknowledge this Code (no one is expected to memorize these policies – a basic understanding is all that is required).
- Comply with applicable laws, rules and regulations.
- Seek assistance when you have a question or concern.
- Avoid even the appearance of impropriety.
- Promptly report any potential violation of this Code to:
 - Your immediate manager or next level of management
 - Human Resources
 - General Counsel (via phone or the compliance inbox)
 - Values Line at 1-855-541-4167 or online at www.affirmativeinsurance.ethicspoint.com.
- Cooperate when requested to participate in investigations into potential violations of this Code.
- Retaliation is strictly prohibited. Raising questions or concerns, reporting potential violations in good faith, and participating in the investigation process will not result in retaliation or disciplinary action of any kind.

In looking for people to hire, you look for three qualities: integrity, intelligence, and energy. And if they don't have the first, the other two will kill you. You think about it; it's true. If you hire somebody without [integrity], you really want them to be dumb and lazy.

- Warren Buffett

The substantive areas covered in this Code are addressed in terms of “Commitments” and “Considerations.” Commitments are requirements to which you are expected to adhere. Considerations are matters or thoughts that you should take into account when applying the Commitments to specific scenarios. If you have any question about the expectations set forth in this Code, you should contact one of the resources available to you.

YOUR COMMITMENT TO OUR COMPANY

The success and reputation of Affirmative depends on conducting business while maintaining the highest standards of integrity. Our organization must stand for ethical conduct, fairness, objectivity and honesty in all matters. This section outlines the commitments expected of our leaders and employees.

Obey the Law

Affirmative is subject to a wide range of laws and regulations. Additionally, federal law prohibits individuals who have been convicted of a felony involving breach of trust or dishonesty from conducting the business of insurance. Compliance with legal and regulatory requirements is essential to Affirmative's business and reputation.

Commitments

- Obey the letter of the law and regulations applicable to Affirmative.
- Obey the spirit of those laws and regulations.
- Notify your manager and Human Resources if you have ever pled guilty to or been convicted of a felony or any crime involving a dishonest act.
- Seek assistance when legal or regulatory requirements are unknown or not clear.

Considerations

- You are not expected to know the details of all applicable laws and regulations.
- You are expected to seek advice from your manager or the legal department when in doubt regarding applicable legal or regulatory requirements.
- Include legal and regulatory compliance in project planning.
- If company policy or this Code conflict with the law, the law takes precedence.

Q&A

My manager is directing me to start cold-calling potential customers out of the phone book, but I am concerned about violating the Do-Not-Call Registry. What should I do?

You should ask your manager if he/she has considered Do-Not-Call compliance. If you do not get an acceptable answer, contact the legal department for guidance. If you are concerned about retaliation, you can report the matter anonymously through the Values Line.

Maintain Accurate Business Records

Affirmative’s business depends upon the accuracy and completeness of its business records. Many stakeholders – including our shareholders, regulators, and management – rely on the integrity of our business records to make decisions about our company. Inaccuracies or deficiencies in our business records create competitive, reputational and legal risks for Affirmative.

Commitments

- Maintain all records in a manner that, in reasonable detail, accurately and completely reflect Affirmative’s business transactions.
- Comply with and do not circumvent Affirmative’s system of internal controls.
- Do not alter official records in any manner.
- Inaccurate representations in Affirmative’s business records are prohibited.
- Records are to be maintained in accordance with our Records Retention Policy.³
- Obey document preservation or litigation hold notices issued in response to anticipated or pending litigation matters or government investigations.

Considerations

- Business records include more than just financial records – for example, claims files, product files, time clock records, business expense reports and other company records.
- Special care should be taken with the following records:
 - Financial records, including financial statements, accounting entries and supporting detail.
 - Records filed with or required by government regulators and agencies.

Q&A

I am concerned that reserves are not being properly set for open claims matters. What should I do?

Speak openly with your manager about the issue. If you are still uncomfortable, contact someone higher up the management chain, or notify the General Counsel.

³ This Code incorporates all Affirmative policies referenced herein. Most policies referenced herein are available on the Affirmative Portal under the Corporate Policies link.

- Actuarial analyses and records.
- Product development records.
- Claims handling records.
- Accounting records shall conform to Affirmative’s internal control procedures and be kept in accordance with generally accepted accounting principles. Accounting entries must not distort or disguise the true nature of any transaction.

Q&A

I suspect that one of my co-workers is fraudulently recording their time, but I cannot prove it. Should I report my suspicions?

Yes. You should notify your manager or local Human Resources representative of the situation so that they can investigate. If you are concerned about your identity, make an anonymous report through the Values Line.

Avoid Conflicts Of Interest

Affirmative understands that you may engage in activities and relationships outside of work at Affirmative. Nonetheless, you must avoid placing yourself in a position where there is a conflict of interest or even the appearance of a conflict of interest. A conflict of interest includes any situation where your activities or relationships outside of Affirmative:

- Affect or influence your decisions or actions on behalf of Affirmative.
- Cause harm to Affirmative’s business or reputation.
- Compromise your ability to effectively perform your job.

Another type of conflict of interest involves a corporate opportunity. You have a duty to act in furtherance of Affirmative’s legitimate business interests and must not misappropriate corporate opportunities for your own benefit.

Commitments

- Avoid engaging in activities or relationships which may create a conflict with your responsibilities and obligations to Affirmative.
- Avoid engaging in activities or relationships which create the appearance of a conflict with your responsibilities and obligations to Affirmative.
- Disclose any outside activities or relationships that present a possible conflict of interest or the appearance of a conflict of interest.
- Seek approval before engaging in any activity or relationship that may present an actual or perceived conflict of interest.
- Do not misuse Affirmative’s resources (e.g. time, facilities, equipment, and other property) for the benefit of outside activities.
- Adhere to company policies regarding acceptance of gifts.⁴

Q&A

I am responsible for engaging a contractor to clean carpets in our corporate office. My brother-in-law owns a carpet cleaning business and has offered a substantial discount to Affirmative if I give him our business. Should I engage him?

No – not until you disclose the conflict in writing to your manager and the General Counsel. Allow others to take over the process and confirm that engaging your brother-in-law will really be the best deal for Affirmative.

⁴ Company policy regarding the acceptance of gifts is included in the Employee Handbook. This Code incorporates all Affirmative policies referenced herein. Most policies referenced herein are available on the Affirmative Portal under the Corporate Policies link.

- Acceptance of any kick-back or bribe is strictly prohibited.
- Disclose all business opportunities which you think Affirmative may be interested in pursuing.

Considerations

- Full, frank and immediate disclosure is the key to compliance with this policy.
- Potential conflicts of interest shall be disclosed in writing to your manager and Affirmative's General Counsel.
- The following is a non-exclusive list of examples of situations which may result in a conflict of interest:
 - Contracting with any party in which you have any material financial interest (other than publicly traded companies in which you own less than 1% of the securities).
 - Receiving money, income, wages, or anything else of more than nominal value from a party while you are in a position to influence Affirmative decisions that might affect or appear to affect that party.
 - Having another job or source of income which diverts your time from Affirmative or tempts you to misuse Affirmative equipment or materials.
 - Directing business to any outside concern that is owned or managed by a spouse, relative or close personal friend.
 - Causing Affirmative to make contributions to any charitable organization of which you serve as an officer.
- Giving preferential treatment or supervising directly a spouse, relative or close friend may also create a conflict of interest.
- While employed with Affirmative, you have a duty to advance Affirmative's legitimate business interests. You may not enter into a business or enterprise which competes with Affirmative.

Q&A

One of our vendors sent me an MP3 player as a Christmas gift. It appears that the MP3 player has a retail value of \$50. Can I keep it?

It depends. Check Affirmative's current gift policy located in the employee handbook to determine whether keeping the gift is consistent with the gift policy. In any event, you should notify your manager regarding receipt of the gift. If you or your manager have any questions about proper disposition of the gift, contact the General Counsel.

- Corporate opportunities shall be disclosed in writing to your manager and Affirmative's General Counsel before you take any opportunity for personal gain. If you are notified that Affirmative does not desire to pursue the opportunity, then you may do so for your own account.

Corporate Opportunity Examples

- You are responsible for obtaining property for Affirmative to expand its remote claims operations in a certain town. You find suitable property for lease in an ideal location at below market rent. However, you also have a family member who would be interested in leasing the location for their own business. You should not seek to rent the location for yourself (or another family member). Rather, you must first disclose the corporate opportunity to Affirmative.
- In the course of your work for Affirmative, you develop a relationship with an insurance carrier offering a new and unique product. You think that Affirmative might be interested in offering this product as a compliment to Affirmative's own products, but are interested in quitting and opening your own agency to offer the product. If you do so without disclosing the product to Affirmative, you may have misappropriated a corporate opportunity.
- While researching potential acquisitions for Affirmative, you discover a competitor is selling a portion of its business for a bargain price. Before you apply for a small business loan to purchase the business for yourself, you must first disclose the acquisition opportunity to Affirmative.

Protect Affirmative's Assets

Affirmative has made a substantial investment in its physical, financial and intellectual property assets. These assets include Affirmative's confidential information. You must take care to preserve and protect Affirmative's assets.

Commitments

- Comply with all policies regarding the use and protection of Affirmative assets.⁵
- Maintain the security and confidentiality of Affirmative's business information and other intellectual property.
- Secure equipment and other physical assets against theft, misuse and damage.
- Comply with internal controls protecting financial assets.
- Do not misuse or misappropriate Affirmative's assets for your own interests.

Considerations

- Check with your manager regarding use of Affirmative assets for your personal benefit.
- Affirmative's confidential information includes business plans and methods, customer lists, computer files, databases, source codes and related documentation. Such information is a valuable asset and must be protected against improper or competitive use.
- Affirmative's electronic systems (including computers, telephones and email) are corporate assets that should be used primarily for business purposes. All data contained in such systems belongs to Affirmative.

Q&A

I was issued a cell phone and laptop to perform my work for Affirmative. Can I use the cell phone for personal calls and the laptop for personal emails?

Probably, but check with your manager and/or IT first to determine whether there are any additional costs for which you will be responsible in connection with your personal use of this equipment.

⁵ This Code incorporates all Affirmative policies referenced herein. Most policies referenced herein are available on the Affirmative Portal under the Corporate Policies link.

Do Not Misuse Inside Information

Affirmative is committed to ensuring that its securities are fairly and openly traded on public markets. The use or disclosure of inside information to trade in Affirmative securities is both illegal and unethical. “Inside information” includes any non-public information which would be material to a reasonable person’s decision to purchase or sell a security.

Commitments

- Comply with Affirmative’s *Policy Prohibiting Insider Trading and Unauthorized Disclosure of Information to Others*. Certain designated persons must also comply with Affirmative’s *Supplemental Policy Concerning Trading in Company Securities by Certain Designated Persons*.⁶
- Do not trade in the securities of any business (including Affirmative) when you possess inside information about that business.
- Do not disclose inside information to anyone outside of Affirmative, except when necessary to advance Affirmative’s business interests and Affirmative has taken steps to protect against misuse of the inside information (such as entering into a non-disclosure agreement).
- Do not recommend or suggest that anyone outside of Affirmative trade in the securities of any business (including Affirmative) when you possess inside information about that business.
- Do not disclose insider information within Affirmative except when necessary in the course of business or after you have consulted with the General Counsel’s Office.
- Consult with the General Counsel’s Office if you have any questions regarding whether trading in Affirmative’s securities is permissible.

Examples of Inside Information

- Projections of future earnings or losses.
- Pending or proposed mergers, acquisition or tender offer transactions.
- Proposed dispositions of significant assets (e.g. sale of business unit).
- Changes in senior management.
- Significant developments in business plans (e.g. contemplated entry into new line of business).
- Threats of significant litigation or significant developments in such litigation.

Note: this list is not exhaustive.

⁶ This Code incorporates all Affirmative policies referenced herein. Most policies referenced herein are available on the Affirmative Portal under the Corporate Policies link.

Considerations

- Remember, your transactions will be viewed in 20/20 hindsight if they are scrutinized. You should therefore take care to avoid any appearance of impropriety.
- This policy applies to inside information relating to any business, including Affirmative, its suppliers, customers and others with whom Affirmative has a relationship.
- Inside information only becomes public when it has been broadly disclosed to the marketplace, typically in a press release or SEC filing, and the market has had ample opportunity to absorb the information.
- As a general rule of thumb, information released through a press release or SEC filing is considered absorbed by the market two trading days after the public disclosure.
- Transactions in Affirmative securities by family members or others in your household may be subject to this policy.
- Because insider trading is a criminal act, your obligations to comply with this section of the Code do not cease when your relationship with Affirmative ends.
- Trading pursuant to a pre-approved trading plan is generally permissible so long as such plan complies with SEC Rule 10b5-1.
- Direct any media inquiries you receive to the General Counsel's Office.

Q&A

At a recent family party, I mentioned to my brother-in-law that Affirmative was considering a merger with another large insurance company. I just learned that he purchased a couple thousand shares of Affirmative stock, but the merger has not been made public. What should I do?

You must immediately contact Affirmative's General Counsel. Your brother-in-law may have illegally traded on inside information, and you could be subject to liability for providing such inside information if you fail to fully disclose your involvement.

YOUR COMMITMENT TO OUR CUSTOMERS

Respect for our customers is essential to Affirmative’s success. We will provide accurate information and offer choices in our sales and claims processes. When making decisions, we will always consider both customer and company interests. This section outlines the commitments to our customers expected of our leaders and employees.

Deal Fairly

We must continuously strive to build trust with our customers. That trust depends on our customers and others with whom we do business feeling that they have been treated fairly and with respect.

Commitments

- Conduct all business ethically and fairly.
- Strive to understand and meet our customers’ needs.
- Do not take advantage of anyone through manipulation, misrepresentation, concealment of relevant information or any other unfair practice.
- Be respectful and open-minded when a customer complains, and handle all complaints fairly and expeditiously.

Considerations

- While negotiation and the advancement of Affirmative’s interests is proper, all negotiation should be conducted ethically and fairly.
- Emphasize the advantages of the products and services offered by Affirmative, rather than disparage or provide false information regarding our competitors.
- Our commitment to fair dealing extends not only to our customers, but to all with whom we do business, including vendors and even our competitors.

Q&A

I am negotiating a deal with a vendor. I got a really great price, but I know that the vendor made a large mistake in its calculations. Can I enter the deal anyway?

It depends. You should probably raise the issue with the vendor to make sure that everyone is on the same page when it comes to the services that will be provided to Affirmative and the price paid. Proceeding with the deal with knowledge of the vendor’s error could result Affirmative not receiving the bargained-for services, an interruption in those services or other issues which will ultimately cause more problems for Affirmative in the end.

- Occasionally, we fall short of our customers' expectations. When that happens, it should be our goal to fairly evaluate our customers' complaints and timely respond with the goal of regaining their trust.
- Ensure that customer complaints are directed to the appropriate person for resolution. For insurance-related matters (claims or underwriting), send a copy of the complaint to the General Counsel's Office for centralized tracking.

Protect Our Customers' Privacy

As an insurance company, our business requires us to collect and maintain sensitive and personal information. Affirmative is required by law to protect customer information and could be liable if customer information is released. More importantly, an inadvertent disclosure of customer information could seriously damage Affirmative's reputation and irreparably damage customer trust. Affirmative is committed to protecting the privacy rights of its customers.

Commitments

- Treat our customers' private information as you would want your own information treated.
- Read and comply with Affirmative's Privacy Statement.⁷
- Do not share passwords for IT systems.
- Do not attempt to access information or IT systems if you have not been given access.
- Ensure that customer information is properly secured and disposed of.

Considerations

- Exercise caution with emails containing personal information – email is not secure.
- Be aware of documents in your work area. Take precautions to ensure that private information is not visible to unauthorized persons in your work area.
- If you discover that customer information has been lost or compromised, notify Affirmative's Privacy Officer or the IT Help Desk immediately.
- Questions or concerns regarding Affirmative's privacy practices should be directed to Affirmative's Privacy Officer at privacy@affirmativeinsurance.com.

Q&A

What kind of customer information is considered private?

There are two types of private information – Personally Identifiable Information (PII) and Personal Health Information (PHI).

PII generally includes:

- Name plus:
 - Date of birth
 - Social Security No.
 - Driver's License No.
 - Account number or bank information
 - Credit card number
- Insurance policy information
- Other sensitive information.

PHI generally includes any health information about an individual, including employee benefits information.

⁷ This Code incorporates all Affirmative policies referenced herein. Most policies referenced herein are available on the Affirmative Portal under the Corporate Policies link.

YOUR COMMITMENT TO YOUR COLLEAGUES

Our employees are the cornerstone of our success. It is therefore imperative to cultivate an environment where everyone feels their opinions are respected. Our employees should be defined by their contributions to Affirmative, not by position or title. We encourage healthy and constructive debate about matters of importance to Affirmative. The relentless execution of our business plans and strategies requires a team effort built on a culture of respect. This section outlines the commitments expected in dealing with your colleagues at Affirmative.

Do Not Retaliate

A culture of integrity depends on the freedom to raise issues or questions without fear of retribution. Affirmative strictly prohibits retaliation in any form.

Commitments

- Do not retaliate against anyone who raises a question or concern, reports a potential violation in good faith or participates or cooperates in an investigation.
- Report known or suspected instances of retaliation to Human Resources, the General Counsel or the Values Line.

Considerations

- Retaliation can come in many forms. Discipline and termination of employment are obvious forms of retaliation. Most retaliation, however, is more subtle. Assigning less preferable work or treating one employee more harshly than others may also be viewed as retaliatory.
- Remember that retaliation is always viewed from the perspective of the person who feels retaliated against. A seemingly innocent comment may be taken as retaliatory by a person whose sensitivity to retaliation is heightened because they recently raised a question or issue.

Q&A

My manager has been giving me less and less work to do over the past few months. This all seemed to start when I sent an email to our CEO's question line. I am worried that my job is going to be eliminated. What should I do?

You should contact Human Resources, the General Counsel or the Values Line. While it is possible you are being retaliated against, there may be other reasons why your workload is decreasing.

Provide Equal Opportunities

Affirmative is committed to providing equal employment opportunities for all its employees. Discrimination, harassment and mistreatment on the basis of age, ancestry, color, race, national origin, disability, genetic information, military service, religion, creed, sex, pregnancy, childbirth, marital status, sexual orientation, gender identity, or any other condition, characteristic, or activity protected by law is strictly prohibited.

Commitments

- Treat your colleagues with dignity and respect at all times.
- Consider only qualifications – such as education, experience, performance and other job-related criteria – for all employment-related decisions.
- Cultivate a professional, safe and harassment-free work environment.
- Notify Human Resources, the General Counsel’s Office or another resource if you observe discrimination or harassment, or are the victim of such behavior.

Considerations

- These commitments extend to every phase of employment – including hiring, firing, promotions, compensation and benefits.
- Inappropriate jokes, emails or comments (such as those of a sexual or racial nature) can create a hostile or discriminating work environment, regardless of how innocently intended.
- Ignoring discrimination or harassment is the same as engaging in such behavior directly.
- See the Employee Handbook for further information regarding Affirmative’s equal opportunity policies.

Q&A

My supervisor sent me a joke email of a sexually suggestive nature. The only problem is that he sent it from his home email address to my home email address. Is this permitted since Affirmative email was not used?

Absolutely not. Affirmative’s policies apply to any form of harassment or discrimination by Affirmative employees, regardless of the medium. It is irrelevant that your supervisor did not use Affirmative’s email system. Likewise, harassment or discrimination conducted in person would be prohibited even if it took place outside of business hours and/or off Affirmative’s premises.

**The Values Line is
available 24 hours a day
7 days a week**

1-855-541-4167

or online at:

www.affirmativeinsurance.ethicspoint.com



COMPANY • CUSTOMERS • COLLEAGUES