

Subject: BOARD OF DIRECTORS MEMBER CONFLICTS OF INTEREST

1. The Board of Directors determines that a conflict of interest can arise when a member of the Board of Directors is unable to devote himself/herself with complete loyalty and singleness of purpose to the general public interest required of his/her position.

2. For purposes of this policy, the Board of Directors declares that a conflict of interest is a personal, pecuniary interest that is immediate, definite, demonstrable and which is or may be in conflict with the public interest. A conflict of interest may also exist where a member of the Board of Directors also serves the public as a fiduciary in a secondary capacity.

3. A Board of Directors member who has a personal or private interest in a matter proposed or pending before the Board of Directors, or who has a conflicting interest as a result of his/her other fiduciary obligations and responsibilities, shall disclose such interest to the Board of Directors, in writing, shall not vote on the matter and shall not attempt to influence the decisions of other Board of Directors members in voting on the matter.

4. However, if a Board of Directors member has complied with statutory disclosure requirements by notifying the Secretary of State, in writing, of his/her interest in the matter at least seventy-two (72) hours in advance of any action with respect to the matter, he/she may vote if his/her participation is necessary to obtain a quorum or otherwise enable the Board of Directors to act. If a member votes under these circumstances, he/she shall state for the record the fact and summary nature of the potential conflict of interest.

5. The written disclosure to the Secretary of State shall list the amount of the member's financial interest, the purpose and duration of any services rendered, compensation received for services or such other information necessary to describe the interest.

6. The Board of Directors shall not hire or renew an employment contract of any of its members or any of their spouses as administrators in the Rocky Mountain Risk Insurance Group .

7. The Board of Directors shall not enter into any contract with any of its members or with a firm or corporation in which a member has a financial interest unless one or more of the following apply:

7.1 The contract is awarded to the lowest responsible bidder based on competitive bidding procedures;

7.2 The merchandise is sold to the highest bidder at a public auction;

7.3 The transaction involves investing or depositing money in a financial institution which is in the business of loaning money or receiving money;

7.4 Because of geographic restrictions, the Rocky Mountain Risk Insurance Group could not otherwise reasonably afford the contract because the additional cost to the Rocky Mountain Risk Insurance Group would be greater than ten (10) percent of the contract with the interested member, or if the contract is for services that must be performed within a limited time period and no other contractor can perform the services; or

7.5 If the contract is one in which the Board of Directors member has disclosed a personal interest and is one on which he/she has not voted or has voted as allowed by state law following disclosure to the Secretary of State and to the Board of Directors.

8. Except as described above, a Board of Directors member shall not be a purchaser at any sale or a vendor for any purchase made by the Rocky Mountain Risk Insurance Group .

9. A member of the Board of Directors may request an advisory opinion from the Secretary of State concerning issues relating to his/her conduct and potential conflict of interest.

10. To the extent required by law, the Executive Director is directed to file, or cause to be filed, this conflict of interest policy with the Colorado Department of Education.

LEGAL REF: C.R.S. 24-18-101, et seq.