

COASTAL INSURANCE RISK RETENTION GROUP, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

Conflicts of Interest

Directors, officers and employees must promote a culture of honesty and integrity throughout CIRRG. Therefore, every director, officer and employee must avoid conflicts of interest with CIRRG. An employee's private interest may not interfere, or appear to interfere, in any way, with the interest of CIRRG. In addition, the "Conflict of Interest/Company Ethics" section of CIRRG's Employee Manual defines personal benefits that may be accepted by employees or employee's immediate family members.

Integrity

Directors, officers and employees are required to act honestly and deal fairly and ethically in all of CIRRG's business relationships, whether with its insureds, customers, suppliers, competitors, or other CIRRG personnel. This requirement goes beyond mere compliance with the law. Directors, officers and employees should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair or unethical practice.

Compliance

Directors, officers and employees must comply fully with this Code and all applicable federal, state, and local laws, rules, and regulations that govern CIRRG's business. Because the laws that are applicable to CIRRG's business are often very complex, and penalties for violations can be severe, employees should discuss any legal questions that they may have with the supervising officer, who may refer questions to CIRRG's General Counsel. If an employee is suspect or becomes aware of a violation of law by a CIRRG director, officer, or employee, it is their responsibility to report this immediately to the supervising officer, General Counsel, or the Chairman of the Board's Compliance and Audit Committee.

CIRRG Filings

The officers and employees have the direct and primary responsibility to ensure full, fair, accurate, timely and understandable disclosure in CIRRG filings and public communications and the filings and public communications of CIRRG's Service Clients prepared by CIRRG employees. The information included in all filings with the Alabama Department of Insurance Commission or other governmental regulatory bodies and CIRRG's independent auditor for publication in our annual Audited Financial Statement, and all other public communications must be complete, timely and accurate, and must not omit any material fact required so that the information disclosed is not misleading. The employees must comply with CIRRG's disclosure controls and procedures as may be amended from time to time.

Auditors and Actuaries

Directors, officers and employees must not direct themselves, and must not direct any person to take any action to fraudulently influence, coerce, manipulate or mislead CIRRG's independent auditor or actuary; or the independent auditors or actuaries of any of CIRRG's Service Clients that are engaged in the performance of an audit or actuarial study of CIRRG's or any of CIRRG's Service Clients' financial statements, for the purpose of rendering the financial statements misleading.

Reporting and Accountability

CIRRG's General Counsel is responsible for applying this Code to specific situations in which questions are presented to the General Counsel and has the authority to interpret this Code in any particular situation. Any director, officer or employee who becomes aware of any existing or potential violation of this Code is required to notify his supervising officer, General Counsel or the Chairman of the Board's "Compliance and Audit" Committee promptly. Failure to do so is itself a violation of this Code.

The General Counsel will take all action it considers appropriate to investigate any violations reported to it. If a violation has occurred, CIRRG will take such disciplinary or preventive action, as it deems appropriate, after consultation with the General Counsel.

Confidentiality

In carrying out CIRRG's business, directors, officers and employees often learn confidential or proprietary information about CIRRG or CIRRG's Service Clients, their customers, competitors, suppliers, or other companies operating in conjunction with them. Directors, officers and employees must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information of CIRRG or CIRRG's Service Clients, and of other associated companies, includes any non-public information that would be harmful to the relevant company or useful or helpful to competitors if disclosed.

Protection and Proper Use of CIRRG Assets

All directors, officers and employees should protect CIRRG's and CIRRG's Service Clients' assets and ensure their efficient use. All CIRRG and CIRRG Service Clients' assets should be used only for legitimate business purposes.

Disciplinary Action for Noncompliance

CIRRG intends to use every reasonable effort to prevent the occurrence of conduct not in compliance with this Code and to halt any such conduct as soon as reasonably possible after its discovery.

CIRRG personnel who violate this Code or other CIRRG policies and procedures may be subject to disciplinary action up to and including termination. In appropriate circumstances, CIRRG may pursue civil remedies or seek criminal prosecution.