

PACIFIC UNION INSURANCE COMPANY
CODE OF ETHICS AND CONDUCT
(Board of Directors, Officers and Employees)

This Code of Ethics and Conduct applies to all directors, officers and employees of Pacific Union Insurance Company and is designed to deter wrongdoing and promote the following:

1. Honest and ethical conduct;
2. Full, fair, accurate, timely, and understandable disclosure in reports and documents that are filed with or submitted to, the Securities and Exchange Commission (SEC) and in other public Communications made by the Company;
3. Compliance with applicable governmental laws, rules, and regulations;
4. Prompt internal reporting to an appropriate person, identified herein, of violations of the Code.

I. Conflicts of Interest

A conflict of interest may arise in any situation when a director, officer, or employee's loyalties are divided between business interests that, to any degree, are incompatible with the interests of the Company. A conflict of interest may arise when a director and officer takes actions or has interests that may make it difficult to perform work objectively. All such conflicts must be avoided. A director, officer and employee should not place himself or herself in a position that would have the appearance of being or could be construed to be in conflict of interest with the Company. Directors, officers and employees must therefore avoid any actual or apparent conflict of interest with the Company.

Directors, officers and employees owe a duty of loyalty and a duty of care to the Company. The duty of care means the care of an ordinary prudent person in a like position would exercise under similar circumstances. The duty of loyalty means committing allegiance to the Company and acknowledging that the best interests of the Company and its shareholders must prevail over any individual interest. The basic principle to be observed is that the corporate position should not be used to make a personal profit or to gain a personal advantage.

II. Corporate Opportunities

Directors, officers and employees must not take personal opportunities that are discovered through the use of Company property, information or position if : (1) the Company is financially able to exploit opportunity; 2)the opportunity is within the Company's line of business; (3) the Company has an interest or expectancy in the

opportunity; and (4) by taking the opportunity for his own, the director or officer will thereby be placed in a position inimical to his duties to the corporation.

Directors, officers, and employees must not use Company property, information, or position for personal gain. Directors, officers, and employees must not compete with the Company. Directors, officers, and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

III. Disclosure in Reports and Documents Filed or Submitted with the SEC

All disclosures in reports and documents filed or submitted with the SEC will be full disclosures that are fair, accurate, timely, and understandable. Other public communications made by the Company will also be fair, accurate, timely, and understandable.

IV. Confidentiality

Directors, officers, and employees must maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed.

V. Compliance with Laws, Regulations, and Rules

Directors, officers, and employees must maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed.

Directors, officers and employees must comply fully with all applicable laws, regulations, and rules that govern the Company's conduct.

VI. Protection and Proper Use of Company Assets

Directors, officers, and employees must protect the Company's assets and ensure their efficient and appropriate use. Theft, carelessness, and waste have a direct impact on the Company's profitability. All Company assets should be used only for legitimate business purposes.

VII. Reporting and Investigating Violations of the Code

Directors, officers, and employees have a duty to adhere to the Code. If directors, officers, or employees are concerned about a possible violation of the Code, they must contact either Company's General Counsel or Corporate Secretary promptly. Directors, officers, and employees should not investigate the concern on their own. Rather, the Company's General Counsel or Corporate Secretary will direct any investigation. After such prompt investigation, Company's General Counsel or Corporate Secretary will make recommendations, if any, to the Company's Board of Directors. The Company's General Counsel or Corporate Secretary will not, to the extent practical, appropriate, and necessary under the circumstances to protect the privacy of the persons involved, disclose the identity of anyone who reports a suspected violation or who participates in the investigation. Directors, officers, and employees should be aware that the Company's Corporate Secretary and those assisting him are obligated to act in the best interests of the Company and are not to act as personal representatives or lawyers for directors, officers, or employees.

Retaliation, in any form, against an individual who reports a violation of the Code or of law, even if the report is mistaken, and retaliation against an individual who assists in the investigation of a reported violation, are violations of this policy. Acts of retaliation must be reported immediately (to the Resources Management Division) and appropriate disciplinary action will follow.

IX. Amendments to the Code

Amendments to the Code may be made by the Board of Directors.

X. Public Availability of the Code

The Company may file a copy of the Code as an exhibit to its annual report. Alternatively, the Company may post the text of the Code, or relevant portion thereof, on its Internet website, provided however, that the Company also must disclose its Internet address and intention to provide disclosure in this manner in its annual report on Form. As another alternative, the company may provide an undertaking in its annual report to provide a copy of the Code to any person without charge upon request.

XI. Notice of Waiver of the Code or Changes to the Code

The Company must make disclosure within four business days if the Company grants any waiver from the Code, or makes any change to the Code, for any director, executive officer or employee. The nature of such waiver or change must be disclosed promptly to

shareholders, including the name of the person to whom the Company granted the waiver or change, the date of the waiver or change, and the reason for the waiver or change. All waivers and changes for directors, executive officers and employees must be approved by the Company's Board of Directors. Waivers and changes for all others must be approved by the President of the Company or his designee.

XII. Compliance with the Code

Directors, officers and employees have a responsibility to understand and follow the Code. Additionally, directors, officers and employees are expected to perform work with honesty and integrity in any areas not specifically addressed by the Code. A violation of the Code may result in disciplinary action including the possible termination from employment with the Company without additional warning.

The Company strongly encourages open dialogue among employees and their supervisors to make everyone aware of situations that give rise to ethical questions and to articulate proper means of handling those situations.

XIII. Employment at Will

The Code is not a contract guaranteeing employment for any specific duration. Either the employee or the Company may terminate the employment relationship at any time and for any reason, with or without cause or notice. Only the President of the Company has the authority to enter into any agreement, which must be in writing, for employment for any specified period or to make any agreement for employment for any specified period or to make any promises or commitments contrary to the foregoing.

XIV. Relationship to Other Policies

The Code does not supersede, change, alter, or replace the existing policies and procedures already in place.

APPROVED AND ATTESTED BY:


ROY G. PADIERNOS
Chairman


ATTY. PERLA P. HUERTO
Director


JOY P. CARLOS
Director


GAY G. PADIERNOS
Director



GREGORIO STA. MARIA
Director



GEORGE J. REGALADO
Director



JAN ADRIAN DL. PADIERNOS
Director



MAY P. CARANDANG
Director