

BANCINSURANCE CORPORATION AND SUBSIDIARIES

CODE OF BUSINESS CONDUCT AND ETHICS

Bancinsurance Corporation and its subsidiaries (collectively, the “Company”) have adopted a Code of Business Conduct and Ethics (“Code of Ethics”) to demonstrate to the public and the Company’s various stakeholders the importance that the Company’s Board of Directors and management place on ethical conduct. The Code of Ethics is intended to set forth the Company’s expectations for the conduct of ethical business practices by its officers, directors and employees, to promote advanced disclosure and review of potential conflicts of interest and similar matters, to protect and encourage the reporting of questionable behavior and to discipline appropriately those who engage in improper conduct.

Accordingly, it is the Company’s expectation that each and every officer, director and employee of the Company shall:

- *Act with honesty and integrity, avoiding actual or apparent conflicts of interest between the interests of the Company and the personal interests of an individual or his or her family.*

Conflicts of interest occur when business judgments or decisions may be influenced by personal interests not shared by the Company as a whole. A conflict situation may, for example, arise when an individual, or a member of his or her family, has an interest in a transaction to which the Company is a party, competes with the Company, uses corporate property for personal gain or takes advantage of an opportunity that belongs to the Company.

When an actual or apparent conflict of interest arises, an officer, director or employee has a duty to place the Company’s interests ahead of his or her own personal interests. It is essential that in those instances where a Company decision or practice may appear to have been made to advance a personal interest, that the decision or practice be made or approved by the independent and “disinterested” officers or directors of the Company. Thus, in those instances where an employee faces a potential conflict of interest, the employee should report the potential conflict of interest to the President for his or her review. Any action or transaction in which the personal interests of an officer or a director of the Company may be in conflict with those of the Company must be promptly reported to the chairperson of the Audit Committee of the Board of Directors (the “Committee”). The Committee shall have the right to determine in advance that any such action or transaction does not constitute a conflict of interest in violation of this Code of Ethics.

With respect to the receipt and provision of gifts, amenities and other personal benefits, which may constitute a conflict of interest, the following rules shall apply.

Officers, directors and employees shall not solicit anything of value from any prospective or current customer, associate or other individual or business in return for any business, service or confidential information of the Company.

Officers, directors and employees may accept and give nominal, minimal-value business gifts and amenities and other personal benefits that facilitate business or foster good business relations. Business meals, drinks, tickets to sporting events and the like, which do not exceed common courtesies are generally acceptable. The amount or frequency of such gifts, amenities or other personal benefits cannot be excessive or unreasonable. Cash is never an acceptable gift. No officer, director or employee shall accept or give any gift, amenity or other personal benefit that exceeds such limits; provided, however, that, if an officer, director or employee is uncertain whether a gift, amenity or personal benefit exceeds such limits, he or she must report the gift, amenity or personal benefit to the Committee, in the case of an officer or director, or the President, in the case of an employee,

BANCINSURANCE CORPORATION AND SUBSIDIARIES

CODE OF BUSINESS CONDUCT AND ETHICS

who shall have the right to determine in advance that any such gift, amenity or personal benefit does not constitute a conflict of interest in violation of this Code of Ethics and/or to require that such gift, amenity or personal benefit be returned to the provider or reimbursed by the Company.

Notwithstanding the foregoing, in the event that an officer, director or employee cannot decline a gift, amenity or other personal benefit that exceeds the limits set forth above without causing undue embarrassment to the Company or to the person offering such gift, amenity or personal benefit, the officer, director or employee may accept such gift, amenity or personal benefit, but shall promptly report the gift, amenity or personal benefit to the Committee, in the case of an officer or a director, or to the President, in the case of an employee. The Committee or the President, as the case may be, shall have the right to require that such gift, amenity or personal benefit be returned to the provider and/or reimbursed by the Company.

- *Assist the Company in meeting its accounting, financial reporting and disclosure obligations and work to ensure that the Company's public reports and communications are accurate, certifiable, complete, objective, relevant and timely.*

In compliance with the rules and regulations of the U.S. Securities and Exchange Commission, the Company is required to issue financial statements in conformity with generally accepted accounting principles and to make public disclosures regarding certain aspects of its business. It is expected that all officers, directors and employees of the Company will keep accurate and complete books, records and accounts and report all transactions in an accurate, complete and timely manner which will enable the Company to meet its accounting and financial reporting obligations in a timely manner. False or misleading records, information or accounting entries (as to either purpose or amount) are prohibited. It is expected that any officer, director or employee of the Company involved in preparing the Company's disclosures, or any officer or employee asked to provide information relevant to such disclosures, will adhere to the above stated principles. Any officer or employee may report any known or reasonably suspected violation of the above stated principles or any concern about any questionable accounting, internal accounting controls or auditing matters in accordance with the Company's written "Policy on Accounting and Auditing Practices." In addition, any officer or employee who becomes aware of a material event or fact involving the Company that has not been previously disclosed publicly by the Company should immediately report such material event or fact to the Company's President.

- *Comply with applicable federal, state and local laws and regulations governing the Company's business, including insider trading laws.*

While this principle is seemingly self-explanatory, at times, the application of any particular law to the Company may not be perfectly clear. Where an employee is unsure or has any question as to the application to the Company of any law, it is expected that the employee will seek appropriate guidance from the President, who may seek guidance from outside counsel to the Company. Officers and directors of the Company should seek guidance from outside counsel to the Company, through the President, or, in the case of directors, from other counsel designated by the Committee. In addition, the Company has a comprehensive "Securities Trading Policy" which is applicable to its officers, directors and employees as well as to each of their immediate family members. The Company expects that the every officer, director and employee will comply, and will cause their family members to comply, with every aspect of the Securities Trading Policy.

BANCINSURANCE CORPORATION AND SUBSIDIARIES

CODE OF BUSINESS CONDUCT AND ETHICS

- *Deal fairly with the Company's customers, suppliers, vendors and employees.*

No officer, director or employee of the Company should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing or practice. Failure to conduct the Company's business in good faith damages the Company's reputation and is not acceptable.

THE COMPANY HAS MANY OTHER POLICIES THAT ARE VERY IMPORTANT TO THE COMPANY AND ITS OPERATIONS. NOTHING HEREIN SHALL RELIEVE ANY OFFICER, DIRECTOR OR EMPLOYEE FROM COMPLYING WITH ANY OTHER APPLICABLE COMPANY POLICY.

The Company expects full compliance with this Code of Ethics. In that regard, employees are encouraged to report any violation of the Code of Ethics to their supervisor or manager, to the President or to the Committee. Officers and directors must report any violation of the Code of Ethics to the Committee. With respect to reports relating to accounting and financial reporting, such reports may be made on an anonymous and confidential basis pursuant to the Company's written "Policy on Accounting and Auditing Practices." The Company will not permit any retaliation against an officer or employee who appropriately reports a matter that he or she believes, in good faith, to be a violation of the Code of Ethics to the appropriate personnel. Any employee who is found by President or the Committee to have violated the Code of Ethics may be subject to discipline, including termination of employment.

The Committee shall investigate any alleged violation of the Code of Ethics by any of the Company's officers or directors. In the event that the Committee determines that a violation of the Code of Ethics has occurred, the Committee shall be authorized to take any disciplinary action it deems appropriate. In the event that the Committee recognizes that a violation by an executive officer or a director has occurred, but the Committee, with the approval of the Board of Directors, elects not to take any remedial or other actions against the offending executive officer or director, the Company shall publicly disclose its election to waive the Code of Ethics, including the reasons for the waiver, by such means required under applicable law.

Also, nothing in this Code of Ethics affects the general policy of the Company that employment is at will and can be terminated by the Company at any time and for any or no reason.

Last Updated: August 16, 2005