

Your practical guide:
**Demystifying
the**

**Code
of
Ethics**


1912–2012
A CENTURY OF
PROFESSIONALISM



CII

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The Chartered Insurance Institute

As the leading professional body for the insurance and financial services sector with over 105,000 members in more than 150 countries, the CII Group is committed to protecting the public interest by guiding practitioners in the sector towards higher technical and ethical standards. We do this by offering them a broad portfolio of services and support to achieve this, including membership, qualifications, continuing professional development, thought-leadership and the maintenance of a benchmark Code of Ethics.

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About the Author



This paper has been written by Duncan Minty, an independent adviser on business ethics. Duncan is a Chartered Insurance Practitioner, having worked in insurance for 18 years in a variety of roles. You can follow his thoughts and comments on the ethical dimension of current insurance issues at www.ethicsandinsurance.info

Qualified CII members:

Reading and reflecting on this practical guide can count as Structured CPD under the CII CPD Scheme.



Setting standards of integrity for our profession

The Chartered Insurance Institute is dedicated to promoting the highest standards of professionalism in insurance and financial services. At the heart of that professionalism is a commitment to uphold certain standards of behaviour.

Those standards of behaviour are important, for they provide members of the Chartered Insurance Institute (CII) with clearly defined principles on how they should conduct themselves at work.

The CII has a Code of ethics in which are laid out the standards of behaviour that its members are expected to uphold. The Code is made up of five core duties, set out in a clear and unambiguous way, with supporting questions to guide members in their understanding of each duty.

During 2011, the Journal of the CII carried a series of articles that explored in some detail each of the five core duties in the Code of ethics. Each article looked at the central message underlying each core duty and illustrated how they worked in practice with two case studies. This paper brings those articles together into one document, to help members keep in touch with both the detail, and the big picture, of how their Code of ethics works.

You may be thinking two things at this stage: firstly, that you sort of know what the Code of ethics is about, and secondly, that it might struggle to find a place in your busy work schedule. Let's deal with the first of those. If you are able to not only list the Code's core duties, but also explain what they mean to a colleague, then congratulations! You do know enough about the Code. If you can't, then please read on – there are plenty of case studies to ensure realism and topicality.

So why should the Code of ethics warrant a place in your busy work schedule? Consider this. Honesty and integrity build trust. Trust builds a reputation that people value. That reputation builds confidence in your business, which leads to more recommendations, which leads to more business. In other words, ethics is good for your business.

So take some time to learn more about each of the core duties in the Code of ethics. It all makes sense and fits together. Remember: if you want your professionalism to count (to a new client or a new employer), then you need to be able to explain it. This paper will help you do so.

**Core
Duty 1**

**You must comply
with this Code
and all relevant
laws and
regulations.**

Seems fairly obvious, doesn't it? A kind of call to do no wrong. But therein lies the danger. We could be tempted to skim over those few words, thinking them a bit obvious, but then miss out on what they really mean. There is a lot more to them than first meets the eye.

This first rule deserves a closer look because it is the most important of all of the five core duties in the Code of ethics. This essentially means that if upholding it conflicts with any other core duty, then it must have precedence.

Your first reaction to core duty one may be something along the lines of "I don't break the law; I'm no criminal". That likely goes without saying, but your professional status requires more from you than just staying on the right side of the law. It means setting an example in how you conduct yourself at work. A reputation for being trusted has to be earned and this is the starting point.

Core duty one also sets out what is expected of you in terms of regulations, regulators and the CII's overall Code of ethics. It is being clear about what your professional and legal obligations are and being open and honest in how you uphold them. It is about being on top of what applies to you and understanding why it applies to you. And it is about making sure that your firm takes the necessary steps to provide the right compliance environment for you to do so.

Five things to remember about the first core duty

1. It is not just about your legal obligations...

because it includes complying with the overall Code of Ethics as well. You have to abide by your professional obligations, not just your legal ones.

2. It is about upholding the spirit of the law, not just the letter of the law...

that means understanding not just what a particular regulation says, but also what it is there to achieve.

3. It is not just about the regulations of the FSA...

vital though they are. It covers all laws and regulations, from bribery to data protection and the environment.

4. It is about showing responsibility and leadership...

because people will look to you to set an example of how things should be done. That is what being a professional means.

5. It is about staying tuned into your obligations...

because they apply to you personally, whatever your job title may be.

Case Study

1

Claims handling

You are working in the claims department of an insurance company, handling household claims.

Prolonged rain has produced a surge in flood claims and your network of repair contractors have been working flat out. However, you notice several jobs completed by one particular contractor resulted in customer complaints and you have received a report confirming that their work had been well below standard in each case. You arrange for more reliable contractors to contact the complainants to sort out the botched repair work and take steps to remove the rogue contractor from your list of authorised repairers. Job done? Perhaps not...

It is good the complainants are being looked after and the rogue contractor is off your books.

However, having recently attended a training course in 'claims and complaints', you recall there is a regulatory obligation on your firm to think beyond just those who complain. They are the tip of a potential iceberg: beyond them are customers who also had repairs undertaken by the rogue contractor and it is likely that some (perhaps many) of them will have received botched repair work as well. With a report listing all repairs done by that rogue contractor following the recent flood, you cross out those who have already complained and arrange for a claims inspector to make contact with the remainder on the list. The feedback you eventually receive from her is positive: some did have problems that needed sorting out but every one of them were impressed with your proactive customer approach.

Case Study

2

Commercial property risk

You are working on a commercial property risk, located overseas.

It is a complex case and the file shows a number of advisers have been involved. All of them are showing up on your compliance system as bona fide, but you are puzzled by the involvement of one particular adviser, whose input is difficult to establish and whose fee seems generous. Out of curiosity, you did a little deeper and find his approval is a legacy item from a recent merger. Your firm has had a hard time integrating the IT systems and managers are pretty sensitive about the whole issue. You wonder if this could be a can of worms you do not have time for.

However, you recall reading a recent article in the trade press about a new act to tackle corruption and after rereading it online, you begin to see the situation as more like a potential timebomb. You are no expert on the Financial Services Authority Handbook but sense there must be something in there about this. After raising your concerns with the compliance manager, the adviser is given an up to date compliance check and found to be wanting. They are red lined on the system and a report identifying all historical payments to them is passed quickly to your firm's chief legal officer. As a result, limits and referral checks on all legacy approvals are integrated into the system.

Having read those two case studies, what stays most in your mind about them? Is it delivering good customer service and managing risks to your firm? Or is it the dry and remote obligations of regulations and the law? I suspect it is the former.

So next time you read the first core duty of the CII's Code of Ethics, remember to look beyond its headline message of code, law and regulation and think about what it means for your clients, the shareholders of your firm, your colleagues at work and your profession as a whole. Understand what those codes, laws and regulations require of you, but also remember what they do for you.

1. You must comply with this Code and all relevant laws and regulations.

This includes, but is not limited to:

- 1.1 dealing with regulators and the CII in an open, clear and co-operative manner;
- 1.2 ensuring that all correspondence and queries from regulators and the CII, and others acting on their behalf, are dealt with promptly, courteously and not in a vexatious or frivolous manner;
- 1.3 working not only within the law but also within the spirit of the law;
- 1.4 if within your control, making sure your organisation is suitably regulated and has effective compliance arrangements;
- 1.5 ensuring, where required, you are individually authorised or regulated; and
- 1.6 reporting any breaches of the Code to the CII.

Where this core duty conflicts with another core duty this duty will have priority over the others.

By way of example, notwithstanding core duty 3, it is your duty to give confidential information to the relevant authorities where the information relates to a criminal act or fraud by your client.

Some key questions to ask yourself:

- Am I up-to-date with recent regulatory and legislative developments?
- Am I aware of general business regulatory requirements covering areas such as advertising, data protection and competition?
- Do I take full account of reports on individual cases from ombudsman services, as well as the wider regulatory and legal framework?
- Do I appreciate the general purpose of the rules I am following, for example, do I follow the letter of the regulation but fail to think about the outcome for my client?
- Am I aware of internal compliance arrangements?
- Do I consider the compliance arrangements within my organisation are effective and comply with all relevant regulations?
- Am I aware of how to update or correct compliance arrangements or whom to contact if they require change or update?

**Core
Duty 2**

**You must act
with the highest
ethical standards
and integrity.**

Sounds rather grand, doesn't it. So what does it mean? The answer is well summed up in one of the key questions associated with this core duty: do people trust me?

So, do people trust you? "Yes, of course" is the answer I am sure you are all giving. So let's rephrase the question slightly. Do you think people trust you more than they did this time last year? Reflect on your answer for a while and then check it against the ten points in this core duty and ask yourself – can you put an improving tick against all of them?

This exercise illustrates an important aspect of this core duty; namely that high ethical standards do not just happen – they need attention. So as an insurance professional, you need to ask yourself if you are being open, honest and trustworthy with a client; ask yourself if your colleagues see you as reliable, dependable and respectful. None of us are perfect, so these are questions we need to ask ourselves on a regular basis, to ensure that we as individuals, and our company, are maintaining professional standards.

If you are ever unsure about how a client or colleague might view something you have done, then turn to a simple test embodied in the first of the key questions in this core duty: how comfortable would you feel explaining what you have done to family and friends?

Remember that while the overall Code is aimed at individual members, this core duty also urges each of you to look beyond your own actions and consider how ethics can be promoted within the firm you work for and across the industry as a whole. This cannot be overemphasised, for ethics is about how we interact with each other.

Five things to remember about the second core duty

- 1. It is about building trust...**
and not just in yourself, but in your firm and the industry as a whole.
- 2. It is not just about what you do at work...**
important though that is. Your behaviour outside of work matters too.
- 3. It is about reflecting upon what you are doing...**
to understand how others might judge your actions.
- 4. It is about encouraging ethical behaviour in others...**
because ethics happens when everyone works together.
- 5. It is about being clear and correct about your professional status...**
so that people link it with your conduct.

Case Study

1

Some client information

You work for a small firm of intermediaries, although not for much longer, as you have just accepted a job at another broker.

You are glad to be leaving as your old firm has become a bit chaotic and client service has dropped. The new firm has a reputation for being very professional, so you are looking forward to putting what you have learnt to better use. Your boss is back in the office this afternoon, so you are planning to hand him your resignation then. In the meantime, you are looking at a list of commercial clients on the system and wondering if screen printing some details could be a useful present for your new firm. The clients are all well known firms in your area and the details are hardly earth shattering, so it hardly seems like a big deal.

Unable to decide, you take a quick look at your new firm's website instead, imagining what it will be like this time next month, sitting in those smart offices and thinking back to the jumbled arrangements here. As you reflect on the contrast, it suddenly dawns on you that your new boss may not look upon that gift of some client screen prints favourably. In fact, he may drop you there and then. He emphasised to you in the interview that his firm had a reputation for high professional standards, which he expects you to help maintain. It is a wake up moment for you, as you realise that to work for an organisation you can trust, they have to be able to trust you.

Case Study

2

A fine wine

You are a senior manager in the claims department of a mid-sized insurer, attending a charity dinner as the guest of an up-and-coming firm of loss adjusters.

It has been an enjoyable and productive evening, helped along by the excellence of a particular wine that your hosts have arranged for the table. You mention that your husband is a bit of a wine buff and this is one of his favourites. That weekend, a case of that very same wine is delivered to your home address, with a friendly message from the adjusting firm.

You access your firm's intranet site to check on its business gifts policy and find that it covers employees, but not spouses. "Great", says your husband, "it doesn't say that I can't accept the wine."

You are not so sure. The whole situation has an unsavoury element to it and you point out to your husband how the preamble to the business gifts policy refers to certain corporate values. You then email the loss adjusting firm to confirm that you are unable to accept the wine and ask them to arrange for its collection.

These case studies demonstrate that making decisions according to the highest ethical standards is not always easy.

It is important to be able to reflect on the underlying values involved and see an issue from the perspective of the different people involved.

2. You must act with the highest ethical standards and integrity.

This includes, but is not limited to:

- 2.1 being honest, trustworthy and open;
- 2.2 being reliable, dependable and respectful;
- 2.3 not taking unfair advantage of a client, a colleague or a third party;
- 2.4 not bringing the financial services industry or the CII into disrepute whether through your actions in work or outside work;
- 2.5 not offering or accepting gifts, hospitality or services which could, or might appear to, imply an improper obligation;
- 2.6 promoting professional standards within the industry;
- 2.7 encouraging your organisation to produce an ethical code;
- 2.8 making sure your CII membership or chartered status is described correctly;
- 2.9 informing the CII of any change in your work or circumstances which affect your membership or chartered status; and
- 2.10 operating both professionally and in a financially responsible manner so as to avoid becoming insolvent.

Key questions:

- What would an outsider think of what I am doing, and does this matter ethically?
- How would my actions look to the CII?
- Should I discuss my proposed actions with my superior or another appropriate person or the CII?
- Do I know if my organisation has an ethical code and do I fully understand it?
- Does my organisation reward good ethical behaviour?
- Does my organisation follow a whistle blowing policy?
- How can I promote trust in my organisation and the financial services industry?
- Do people trust me? If not, why not?
- Do I think it is OK if I don't get caught?
- Do I say "show me where it says I can't" or do I say "is this ethical"?
- Why am I being entertained or offered hospitality?

**Core
Duty 3**

**You must act in
the best interests
of each client.**

Acting in the best interests of each client is something we often hear talked about, but perhaps less often explained. That is what is so useful about this third core duty – it drills down into the detail and supports that detail with questions to check our understanding.

Those questions are important, for one skill that differentiates a professional from others is the ability to stop and reflect upon your actions. In fact, you could sum up this core duty as a two stage process: firstly, reflect upon what you are doing and why, and secondly, if it is not serving the client's best interests, then do not do it.

On the face of it, this core duty is quite detailed, but in fact, it all boils down to information and how we handle it. What do you know about the product and service? Do you understand what the client needs? What does the client need to know and how can you best get that across to them? Are you respecting what they have told you?

It would be nice to think that there is always a clear cut answer to such questions, but that is often not the case. So what this core duty tells us is, if in doubt, always put the client's best interests first. If it is a complex situation, then talk it through with a colleague. And this is where you need your firm's culture to support you. It should encourage you to resolve potential conflicts involving clients' interests and not pressurise you with inappropriate targets.

Five things to remember about the third core duty

- 1. It is about knowing your client...**
because otherwise you won't know where their best interests lie.
- 2. It is about putting their interests ahead of your own...**
even when they may appear to be at odds.
- 3. It is about being open and honest...**
with yourself, colleagues and clients.
- 4. It is about committing to this as a firm...**
because it has got to be part of your culture.
- 5. And your firm rewarding you for doing so...**
so that the firm's interests are aligned with the clients.

Case Study

1

Investigating a claim

You are a claims manager at a large insurer, dealing with commercial property cases.

A junior member of staff has just passed you the file for a fire loss, asking you to review something odd about the claim. The firm involved rings a bell and you realise it is where your brother-in-law works. You review the file with interest, but increasingly with concern, for the fire's circumstances do raise a question mark. It may all be quite above board, but you have to decide whether to have it looked into more closely.

That will delay settlement, with all sorts of repercussions for the firm, as the equipment involved was vital for production. From what your sister has said about the firm going through hard times, you realise that this could put pressure on the company and put your brother-in-law's job at risk. Feeling pulled in two directions, you pass the file over to a colleague, with a note outlining the conflict of interest, but with a request for it to be looked into quickly.

Case Study

2

Getting renewals out

You are in charge of a commercial property team at a mid sized brokers.

It is a busy time of the year for renewals and you have got your hands full. Today two of your team have reported in sick and you know from previous experience that this situation can cause all sorts of problems for getting renewals done properly. You approach your boss, seeking his agreement to hire a couple of agency people to help your team keep on top of its work. He refuses you point blank, saying there is no money in the budget for luxuries like that. You point out that while cost control is important, so is retaining business, but he is not changing his mind.

He tells you to hold on to renewals until you have got a full team again. "Anyway," he says, "it will make life more difficult for that broker who has been nosing around our clients recently."

It strikes you as hardly fair for those clients, but past experience tells you the firm isn't going to listen, so you make your own plans. At a team briefing, you gather some ideas and put together a holding plan, keeping your fingers crossed that you will have a full team again within a few days. In the meantime, you make a note to bring this up in your next appraisal.

We all want to act in the best interests of a client, but these case studies show that in doing so, we can sometimes face quite difficult choices.

They also show that a good way of finding the best way forward is to talk the matter through with someone. A problem shared is a problem halved.

3. You must act in the best interests of each client.

This includes, but is not limited to:

- 3.1 encouraging your organisation to put fair treatment of clients at the centre of its corporate culture;
- 3.2 basing your decisions on a clear understanding of client needs, priorities, concerns and circumstances;
- 3.3 giving your client all the information, of which you are aware, which is needed for your client to make an informed decision provided that information is not confidential to another client;
- 3.4 making sure the promises you make to clients about a product's performance and the after sale service are true;
- 3.5 respecting confidential information of clients, former clients and potential clients;
- 3.6 ensuring you do not use information from work improperly and/or to your personal or business advantage;
- 3.7 turning down work where a conflict of interest exists between you or your employer and the client; and
- 3.8 refusing to act where a conflict of interest exists, save where acting in these circumstances is expressly permitted by a regulator.

A conflict of interest is a situation in which someone has competing professional or personal interests. Depending on the circumstances, there may be a perceived rather than an actual conflict of interest. Both perceived and actual conflicts must be dealt with appropriately.

Conflicts of interest can arise where:

- You owe, or your firm or employer owes, separate duties to two or more clients in relation to the same or related matters and those duties conflict or there is a significant risk they may conflict; or

- Your duty to act in the best interests of any client conflicts, or there is a significant risk it may conflict, with your own interests.

Key questions:

- Am I acting fairly towards this client or my employer or my colleagues?
- Are my opinions and statements objective?
- Am I being honest and truthful?
- How can I better help my client to make capable and confident decisions?
- Would I like to be treated in this way if I were a client?
- Is this in the best interests of my client or my bonus?
- Do I try to cover up my mistakes?
- Does my organisation reward arrangements that deliver fair treatment to customers as well as offer incentives to help employees grow the business?
- Are employees rewarded in ways which encourage them to put their client's best interests first?
- If the client is vulnerable, what extra steps can I take to make sure I act in my client's best interest?
- How can I help my clients to understand financial services?
- Do I provide clear information pre and post sale?
- Do I listen to my clients or just hear them?
- Will acting for this client compromise my position?
- If I act for this client will it harm them or be to the detriment of another client?

**Core
Duty 4**

**You must provide
a high standard
of service.**

You may wonder at first what service has to do with ethics.

After all, customer service is an everyday activity connected with virtually everything that happens in insurance: how policies are underwritten, how claims are settled and of course, how we engage with customers.

Meeting your promises

Let's take a step back and consider for a moment what people think good customer service looks like. Research by Ipsos MORI in 2010 found that 53% of financial services customers described it as "providing the service they promised" and 51% said "honesty". And therein lies the connection with ethics. A high standard of service is built around trust. You can invest in answering the phones faster or turning correspondence around quicker, but what really matters to customers is what you say in those communications and how that relates to what you have promised.

And this is where such behaviour matters to you individually, because this core duty is not just about customer service. It also covers how you and your colleagues engage with each other at work. So if a colleague does do something they promised to do at a recent meeting, or a manager asks you to do a job in the way you appreciate, then you feel more satisfied at work and feel more committed to the company as a result.

Listening to Customers

The fourth core duty takes those themes of promises and honesty and sets them out in more detail, putting them into the language of how insurers and brokers work. In its accompanying key questions, it then brings out something that can often be forgotten when seeking to achieve a high standard of service: the ability to listen and take on board what people are telling you. There is no point investing in service improvements around something that customers do not have as a priority. That is why understanding what customers value most should underpin how you achieve a high standard of service. If your company does not share such information with you, then ask to see it - it can make very interesting reading. And consider using what it tells you about your customers to influence the continuous professional development you undertake, so that you gain the types of skills and expertise that matter most to your job.

Five things to remember about the third core duty

- 1. It is about putting the client first...**
and building the service you provide around them.
- 2. It is about being accurate and straightforward with clients...**
because they value that the most.
- 3. It is about knowing where your abilities lie...**
and seeking help where necessary.
- 4. It is about keeping up to date with best practice...**
and making sure your team does so too.
- 5. It is about listening to feedback...**
and using it to do things better.

Case Study

1

A different perspective

You work for a leading insurer as the manager of one of its personal motor claims departments.

You notice your team often gets clogged up with simple phone calls from claimants asking about their repairs being authorised. It is something that a lot of people seemed to be concerned about and you are aware that the time it can take varies quite a lot, without apparent reason.

What irks you most is that your department's targets focus on other things, like answering the phone or a piece of correspondence, but

when you meet them, it does not seem to have any knock on effect to how customers rate the service your team provides.

One lunch hour you trawl the internet and find several articles that confirm that 'time to authorise' is important to a great many people. Over the next few weeks, you take time to carefully set out the problem and some proposals for performance management reform, expressed from both the business and customer viewpoints. It stirs up a bit of a hornet's nest with the motor engineers, but hits the mark with the director of motor claims.

Case Study

2

Lifestyle assumptions

You work for a well known insurer as a technical underwriter in its personal lines division.

You have been tasked with introducing a new set of lifestyle based underwriting criteria into your main household product. A lot of business comes through the internet and your firm's own website can be updated with relative ease. However, feedback from some of the price comparison websites turns out to be less positive. Only some of your new criteria will be picked up by their up front questions – the rest, they reassure you, can be covered by the underwriting assumptions. They are confident anything important can then be sorted out when the customer is linked through to your own site.

You can see all the new underwriting criteria end up being addressed, but you are not sure if the way being proposed is more than a little torturous. A lot depends on how those underwriting assumptions are set.

If set too low, you will be high up the quote list, but some customers will then see their final quote jump. If set more in the middle, there will be far fewer jumps in final quotes, but you will drop down the quote list. Feeling stuck between a rock and a hard place, you arrange to see your firm's new 'customer experience' manager and together, the two of you rebuild the plan so that most of its underwriting objectives are achieved, along with the firm's service standards for customers.

A high standard of service can sometimes be a challenge to achieve, but as consumers consistently rate it as their top priority when dealing with a company, it is bound to produce results for your firm.

It also likely to make your everyday work more satisfying. After all, we are all customers ourselves and treating others how we would like to be treated ourselves is a valuable yardstick.

4. You must provide a high standard of service.

This includes, but is not limited to:

- 4.1 communicating with each client in a way that is accurate and straightforward and expressed in a way that the individual client can understand;
- 4.2 being transparent about fees and other costs;
- 4.3 making sure reasonable steps are taken to ensure all advice is accurate and suitable for the individual client;
- 4.4 obtaining and providing clear information before, during and after the point of sale;
- 4.5 ensuring adequate and correct records are kept;
- 4.6 acting with skill, care and diligence;
- 4.7 acting only within your ability and authorisation and seeking help where necessary;
- 4.8 ensuring your knowledge and expertise is kept up-to-date and relevant for your work including meeting any Continuing Professional Development (CPD) requirements;
- 4.9 ensuring those who work for you have appropriate training and supervision and contributing to their learning and development; and
- 4.10 if it is within your control, making sure your firm has a clear written complaints procedure which is followed.

Key questions:

- Do I do what I say I will do and do it when I say I will?
- How can I improve the service I give my clients?
- Am I approachable?
- Do I give and receive constructive feedback to/from colleagues?
- Does my organisation seek feedback from clients?
- Does my organisation have a swift and effective mechanism for resolving complaints?
- Do I learn from complaints?
- Do I take complaints seriously?
- Can I improve my knowledge by additional training?
- Do I encourage subordinates to increase their knowledge?
- Do I ask for help when I need it?
- Does my organisation have systems for managing paperwork and data which work?
- Does my organisation assess customer satisfaction and provide feedback to employees?

**Core
Duty 5**

You must treat people fairly regardless of race or racial group, sex or sexual orientation, religion or belief, age and disability.

This core duty seems to cover quite a few issues, however it can all be summed up in two words: equality and diversity.

While we are probably all familiar with those two terms, it is worth outlining what they mean and how they compare.

Equality is about creating a fairer society, where everyone can participate and fulfil their potential. It is about addressing unfair discrimination based on being part of a particular group – for example, women being paid less than men for doing exactly the same job.

Diversity is about recognising that everyone is different in some way. It is about creating a workplace culture that respects and values those differences – for example, recognising that in working for a worldwide group, you will come across colleagues who are more sensitive to certain things than you are. So one is about making things equal and the other is about respecting differences.

Be aware of your influence

There is a further dimension to this core duty. We may think of it as being about the people we work with, but it also encompasses how we insure people, how we settle their claims and how we use agents and suppliers to deliver our products and services. So think not just of the people you meet at work, but all those whose lives you influence through the work you do and how you do it.

That is why equality and diversity need to be borne in mind when drafting a policy and setting your pricing strategy. In fact, it is very much a hot topic at the moment, following the ruling earlier this year by the European Court of Justice that insurers are no longer able to charge different premiums to men and women because of their gender. As insurance becomes even more of a global business, our work brings us into contact with an enormous diversity of cultures and the different ways of doing business these produce. This core duty reminds us to treat each one fairly and with respect. Understanding how they are similar and how they are different, and why, are vital steps to building the understanding and confidence of successful business relationships.

Remember that while you may not be responsible for writing or monitoring your firm's policies and procedures around equality and diversity, you are responsible for ensuring they are acted upon. Setting an example in such circumstances is an explicit part of this core duty.

Five things to remember about the fifth core duty

- 1. It is about remembering everyone is an individual...**
and deserves to be treated as such.
- 2. It is about treating everyone with equal respect..**
and with equality of opportunity.
- 3. It is about putting yourself in someone else's shoes...**
and seeing things from their perspective.
- 4. It is about challenging unfair practices...**
not just ignoring them, hoping they'll go away.
- 5. It is about everyone you deal with at work...**
not just clients and work colleagues.

Case Study

1

Unsupported staff

You work in the personal lines claims department of a large UK insurer, taking telephone calls from claimants enquiring about settlement.

You have just finished a call with a difficult claimant. She was not happy with the settlement being offered and you spent quite a long time explaining it to her. However, she would not accept your explanation and went on to make some highly offensive racist remarks, directed at you personally. You stay calm, but move to close the call in an appropriate manner.

Later, you tell your manager about the incident and how much the racist remarks have upset you. He listens, but simply suggests you do not dwell on it and move on instead. “Don’t take it seriously”, he remarks.

After work, you ponder how your company would have reacted if you had made remarks like that at work. Its policy talks about the behaviour of employees, but not customers. Now just as angry about how your firm has reacted as about the behaviour of the claimant, you put in a call to its ‘speaking up’ hotline.

Case Study

2

Understanding outsourcing

You are a project manager in a large UK insurer, working on the implementation of a significant outsourcing programme involving the transfer of some functions to an India partner.

You are at its offices, conducting an audit of how they have been securing the electronic data being passed to them. An issue arises around the level of encryption for some data and you raise this with your opposite number in the Indian firm. She is surprised, explaining that their approach to encryption mirrors that of your firm in the UK.

“But this is India”, you reply, “the encryption needs to be more extensive”. After an uncomfortable moment, she asks about the further encryption you require and confirms that it will be put in place as a priority.

A few months later, back in the UK, you are attending your annual appraisal and find your firm is displeased with some aspects of your performance: it requires you to undertake some diversity training in order to maintain your involvement in outsourcing projects.

Equality and diversity are themes most of us are familiar with, but do not be lulled into thinking all that can be done has been done.

The insurance sector has come a long way in the past few decades, but the journey is not over yet. We all have a role to play, as individuals, employees and customers, in securing lasting equality and diversity across the insurance sector.

5. You must treat people fairly regardless of:

- race or racial group;
- sex or sexual orientation;
- religion or belief;
- age; and
- disability.

This includes, but is not limited to:

- 5.1 obeying the equality and diversity laws in your country;
- 5.2 treating each person as an individual;
- 5.3 challenging and reporting unlawful or otherwise unfair discriminatory behaviour and practice;
- 5.4 always acting openly and fairly and treating employers, employees, colleagues, clients, potential clients and suppliers with equal respect and opportunity;
- 5.5 making reasonable adjustments to assist people with disabilities or particular needs you may deal with at work;
- 5.6 encouraging your organisation to produce and promote an equality and diversity policy setting out how the business plans to promote equality, diversity and inclusion, prevent discrimination and deal with any instances of discrimination which might happen; and
- 5.7 if it is within your control, making sure processes and procedures do not discriminate.

You should be aware:

- Race or racial group includes ethnic or national origin, colour and nationality;
- Sex includes marital status, pregnancy, maternity, paternity and gender reassignment;
- Sexual orientation includes civil partnership status; and
- Religion or belief includes philosophical beliefs similar to a religion.

Key questions:

- If I belonged to any of these categories, would I feel unfairly disadvantaged?
- Is what we are asking for more difficult for this person to achieve? And, if so, is the thing we want really necessary?
- What can I do to promote a workforce that is representative of the people we serve?
- Does my organisation have effective equality and diversity training arrangements?
- Does my organisation systematically audit its own policies and practice to ensure that these comply?
- Does my organisation create unnecessary hurdles for this person?

Key skills for thinking ethically

Having looked at each of the Code's five core duties in turn and explored what they mean to individual members, we now want to draw together what we have learnt and highlight some of the things to have come out of the series.

While each core duty focuses on a particular aspect of how members should go about their work, there are a number of common themes that bind the five core duties together. These themes are worth a closer look because they help members to put the Code into practice. But first, let us quickly remind ourselves of what each core duty says.

So what are those common themes linking these five core duties together? Let's take a look.

Understand why it matters

It is all very well being able to recall what each of the Code duties in the Code of ethics say, but it is just as important, if not more so, to understand why the Code is asking these things of you. Understanding the 'why' as well as the 'what' will help you apply the Code more confidently to tricky situations, as well as help you to more clearly explain the Code to colleagues and customers. Getting behind the Code of ethics in this way will also show you how to best use this commitment to your business's advantage: for example, by crafting a better explanation of the value that behaving in an ethical manner brings to each client.

Set an example

You may not have direct responsibility for ethics at your firm, but you are still responsible for showing others how to uphold both the letter and the spirit of the core duties in the Code of ethics. So help others to follow your example by setting one yourself. People will notice and start to follow your lead. That is how a culture of doing the right thing can become established. Setting an example also shows others that you are the type of person who they could share any ethical concerns with. Make sure you listen carefully when they do and even better, be familiar with how to guide them should they want to take it further.

Think beyond yourself

Ethics always involves more than one person, either in terms of how you interact with others, or the impact your actions may have on others. So when you are weighing up the rights and wrongs of a particular situation, don't just think of how it may affect yourself. Remember to take account of what other people (be they colleagues or customers) might say or think about the situation and consider the options available to you from their perspective. One of the simplest ways of doing this is to ask yourself how you might explain a particular situation to friends and family and what their reactions may be.

Reflect upon what you are doing

If you feel there is an ethical question mark hanging over something you have been asked to do, stop for a moment and take some time to reflect upon it. Ask yourself some of the questions that accompany each of the Code duties in the Code of ethics. If it still seems difficult or awkward, seek out a like minded person you know at work and consider talking it through with them. Discussing the situation with someone often brings out alternatives that you may not have spotted, as well as often confirming that you are not the only one feeling under ethical pressure.

Give it regular attention

There may be times when you feel that you have not done something in an altogether ethical way. None of us are perfect, but we can always learn from a situation and be better prepared next time round. Being familiar with the Code of ethics will help you in such situations, as it can guide you on where and how you may have fallen short. It is also useful to think ahead and use your continuous professional development to learn more about the skills to more confidently tackle that situation in a more ethical manner next time it comes up. In the meantime, take a look at the CII's online ethics course, which has case studies illustrating a great many types of work situations.

You can see that these common themes resemble what might be called 'ethical skills', to use in applying the detail of each of the core duties. These skills are important because ethics can sometimes be tricky – between the clear dos and don'ts are grey areas which these skills will help you tackle. Bear in mind as well that these skills are not particularly unique to ethics – they will help you with many other types of situations you will come across at work.

The Code of ethics is there to help you, so keep it handy, in a folder in your desk or computer. Consider keeping this paper about each of the core duties with it as well. When you are faced with a tricky situation or when you want to improve how you work, take it about and start by asking yourself some of the questions that form part of each core duty.

The Five Core Duties that make up the CII's Code of Ethics

- 1. You must comply with this Code and all relevant laws and regulations.**
- 2. You must act with the highest ethical standards and integrity.**
- 3. You must act in the best interests of each client.**
- 4. You must provide a high standard of service.**
- 5. You must treat people fairly regardless of race or racial group, sex or sexual orientation, religion or belief, age and disability.**

The Chartered Insurance Institute 42–48 High Road, South Woodford, London E18 2JP
tel: +44 (0)20 8989 8464 fax: +44 (0)20 8530 3052 email: customer.serv@cii.co.uk

www.cii.co.uk

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