Ethical culture

CII guidance series

The challenge for insurance marketers

www.cii.co.uk

CII

The Chartered Insurance Institute (CII) Professionalism in practice

As the premier professional body for the insurance and financial planning professions, the CII promotes higher standards of integrity, technical competence and business capability.

With over 120,000 members in more than 150 countries, the CII is the world's largest professional body dedicated to these sectors.

Success in CII qualifications is universally recognised as evidence of knowledge and understanding. Membership of the CII signals a desire to develop broad professional capability and subscribe to the standards associated with professional status.

The CII works with businesses to develop bespoke, company-wide solutions that ensure competitive advantage by enhancing employees' technical and professional competence.

Individually, CII's members are able to drive their personal development and maintain their professional standing through an unrivalled range of learning services and by adhering to the CII's Code of Ethics.

www.cii.co.uk

If you have any queries regarding the content of this brochure please contact Customer Service.

The CII is committed to delivering a first-class service and, to this end, we welcome feedback on any aspect of your relationship with our organisation.

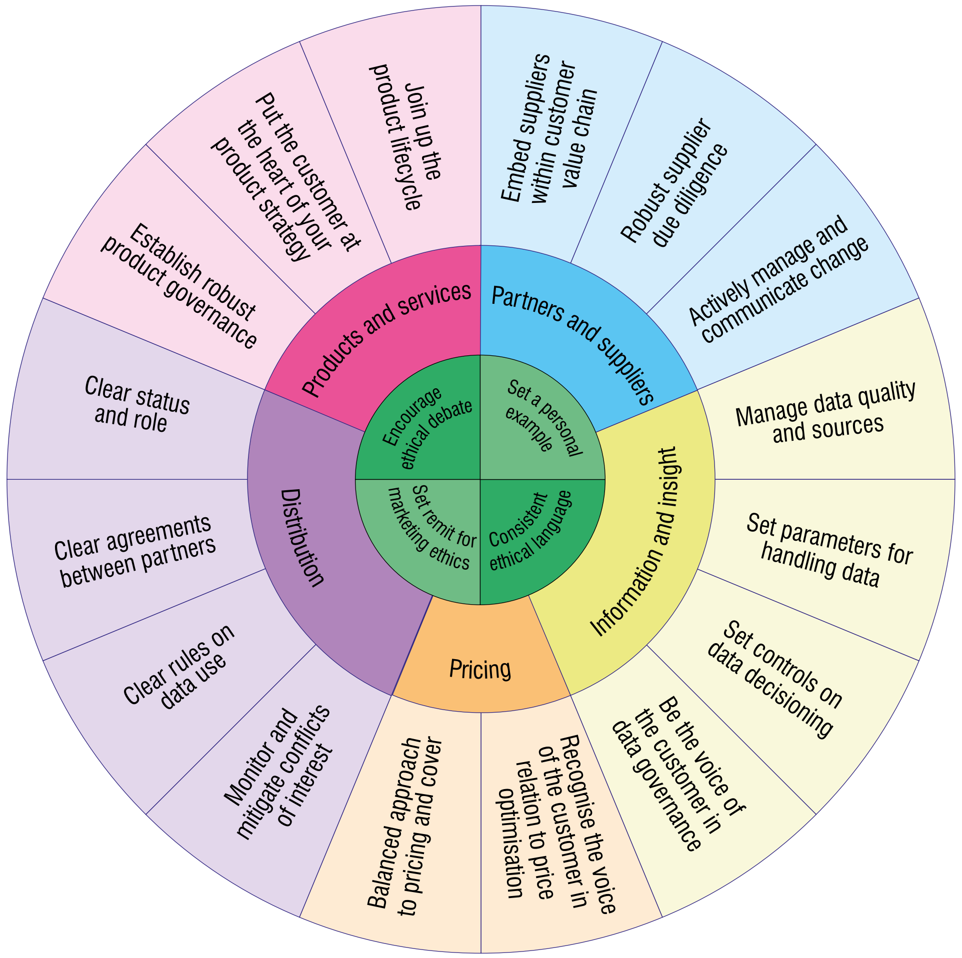
Please forward any views you may have on the service you receive, whether they are positive or otherwise.

We take all such comments seriously, answer them individually, and use them to help ensure that we continually improve the service we provide.

Customer Service
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
website: **www.cii.co.uk**

Insurance Marketing: The ethical lens

This diagram summarises the 5 key areas of ethical focus outlined in this paper, and the 20 recommendations for cultivating ethical practice in your business. Use it with your team to identify where your business should focus.



Marketers are increasingly involved in some of the most important aspects of the customer proposition. Their role is no longer just about how products are communicated, but more often about how they are built, priced and serviced.

This has driven an increase in the number of marketers working in the insurance sector and a broadening of their remit. Many have developed their skills within the sector itself, while others have transferred from other sectors. This combination often benefits organisations and their customers by cross-fertilising innovation from other sectors. But it also drives a need for careful application of ethical marketing to the insurance context. Marketing methods that may work well for consumers of, say, fashion products may not always translate directly to financial products.

Significant developments in digital – from big data to automation – are combining with a greater regulatory emphasis on fair outcomes for consumers. The principles-based approach to insurance regulation, together with the fast pace of change, means that marketers must take on those broadening responsibilities whilst paying increasing attention to their ethical dimensions.

Yet marketers don't always hold board-level influence in insurance firms, so 'doing the right thing' can take courage and perseverance. As insurance firms seek to refashion their relationship with consumers, the role of the marketer in underscoring this with trust is vital.

The CII has produced this guidance paper to help not just insurance marketers, but anyone involved in the following areas to share experiences and best practice across the sector:

- Pricing
- Product design and governance
- Insight and customer information
- Distribution and supplier partnerships

It is part of our 'ethical culture' series, in which we highlight for insurance professionals the steps they can take to uphold their public interest obligations.

For such an old and outwardly stable profession, insurance is always going through change. The regulatory focus on customer outcomes and the continuing development of digital technology present fantastic opportunities for marketers, but also significant risks.

There is wide diversity in how different market segments have embraced marketing as a function, with some insurance firms becoming very marketing led, and others dipping into its skill set in more discrete ways. There is often considerable overlap and sharing of responsibilities between functions, with underwriting often owning aspects of pricing and product, and distribution often sitting separately. Clear ownership of customer outcomes is therefore crucial, wherever it sits within the organisation.

Many of the scenarios and recommendations outlined in this report will be relevant to more than just those with 'marketing' in their title, or who work in a 'marketing' team, and it is vital that professionals and businesses consider how their organisations respond to these challenges coherently, wherever those responsible for these decisions sit within the business, and whether they think of them as marketing or not.

There is a tendency to think of marketing as orientated around the personal lines market, but that is no longer the case. The emergence of the 'small to medium enterprise' market has broadened the remit of marketing, and the commercial market faces distinct marketing challenges of its own. This ethical guidance paper will cover all three sectors.

The steady professionalisation of marketing across UK business has meant that while marketing talent in the past had invariably been 'home grown' in the insurance sector, it is now relatively common to find marketing people coming to insurance from other sectors, some financial, others retail. This diversity of experience can bring with it new ways for insurance firms to think about the customer, about engaging with them, and about managing them within the firm. So change in insurance marketing is happening both through internal as well as external influences.

These factors are coming together against a backdrop of low levels of public trust in insurance. The reasons for this are long and complex and whether or not it is deserved, it is down to the sector to improve. Insurance marketers certainly have a part to play in rebuilding that consumer trust.

So in rising to the opportunities emerging from this period of change, insurance marketing must also take account of the legacy it is working with, of the questions that are asked about the ethics of some of the products and services being offered. Some of these questions are raised by the conduct regulator, seeking to tackle bad practice and build market confidence, but some questions are also raised by members of the public sitting on that famous Clapham omnibus. So the marketer's response has to be guided not just by the regulator's requirements around compliance, but by the public's expectation that insurance firms should 'do the right thing'.

The public wants more from insurance and who better than marketers to deliver that. This ethical guidance paper summarises some of the key challenges that marketers face in achieving the right balance between what can be done with modern marketing techniques, and what's right for the customer.

> "The public wants more from insurance, and marketing people are ideally placed to deliver that."

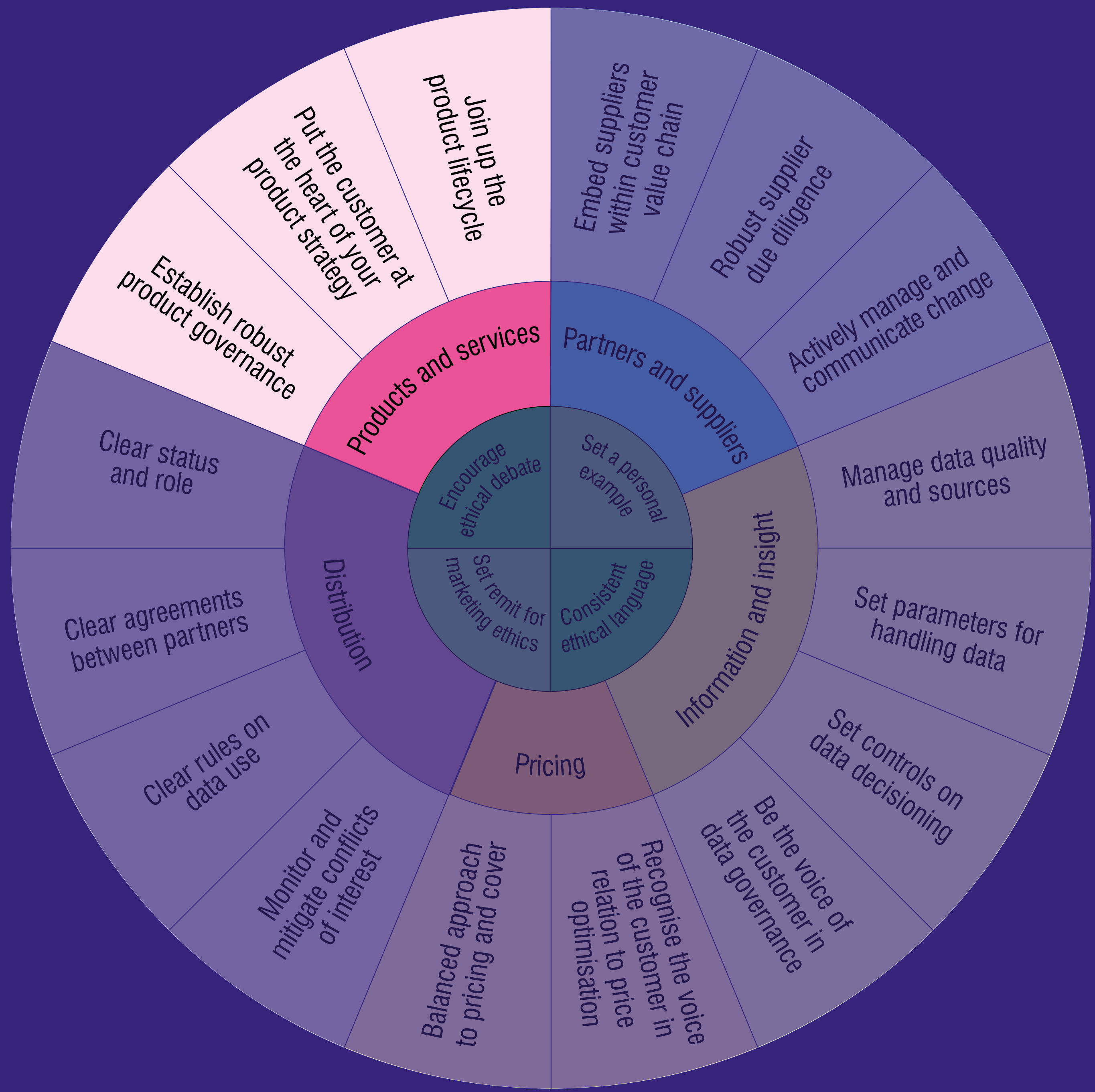
About this guidance paper

The guidance paper looks at five issues in some depth: product, information, price, distribution and suppliers. These issues emerged as priorities from a roundtable, organised by the Chartered Insurance Institute, with senior marketers from a range of large and niche brokers and insurers from both London and regional markets.

The goal of this paper is not to highlight good or bad practice, or to provide strict ethical rules, but to collate and share current experience and areas of focus with others across the profession, and some guidance for firms to decide how to apply to their particular situation.

The insurance sector is made up of an enormous diversity of businesses and each will want to address these important points in ways that reflect their own particular place in the delivery of insurance products and services. Insurers, brokers, MGAs, adjusters and service providers should all find something of interest in this ethical guidance paper.

Product and services



Building public trust in insurance involves putting the customer at the heart of a business.

This starts with the insurance product itself and needs to be approached on three levels:

1. at the level of the organisation, with product governance;
2. at the level of product strategy, with issues such as targeting, suitability and value; and
3. at the level of the product's design, with issues such as simplicity, affordability and fairness.

The extent to which firms encounter problems with trust, and the extent to which employees encounter ethical difficulties, will in large part be determined by what happens at this 'product stage'. Get it right here and your firm will be less exposed to ethical issues like mis-selling. Get it wrong and those exposures multiply.

1. Product governance

In recent years, insurance firms have established committees and processes to meet product governance expectations. Yet for these to move from 'nice on paper' to 'delivering trust', a crucial link is in how the 'voice of the customer' is represented and embedded within them. Responsibility for this (or sometimes even all of product governance) is increasingly falling to the marketing function.

In some industries the product has always been owned by marketing, however this is relatively new for many insurers (particularly on the commercial side of the market), where it has often been primarily owned by underwriting. This isn't a universal change, however, and shouldn't be seen as a conflict or attempt at a 'land-grab' by one function over another.

Marketing should have the potential for providing an objective, multi-faceted view of the customer, based not just on risk analysis, but on needs, behaviours and decision making. And more senior marketing professionals will know how to embed this knowledge at the level of strategy, planning and governance.

The key difference is that while many other insurance professionals will have been trained in the insurance cover and processes that constitute the product being offered to customers, it is typically the marketing professional who has been trained on the flip side of this coin: what customers need and value, and how to deliver it as a compelling proposition.

A board director or regulator looking at an insurance firm's product governance needs to see that it includes a clear and identified 'voice of the customer'. This need has given rise to new job titles such as 'customer director', sometimes within the marketing function and sometimes alongside. It has also meant that in general, marketing has become increasingly responsible for important parts of the product development and governance process.

2. Product and strategy

The ethical track record of insurance points to a number of key issues that need to be addressed at the level of product and strategy. The marketer needs to address these issues in how their firm's marketing strategy is formed and in how resources and processes are aligned to support it. Three issues that stand out are **targeting, suitability and value**.

i) Targeting

A firm's marketing strategy should identify the markets it wants to target and the analysis of the needs of the customers in those target markets should identify the products that it should then go about manufacturing.

This hasn't always been the way insurance companies have driven the process in the past, and any organisation with a true focus on the customer should work hard to avoid falling into the gap of focusing on the product first and then trying to fit the marketing around it.

The intangibility, mixed distribution and varied customer knowledge of insurance products has partly driven the commoditisation and packaging of products in the past. Unless the company has clear sight of the entire value chain from defined customer need to delivered product and service, there remains the inherent danger of mis-selling.

Better planning; better analysis; better metrics: these give shape to your target market and from there, the products that you can deliver to it. These are tasks that define a marketing professional and insurance firms need to ensure that they are brought to the strategy table. Some may say that the pressures to innovate and keep pace with increasingly digital markets make such tasks a luxury that a fast paced firm can't afford. The reverse is in fact the case. Planning, analysis and metrics are typically easier in digital channels and the scale of potential pitfalls arguably greater if the groundwork hasn't been done at the outset.

ii) Suitability

Suitability has become a cornerstone of the regulation of the wider financial services market, but it has received less attention in general insurance. Marrying up at the macro level the needs of customers with features of the product means that similar exercises at the micro level can be performed more easily and confidently. And a clear definition of the type of customer this product is suitable for means that one recurring problem can be contained: that of drift, when the product is distributed wider than the market it is designed for. Payment protection insurance is not a bad product in itself: it was just unsuited to many of the customers it was sold to.

iii) Value

Value is not the same as price, but there are clear overlaps. It may be the right product for a particular group of customers, but does it then have the value that those customers would expect? It's increasingly the case that regulators are judging value through performance ratios for that book of business: too low a ratio and questions of unethical practices, of potential mis-selling, are raised. When identity theft insurance was found to have a loss ratio of only a few percent points, its days as a viable product in that form were numbered.

Two important dimensions to value are visibility (e.g. is the customer able to identify where most value in a product lies?) and bundling (e.g. where does the value of a product sit in relation to the core cover, extensions and add-ons?). The insurance sector is sometimes criticised for marketing its products on the basis of extensive but low value frills, while the core cover that customers are most in need of is trimmed to contain costs. And the way in which add-ons were being priced and bundled in with mainstream products has resulted in them being only allowed now on an opt-in basis.

3. Product and design

Two issues that have raised ethical questions about the design of insurance products are simplicity and fairness of terms.

Some policy wordings have reached tens of thousands of words, which, even if written with the best intentions are unlikely to be fully read by the customer. There are signs that many insurers are designing new policies with readability in mind. Marketing professionals have an important role to play in giving momentum to this, drawing on their understanding of the customer experience and in their position as a 'voice of the consumer'.

It can be difficult to disentangle length from complexity, of both intent and language. It is little wonder that insurance gained the reputation for unfair terms, for 'wriggle out' clauses. And consumer resistance to this led to the empowering of an ombudsman service that came to treat complexity as unfairness and upheld complaints in some classes of business that pointed to systemic problems in how those product lines were being marketed. Just the context, one might think, for a professional marketer to start redefining the product in order to build a new form of relationship with the customer.

> "A clear and identified voice of the customer."

Recommendations

Recommendation 1.1

Establish robust product governance. By embedding customer insight within governance processes, you can achieve better outcomes for customers and more public trust in insurance. Marketing professionals should be fully engaged with their firm's governance process and play an important role in representing the 'voice of the customer'.

Recommendation 1.2

Put the customer at the heart of your product strategy. A more professional approach to product strategy would help address some of the root causes of unethical practice associated with insurance. Marketing professionals should bring their objectivity and customer centricity to make this a reality.

Recommendation 1.3

Join up the product lifecycle. Marketing takes an ownership role in many sectors' product design processes. Insurance marketers should seek engagement throughout the process, not just at the delivery and communication stage, and particularly with a view to challenging targeting, suitability, value and simplicity.

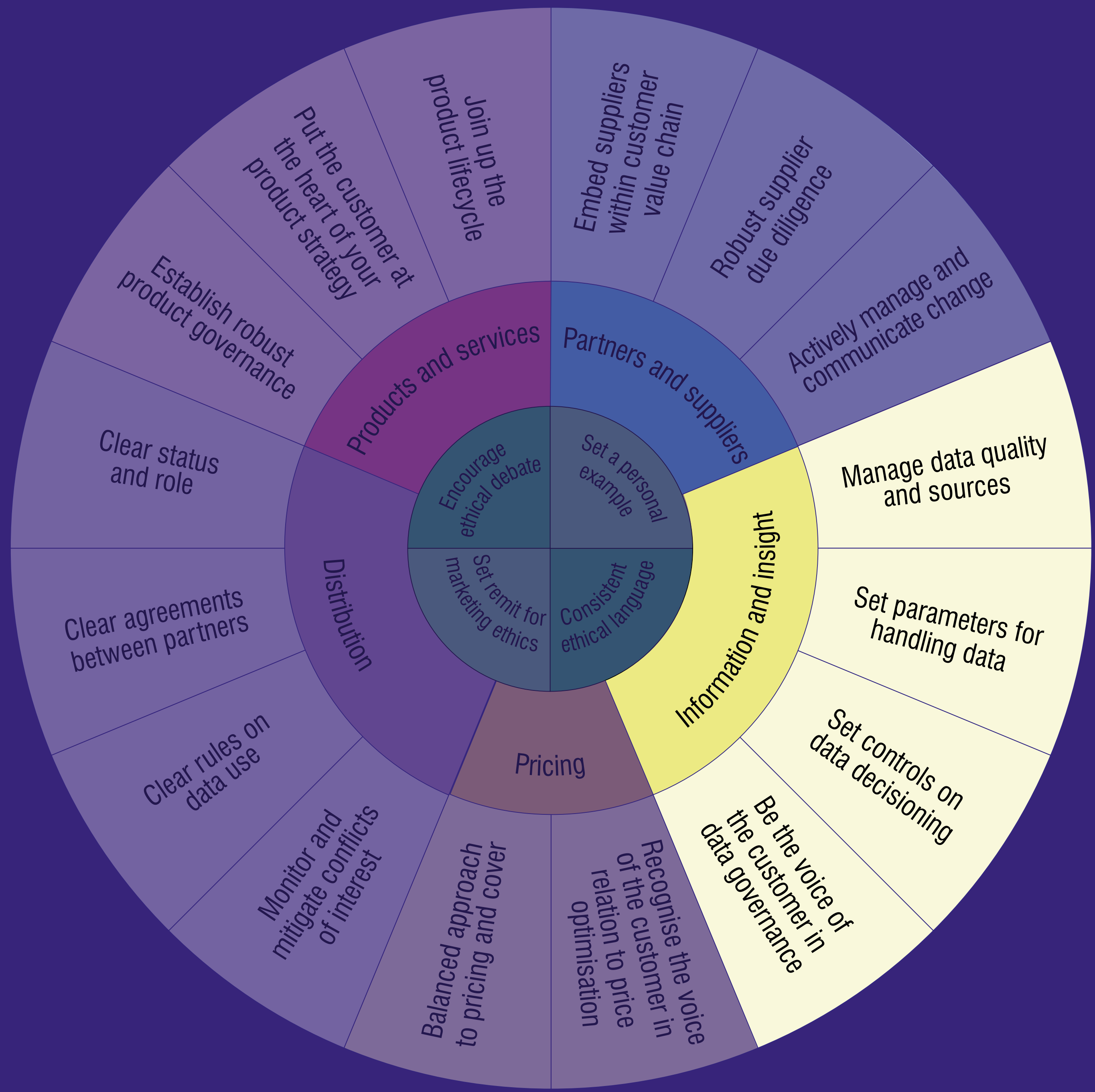
Information asymmetry

What both the insurance firm and the consumer have to confront is the information asymmetry contained within the products being marketed. There is nothing new about this: it has been at the heart of commercial and personal insurances for many years, and has influenced the emergence of brokers and the professionalisation of insurance. At the same time, the way in which a product is presented to its target market is very much the responsibility of marketing professionals, and while information asymmetries may often make that a challenge for insurance marketers, it is nevertheless a challenge that must be faced, and with greater determination than in the past.

Clearly, the relative status of professionals within insurance firms is a factor: the lawyer has often been more prominent than the marketer, resulting in a product that is more legal than accessible. Yet insurance firms, and the marketing profession, are changing, with an increasing number of firms now being seen as 'marketing led'. And the difficulties generated by the mass marketing of a legal contract to ordinary members of the public are resulting in a slow but steady reassessment of professional roles and status within firms.

> "Innovation succeeds in the digital era by knowing your customer and meeting their personal needs."

Information and insight



The digital era that insurance is now embracing is presenting insurance firms with new opportunities to reshape the relationship they have with consumers. The ever increasing amounts of digital information that insurers now have access to is giving them new insights into consumer attitudes. And it will be marketers who will be playing a prominent role in gathering that information and drawing forth that insight.

Yet the digital era is also presenting firms across many business sectors, including insurance, with a range of ethical issues to be addressed. Those marketers whose response to those ethical issues builds trust in their firm's reputation and brand will clearly position their firm for increasing success.

And these ethical issues need attention, for in the digital era, a significant issue for consumers is around how firms are gathering and using information about them. The ethical issues that marketers should focus on fall into four phases:

1. how they learn more about the customer;
2. how they draw insight from that information;
3. how they apply that insight to the decisions being made; and
4. how responsibility for data is managed.

> "Insurance marketers need to view the data at their disposal through increasingly tightening obligations around consent."

1. Learning more about the customer

The proliferation of digital devices is opening doors into the minds of consumers and while in insurance circles much of this attention has been around the use of this insight for rating purposes, the opportunities abound for marketers as well. The more you know about your customer, the better can be your marketing strategy and product design.

As consumers increasingly engage with markets through the internet, firms have been designing that interface to garner ever increasing levels of information. For direct insurance firms, the key interface has been a website's quote engine, delivering high quality data about the proposer and key assets like their house and car.

Yet consumers often question why insurers ask for so much information from them: for example, why does an insurer want to know the ages of the children in a house, even when no accidental damage cover is required? Insurance firms have been accused of labelling something an 'underwriting question', when in fact it was only ever destined for use in marketing.

The professional marketer should be focused on what is good for the customer in the first place. A careful balance needs to be struck between using channels to acquire data that may be used in future to target communications, and to ensuring the customer has a pleasant and swift problem-free online experience. Increasingly as marketers have seen customers drop out of processes due to complex and seemingly unnecessary questions, the trend has been to reduce their number and complexity.

Data brokers

Instead of expanding the questions in quote engines, some firms have turned to external sources of data about their customers. Data brokers now abound, with insurance a key market for them. In engaging with such suppliers, marketers need to bear three things in mind:

i) **data provenance** – can the supplier provide a complete and convincing chronology for how the data they're selling was sourced?

ii) **data quality** – does the data come with quality indicators and do those indicators meet the standards that your firm has set?

iii) **due diligence** – is this a responsible supplier, able to demonstrate similar standards of procedures and controls that insurance firms are bound by?

These aren't just ethical questions, but they do represent what in insurance terms could be called the 'proximate cause' of concerns about trust and integrity: get these right here at the start and later problems will diminish.

2. Drawing insight from information

Once data about the consumer has been collected, the next step is to draw insight from it. Generally, as data costs money however you acquire it, so there is a constant commercial pressure to draw ever more insight from it. And there will be software firms keen to help you with this, offering tools to connect and interpret even the most unstructured of data. The marketer needs to tread carefully, particularly around three ethical issues.

i) Anonymisation

Data is invariably offered for sale with varying levels of anonymisation – the extent to which the dataset contains information that will personally identify individuals within it. However, the less a dataset is anonymised, the more valuable it is to the marketer, hence the emergence of a market in de-anonymisation software.

These raise two distinct ethical issues: is it fair that a consumer's data offered into a market on an anonymised basis should then be re-identified with them in a quite different context? An insurance executive may ponder this question at a corporate level, but have few doubts at a personal level with regard to their medical records.

And the second ethical issue is around identity – to what extent is the identity of a consumer assembled in this way accurate? Error levels may be presented in statistical terms, but be experienced in personal terms by consumers.

ii) Secondary use

A second ethical issue arising from how marketers draw insight from data is sometimes difficult to spot from a corporate perspective, but clearer if seen from a consumer perspective. People divulge information that is specific to the context in which it is needed. The problem for marketers is that a large proportion of the data on offer to them will have been generated in quite different contexts to that in which they want to use it. The risk of the data being misinterpreted increases, as does the risk of it being complete: for example, you may indicate a quite reasonable preference in one context that would be quite different if sought in another context. This is something of particular concern to consumers, of their data being used out of context to generate decisions that affect their lives.

iii) Consent

Consent, the third ethical issue, is closely aligned with secondary use. Does the marketer have the individual's clear permission to use their data in the way they intend? Insurance firms have tended to adopt generic forms of consent in order to comply with data protection legislation, along with a broad interpretation of what made that consent informed. Clearly, the growth of the internet and the proliferation of digital devices point towards the need for a rethink of informed consent, but in the meantime, insurance marketers need to view the data at their disposal through increasingly tightening obligations around consent, particularly at the EU level.

> “The digital era will see a reshaping of the relationship between insurance and consumer.”

3. Applying insight in decision making

Insight is of little value if it is not then applied to the decisions that insurance firms make about the products they market and the consumers they target. And it is probably in how this step from insight to decision is taken that holds some of the greatest ethical risks for marketers: the risks that have been called the 'stuff of nightmares'.

The most significant ethical risk from how insight from consumer data is linked through to decision making is called 'social sorting'. This emerges from how all that insight is used to categorise consumers and how that then influences marketing decisions about who will buy what, when. On the face of it, this seems a quite acceptable practice, if it were not for two factors:

- some of the categorisation that data brokers offer to insurance firms have been found to be far from neutral and objective; and
- the predictive analytics at the heart of such decision making software seeks to extend that insight by uncovering previously unrecorded dimensions to a consumer's identity. Some of those dimensions have then been used to influence marketing decisions in ways judged to be discriminatory.

A further ethical risk that marketers need to be conscious of when taking that step from insight to decision making is 'manufactured vulnerability'. It is again a complex issue, but one that sits firmly within marketing's responsibility. It involves the use of insight into consumer behaviours to track and target the optimum time, offering and channel to generate business.

Customers buy insurance when they feel vulnerable to loss. The ethical question rests on the extent to which insurance marketers rely on such feelings and then, using the remarkable insight that data now makes available, develops and brings forward those feelings in consumers. Some consumers are more susceptible than others to being moved into a 'vulnerability to loss' zone and marketers have to take great care not to 'manufacture' a vulnerability that might not otherwise have existed, at least to such an extent.

4. Data: Ownership and risk

As ever increasing data generates ever greater insight into consumers and from there into ever more personalised products, ownership and responsibility for that data becomes more and more important. In other words, who within an insurance firm takes overall responsibility for customer data?

In some business sectors, the marketing function has ownership of customer data. In insurance, this is less common, with only one or two of the more marketing-led insurers organised in this way. The question of whether ownership of customer data should move more towards insurance marketers is perhaps missing the point. With information about risk being the essence of how insurance is manufactured, ownership is more likely to be shared and participatory. What is certain is that those insurance firms who succeed in putting the customer at the heart of their business will invariably have given marketing a seat at the 'data governance' table, where decisions on strategy, implementation and performance are overseen.

This chapter began with the recognition that the digital era will see a reshaping of the relationship between insurance and consumer. Surely there could be no more exciting opportunity for a marketer than this. And some customers are experiencing the early fruits of this. In motor insurance, both personal and fleet. Telematics are feeding back data to insurance firms, who are then passing it on to drivers in the form of 'performance dashboards' that tell them how good their driving has been that week. And in commercial insurance, clients are being provided with benchmarking data on market pricing, allowing firms to become more confident about the quality and value of their insurance programme.

It is clear that this two-way flow of data and insight has a valuable role to play in forging this new relationship and building consumer trust. The main risk to this succeeding is unethical use of consumer data by insurance firms, and marketers have a vital role to play in steering their firms in an ethical direction.

Recommendations

Recommendation 2.1

Manage data quality and sources. Look carefully at the data your firm is buying in and make sure that its provenance and quality are satisfactory, and that it's from a reliable source.

Recommendation 2.2

Set parameters for handling data. When seeking to draw insight from data, insurance marketers should ensure that their firm has agreed parameters for handling ethical issues like anonymisation, secondary use and consent, particularly when the data has been externally sourced.

Recommendation 2.3

Set controls on data decisioning. The way in which decision making software is utilised in marketing needs to be overseen with care by insurance marketers, to avoid the significant exposures presented by social sorting and manufactured vulnerability.

Recommendation 2.4

Be the voice of the customer in data governance. Insurance marketers need to have an involvement in data governance, both as the 'voice of the customer' and to ensure that customer data is used responsibly across the business.

Social sorting

Data is allowing firms to categorise us in increasingly subtle ways. As we move into a more fluid and mobile world, we will become categorised not just by what our IP address says about where we live, but much more by what the 'internet of things' says about everything we get up to in our daily lives. A process of inclusion and exclusion will evolve and we will find that these doors will be opening and closing at a much greater speed, and for a wider range of people, than in the past. So this process, what has been called 'social sorting', will be experienced not by just a few groups of people, but increasingly by many of us.

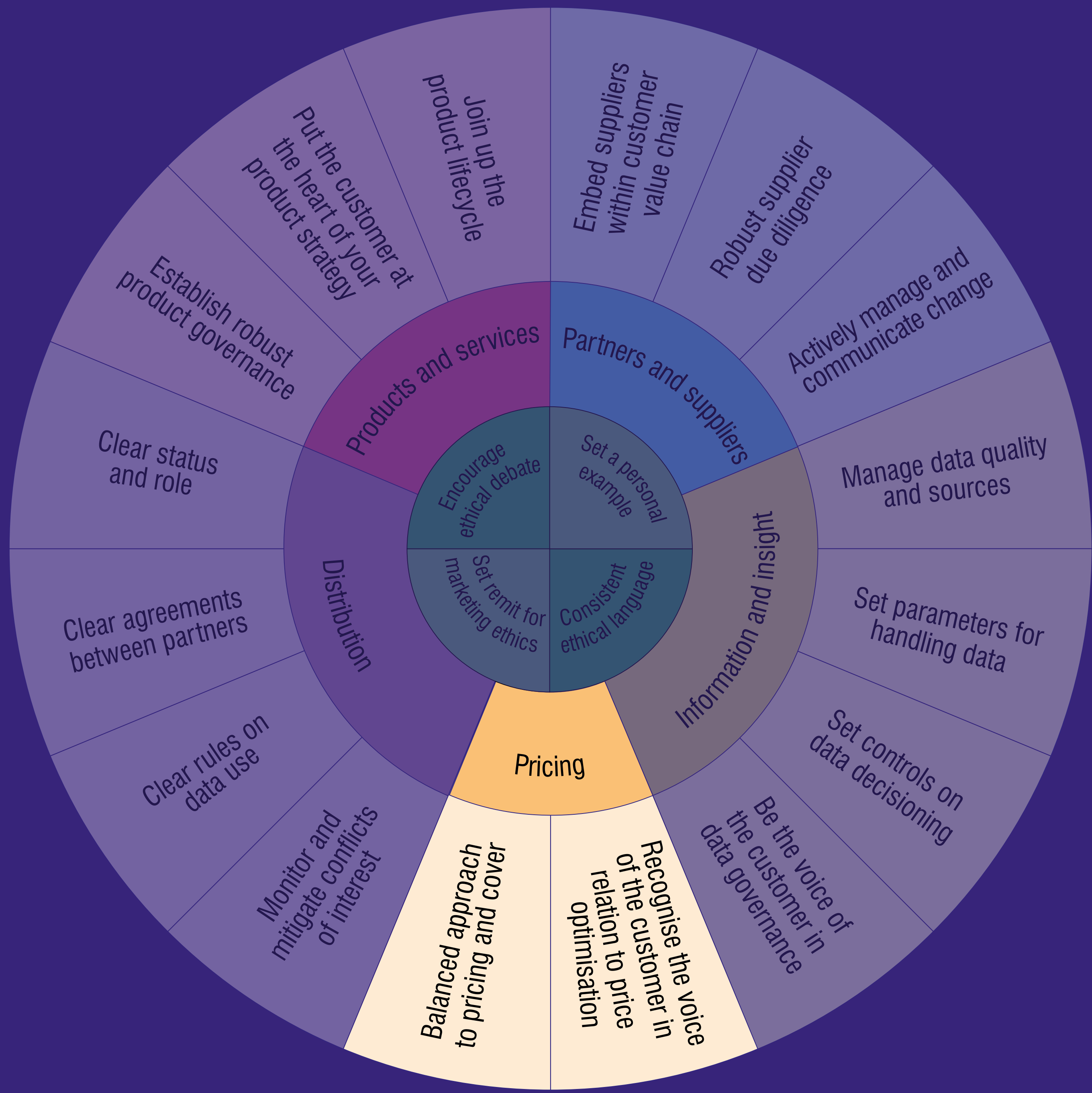
And we might not like some of the things it says about us; about some of the products that become too expensive or some of the services that become difficult to access. In the context of insurance, the big danger is that an increasingly complex process of sorting of risk, of differentiating between risks, could begin to look more like discriminating between risks.

Manufactured vulnerability

Firms using the full range of today's digital marketing tactics not only know what makes each consumer feel most vulnerable to persuasion, and the context that most often triggers those feelings, but also how to purposefully manufacture that context in ways to generate the moment of most profitable vulnerability. Should insurance follow suit?

> "...insurance firms are increasingly turning to external sources of data about their customers."

Pricing



Price is an important component of every marketer's toolkit, but in insurance, it is particularly so, because much of the product is also defined in financial terms. And because of the many factors that contribute to a weighing up of the risk being insured, the price of insurance can be hugely variable. Add in the difficulty that buyers often have understanding the product itself and the result is some complex ethical challenges for insurance marketers.

Buyers, struggling to understand the cover, have increasingly focused instead on price and insurance marketers have tended to respond to this, letting price determine cover, rather than the other way round.

The rise of price comparison websites has added to this trend, with the challenge for insurance firms to be at 'the top of the screen'. One ethical issue that insurance marketers have to deal with is transparency: with the prominence given to price, how does the offer being made properly represent the cover being bought? After all, what the customer is buying is a product made up of cover.

Some insurance marketers have addressed this with an array of gradings embedded in their product titles: gold, silver and bronze cover for example. Yet one firm's gold can sometimes be akin to another firm's bronze. How is the consumer to know this? After all, they're comparing the policies of different firms, not just the different policies of one firm.

Other insurance marketers have tried to 'flesh out' some of the key exclusions in the cover attached to a particular price, by presenting them as 'underwriting assumptions'. It's now common to find these orientated around certain characteristics of flood and storm risk. This is seen as 'consumer friendly', as fewer questions need to be asked about those risks. Yet the transparency of these assumptions is hugely variable, with some being little short of hidden.

Here lies one of the key ethical challenges for marketers in insurance: how does your product balance price and cover, and how do you then communicate that to potential customers, while still working within the ethical boundaries set by issues such as fairness and suitability? At a corporate level, how does your marketing strategy plan for this, and how does your firm then monitor outputs against this?

Sometimes the response has been… "it's driven by the market". And to a certain degree, that's understandable. Markets do encourage competition and customers do benefit from downwards pressure on prices. However, any insurance marketer tempted to use that response must be confident that they're using it for the right reasons. Markets are as much about the price as about the product, but they must also work within moral boundaries: after all, that pioneer of market thinking, Adam Smith, was a Professor of Moral Philosophy.

Dual pricing

The drive to acquire new customers caused insurance marketing to differentiate between new and existing customers. Introductory discounts were used to draw in new customers, but then reduced and eliminated in the first few years of that policy. Existing customers saw it as unfair that they were, in effect, having to pay more. And new customers then questioned why their premiums subsequently kept on going up. Public trust in what they were being asked to pay for their insurance dipped as a result.

Dual pricing, as it was called, has turned out to be only the beginning of a more complex trend. Just as an introductory discount told a consumer that they were important to an insurance firm, so all that new data rushing into insurance firms allowed marketers to create even more personalised offerings. This now allows marketers to move the conversation with customers from one that is one-to-many, to one that is increasingly 'one-to-one'. These opportunities for a more personalised relationship with the insurance customer must seem like nirvana for marketers.

However, if personalisation were to become the norm for insurance, what happens to the idea that insurance is fundamentally about risk smoothing. Personalisation represents a move away from risk pooling and ultimately a move towards greater pricing volatility. Could personalised pricing ultimately undermine the very essence of why people buy insurance: to smooth the cost of loss? So as the relationship becomes more personalised, it also changes, and perhaps, in the long run, not for the better. This is an over-arching ethical issue that insurance marketers, positioning themselves within insurance firms as champions of the customer, need to recognise and give thought to.

> "Remember that markets work within moral boundaries."

Price optimisation

Price optimisation is one development underway at the moment that serves as an ideal opportunity to put such reflection into a practical context. All that data streaming into insurance firms is giving marketers new insight into what is called the consumer's 'reservation price' – the highest price they are willing to pay for a product. The question most associated with reservation prices is this: why market a product at a price lower than a consumer is happy to pay? Or to put it another way: why offer introductory discounts to consumers whose price sensitivity makes such discounts unnecessary for winning their business? It's become known as price optimisation and is common in markets such as for hotel beds and airline seats.

But its use in insurance is seen as controversial. Questions have been raised about its suitability for a market with significant information asymmetry: the gap between what the seller understands about the product and what the buyer understands about the product. And price optimisation is also facing accusations of being unfairly discriminatory. There are of course counter claims in this debate, yet what is important for insurance marketers at this stage is to recognise that price optimisation does raise ethical questions, and their firm's approach to it should be framed around the implications it could have for consumer trust. An insurance marketer acting as the 'voice of the customer' needs to be able to communicate those trust implications.

> Could personalised pricing ultimately undermine the very essence of why people buy insurance: to smooth the cost of loss?

The Insurance Act 2015

Just as in some parts of the market marketers were using offers based on increasingly detailed analysis of each risk, other parts of the market were doing the opposite. Commercial risks are marketed with relevant risk information, but if the business is attractive and the market competitive, then quotes being offered can become orientated less around the risk and the cover, and more around what last year's premium was and what the client's expectation is for the year ahead. Where this is particularly the case, there is a risk that cover would then be trimmed to fit the premium quoted. Called 'desk-topping', it is an established practice that marketers struggle to overcome.

Practices such as these are coming into renewed focus because of the new Insurance Act 2015. One of the Act's key provisions involves the replacement of utmost good faith in contracts for commercial insurances with a requirement for the fair representation of risk. For commercial clients, this switch from utmost good faith to fair representation removes a source of mistrust in how the insurance market operated. The Act also has implications for underwriters: they would now be deemed to know matters that would be available to them upon reasonable enquiry. And this has implications for desk-topping: for an assessment of the risk being presented based purely on premium considerations would remove a key defence for the underwriter's firm in the event of problems around disclosure and a claim. Yet might this be an opportunity for marketers, to recraft their approach to commercial placements so as to reassert the importance of cover as well as price?

Recommendations

Recommendation 3.1

A balanced approach to pricing and cover. Insurance marketers should set parameters for their firm to work within when it comes to how its marketing balances the attention given to price and cover. This applies equally in both personal and commercial markets.

Recommendation 3.2

Recognise the voice of the customer in relation to price optimisation. Insurance marketers should recognise the ethical concerns associated with price optimisation and ensure that the 'voice of the customer' is heard when its use is being discussed.

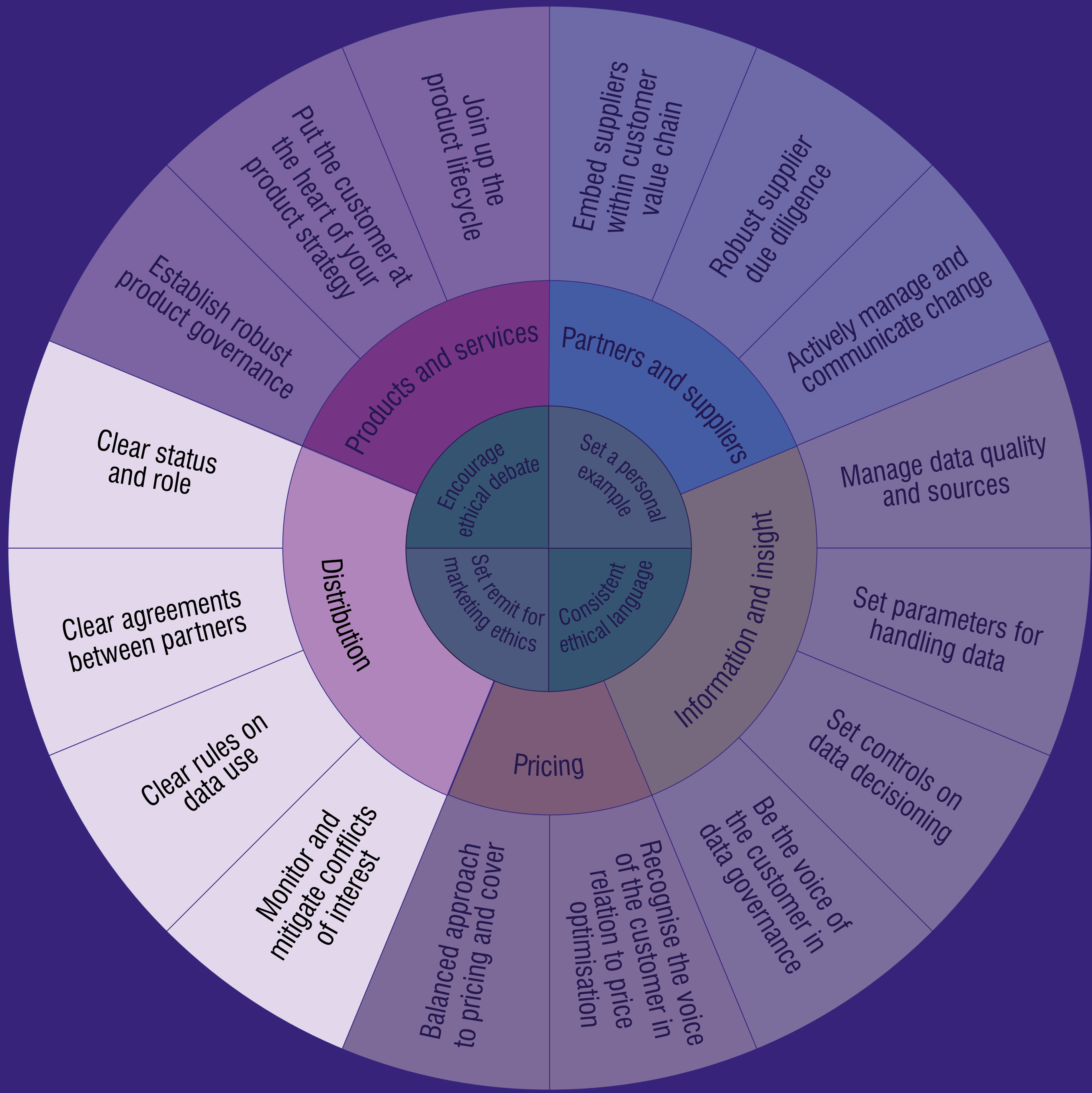
Price optimisation in US insurance

In November 2015, the National Association of Insurance Commissioners recommended to individual state insurance regulators that they ban the use of price optimisation in personal insurance, deeming it to be 'unfairly discriminatory'. Four types of price optimisation were identified:

- price elasticity of demand;
- propensity to shop for insurance;
- retention adjustment at an individual level; and
- a policyholder's propensity to ask questions or file complaints.

A total of 18 states, including California and Pennsylvania, currently have such a ban.

Distribution



The insurance product lends itself to being brought to market in a wide variety of ways and marketers in the different types of insurance firm have taken advantage of this. Intermediaries abound across all sectors of the insurance market, helping to push and pull products along the supply chain. And this dynamism has given consumers a wide choice of both product and how to buy it.

Yet this proliferation of players and channels has its downsides. For the customer, all is not what it might sometimes seem to be: roles become confused and intentions are questioned. In such circumstances, conflicts of interest abound and they continue to stalk the insurance sector's relationship with consumers, creating perhaps the most widespread ethical challenge for insurance marketers.

> "A conflict of interest isn't necessarily unethical in itself, the key is how it's dealt with."

In this section, we will examine conflicts of interest through three particular features of insurance distribution. It's important to remember, however, that finding yourself in a conflict of interest doesn't mean that you've done something unethical – the agency nature of so many insurance transactions mean such conflicts are an everyday feature of the market. For insurance marketers, the ethical challenge with conflicts of interest lies in how they're dealt with. The three features we'll look at are:

1. status and transparency
2. multiplication of channels and agents
3. engagement and segmentation.

1. Status and transparency

Every customer wants to know who they are dealing with: where that person is coming from; whose interests they're representing, and where that leaves the customer. This is important because of the information asymmetries inbuilt in insurance, with one side often knowing much more about the product than the other, and the danger of that imbalance being exploited in order to benefit the more knowledgeable party.

So while customers benefit from increased choice, it has made understanding the interests behind the offer being marketed to them more important, and more difficult. It often boils down to whether the person is acting on the consumer's behalf or on the provider's behalf. It has turned into an area now enmeshed in regulations, with the result that consumers face a barrage of compliance messages that can often feel meaningless unless they happen to work in insurance.

Consider the status of the organisation the consumer is dealing with. Many brands are marketed with the appearance of 'providing insurance', yet the firm will turn out to be an agent acting on behalf of a small insurer in a far off country. If the consumer listens carefully to the telephone script or clicks on the relevant compliance webpage, they might just pick this up before making their purchase decision. Not everyone does however.

Other firms handle a large proportion of their business through non-advised schemes, yet have websites with home pages that emphasise independent advice. For the consumer, the experience seems to be one of smoke and mirrors: are they really who they say they are, and if they're not, what are they? Perhaps no small wonder then that some insurance marketing is treated with suspicion.

The choice for insurance marketers between compliance and ethics is stark: in other words, between what you need to do and what you should do. Insurance firms have to market their products according to the regulator's rulebook, but they still face two choices: firstly how transparently they do so, and secondly, whether they do more than this minimum.

Some insurers have chosen to be particularly transparent about their status and the responsibilities that go with that, and to position their business in uncompromising terms when it comes to the way in which they engage with their customers. Their brands are perceived differently from the 'insurance norm' as a result. Yet such insurers do not market themselves as ethical: they just get on with 'doing what they should do' as the norm.

2. More channels; more agents

As consumers engage with the insurance sector through an ever broadening range of channels, so they encounter a greater diversity of players involved in the product's distribution. This is perhaps not surprising, for the digital era is opening up so many new channels that insurers often resort to working with different channel specialists in order to keep pace with consumer preferences. The growth of smartphone distribution is an obvious example.

Yet this proliferation of channels and players can often be experienced by the consumer as distancing and confusing. In one dimension, so many layers are involved that understanding who does what, and where exactly the insurer lies, can be difficult. In another dimension, the consumer finds the same insurer marketing products at quite different premium rates across different channels. Tales abound of policyholders facing a steep rise in premium and excess from their insurer, then going on to buy the same product at a reduced premium and excess with the same insurer through a different channel. What does this teach consumers about trusting what insurers tell them?

One lesson that consumers are increasingly learning is that the more players involved in their insurance, the greater the likelihood of all sorts of fees and commissions increasing the premium on offer. That premium could still of course be competitive, but question marks can stick around: if the premium is competitive, what implications does that then have for the service I might need, for example when making a claim. Does the rise of fees for mid-term adjustments point to service being an extra, charged for on a 'pay as you go' basis?

> "…in some instances, sales are being refused to individuals identified as vulnerable, often with limited justification ('the computer says no and there is nothing more you can do')."
>
> FCA

Less visible to the consumer, but just as influential in terms of premium and conflicts of interest, are the fees and agreements levied between different layers of insurance distribution. These can come with conditions that generate obligations, or costs not always associated with any actual service. Not surprisingly, the regulator has intervened, but should the insurance sector, including its marketers, have gone there in the first place? How then, next time round, does the insurance marketer make sure that questionable practices are addressed before their introduction? Who and what can they call on for support in driving questionable practices out of the distribution of insurance?

3. Engagement and segmentation

Every marketer is looking for that group of customers whose business will help their firm achieve its goals. Marketing campaigns are invested in and processes aligned to secure their business. This is a characteristic of every business sector and insurance customers have gained from the energy and engagement that comes with it. We all like to be loved, even if it's only for our business.

> "Complex terms and conditions or marketing practices that exploit a lack of understanding or confusion can make anyone vulnerable to detriment, but are of particular concern for people who are already in a vulnerable situation."
>
> FCA

Unfortunately, not everyone experiences such love. Their circumstances may be more complex or less obvious for insurance purposes: this happens to both individuals and businesses. Insurance brokers might address such situations as business opportunities, but even they cannot always offer solutions. So some businesses and individuals find that they have slipped through the insurance net and face being underinsured at best, uninsured at worst.

Research into how vulnerable consumers experience the insurance sector point to this being more prevalent than some may think. Vulnerable people talk of facing a more distant insurance market, with distribution channels overly complex or unsuited to their needs. Many niche schemes exist for particular categories of buyer, but these require seeking out by the buyer, and may be only one of very few options for that vulnerable buyer.

Careful segmentation can help insurance marketers develop distribution strategies that reflect the range of consumer sophistication. The ethical challenge is to ensure that segmentation is objective and fair, and that marketing practices reflect (rather than exploit) the characteristics of customers in each segment.

A lot of the data that drives segmentation is sourced externally from data brokers. The data broker may point to there being nothing illegal in using the data they are offering, but it is the insurance marketer who must apply their judgement in deciding whether using it would be 'the right thing to do'. Using data on victims of domestic violence, for example, should raise obvious questions, but other types will present insurance marketers with more complex judgements. And the context may not only be about inclusion: it may equally be about whether to exclude certain people from marketing lists.

Recommendations

Recommendation 4.1

Clear status and role. The insurance marketer should set clear guidelines for how the status of their firm, and other firms involved in the distribution of their products, is communicated to consumers.

Recommendation 4.2

Clear agreements between partners. The insurance marketer should ensure that agreements between distribution partners are clear and above board, and contribute to customer value in some way.

Recommendation 4.3

Clear rules on data use. Insurance marketers should set clear ethical guidelines for weighing up the use of certain types of data presented to them from external sources.

Recommendation 4.4

Monitor and mitigate conflicts of interest. Every insurance marketer should be familiar with what conflicts of interest are, the most common ones associated with their work, and how their firm monitors and mitigates them.

Conflicts of interest

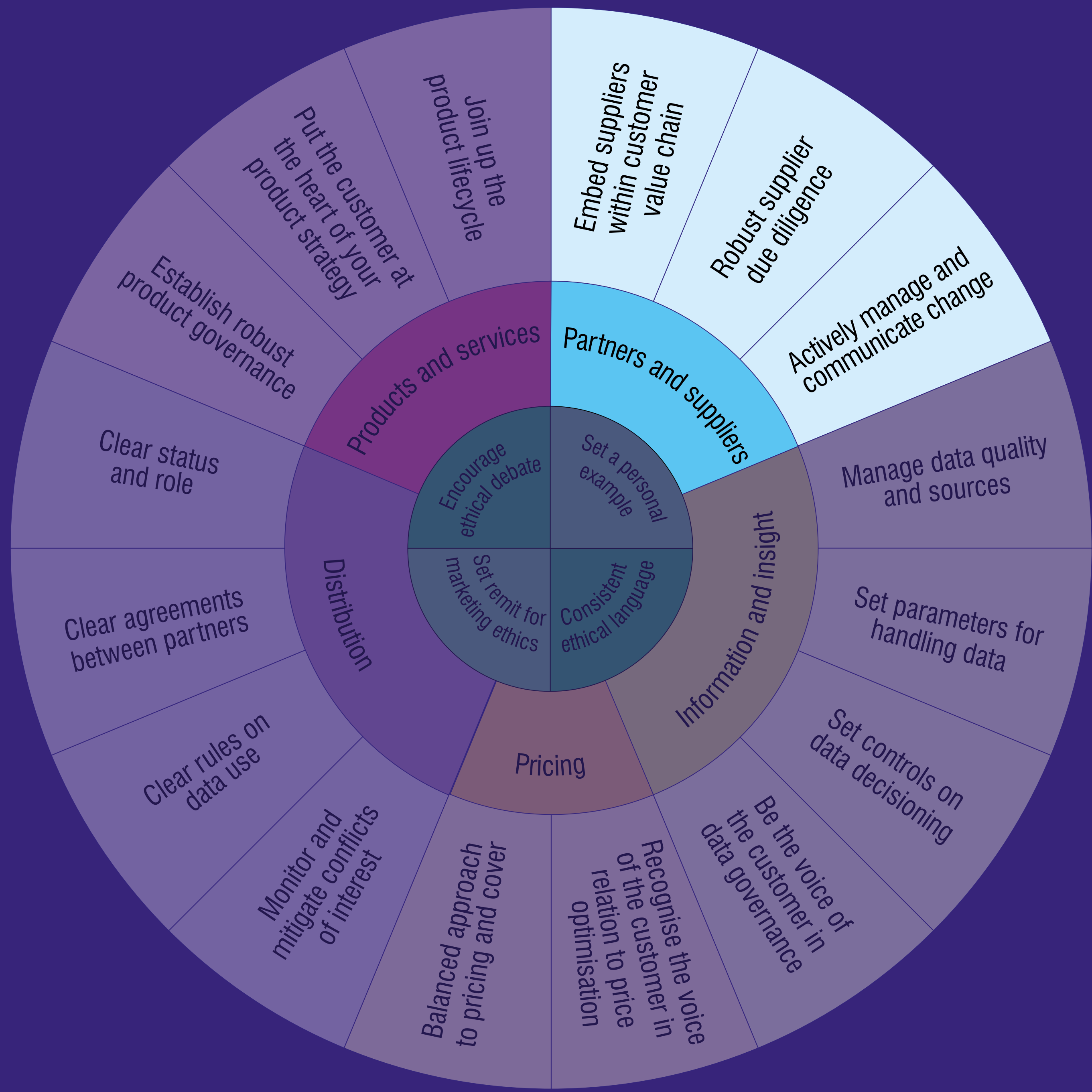
Every insurance marketer should understand what a conflict of interest is and know how to respond to one when it arises. That they occur so frequently in insurance should not be a concern: after all, conflicts of interest are situations, not accusations. Dealing with them is 'part and parcel' of every professional's responsibilities. Here's what a conflict of interest looks like:

"When you're in a relationship with another party that requires you to exercise judgement on their behalf, and you have an interest that interferes with the proper exercising of that judgement."

Conflicts of interest come in various forms: actual ones, potential ones and perceived ones. And they can be personal ones or organisational ones as well. All of them matter, even the perceived ones – after all, every marketer knows that perceptions count. A common failing amongst insurance firms is for conflicts of interest to be tracked and recorded, but left unaddressed. Conflicts of interest should be mitigated in some way and the insurance firm should present the marketer with a range of mitigation options.

> "How... does the insurance marketer make sure the questionable practices are addressed before their introduction?"

Partners and suppliers



There are few insurance firms whose distribution strategies don't involve some partnership arrangements and supplier chains. As mentioned earlier, these special firms can deliver all sorts of benefits to the customer, but they can also create downsides.

And insurance marketers, in their role as champion of the customer and with their responsibility for marketing strategy, need to be aware of these downsides and their ethical implications. We're going to look at three features relevant to this:

1. due diligence
2. quality and completeness
3. value for the customer.

1. Due diligence

There will be business reasons for appointing a partner or supplier: due diligence involves reviewing such appointments, both at the outset and ongoing, against appropriate standards. A partner might be appointed because they're good at what they do (distributing to a particular market niche for example), but at the same time, your firm also needs to be satisfied that the partner meets certain legal, regulatory, service and ethical standards.

The importance of due diligence has been reinforced by the regulator in recent thematic reviews, but also more broadly through the Senior Insurance Managers Regime. This makes it clear that you can outsource services, but you cannot outsource your responsibilities. The FCA may only be interested in your regulatory responsibilities, but your firm will be more widely interested in your ethical responsibilities.

In developing their firm's marketing strategy, insurance marketers will have identified distribution routes and the partners to work with on them. At the same time, the marketer will have set out the customer value proposition, a clearly laid out statement of why a customer should buy your firm's product. That value proposition will have been defined in both financial and non-financial terms, with an example of the latter being linked with the ethical values your firm has as part of its brand.

This provides the criterion against which due diligence of partners and suppliers can be carried out.

- Are conduct regulations being adhered to?
- Are key ethical risks being managed?
- Are service standards being delivered?
- Are cost factors turning out in line with financial plans?

Insurance firms have been criticised in the past for choosing partners and suppliers only on financial terms. And clearly, in such circumstances, the partner then focuses on what it sees as mattering most – money. The danger then is that large chunks of your customer value proposition will be conveniently forgotten.

2. Quality and completeness

If an insurance firm's marketing promises something to a customer, be it explicitly or implicitly, then in return, that customer puts their trust in the firm to deliver on that promise. Partners and suppliers are just as much a component of that promise's fulfilment as the insurance firm itself.

So how does the insurance marketer ensure that promises are kept and the customer's trust is earned? Customers often talk about the quality of the service they receive from the insurance sector in terms of firms 'doing what they said they'd do'. Defining what quality means in the context of the overall delivery of that product to customers, and then in terms of the particular role being outsourced to that partner or supplier, allows the insurance marketer to start building the reassurance that the promises their firm are making to the customer will be delivered upon.

Standing back from any one partner or supplier, the overall completeness of the various layers in your distribution and fulfilment chains can raise ethical questions. What can look fine mapped out on paper can create bewildering experiences for customers, who feel left to jump gaps or negotiate across overlapping suppliers. Every layer introduces a transition and the friction in each transition can leave the customer feeling 'passed around' and confused. So while you do need to look at the ethical issues raised by the due diligence of one partner or supplier, you also need to weigh up the trust implications of all that transitional friction. Does it really outweigh the extra value that your customer experiences from those extra firm's involvement?

> "Every distribution strategy should be informed by an assessment of its conflicts of interest risk."

And while that map of partner and supplier relationships can show the connectedness of its various elements, that same map can also be used to red flag the conflicts of interest that such connectedness can introduce. The diversification of many firms in the insurance sector, and the relative ease with which services can be unbundled and reassigned, can land a significant ethical risk on the insurance marketer's plate and they need to be sensitive to its significance. Every distribution strategy should be informed by an assessment of its conflicts of interest risk.

> "You can outsource services, but you cannot outsource your responsibilities."

3. Value and the customer

Let's assume the value that a partner or supplier brings to a distribution chain outweighs the 'complicatedness' of their involvement. The key question that is often then put to insurance firms is: 'whose value?' Is it that of the firm, or that of the customer? The sector has been accused of concentrating on the former and paying insufficient attention to the latter.

Insurance firms can sometimes respond with protestations expressed in generic terms about opportunities and choices made available to the customer. Yet are these opportunities and choices that the customer values? Might they perhaps be opportunities and choices that some insurance firms have found it convenient to assign to their customers in order to gain the value they themselves were seeking from the arrangement? It does seem to have happened at times.

As the owner of the firm's customer value propositions, the insurance marketer is in a unique position to embed customer value into all relationships that their firm enters into. It is a key song sheet for everyone in a firm to 'be singing to', for it touches upon so many elements of each product's lifecycle.

Recommendations

Recommendation 5.1

Embed suppliers within customer value chain. Make sure that your customer value proposition is fashioned in a way that means something to the partners and suppliers involved in its delivery and fulfilment.

Recommendation 5.2

Robust supplier due diligence. Make sure your agreements with partners and suppliers incorporates a due diligence process and covers the necessary legal, regulatory, service and ethical issues.

Recommendation 5.3

Actively manage and communicate change. Be sure to weigh up the transitional friction that partners and suppliers can bring to the quality of what your firm is marketing.

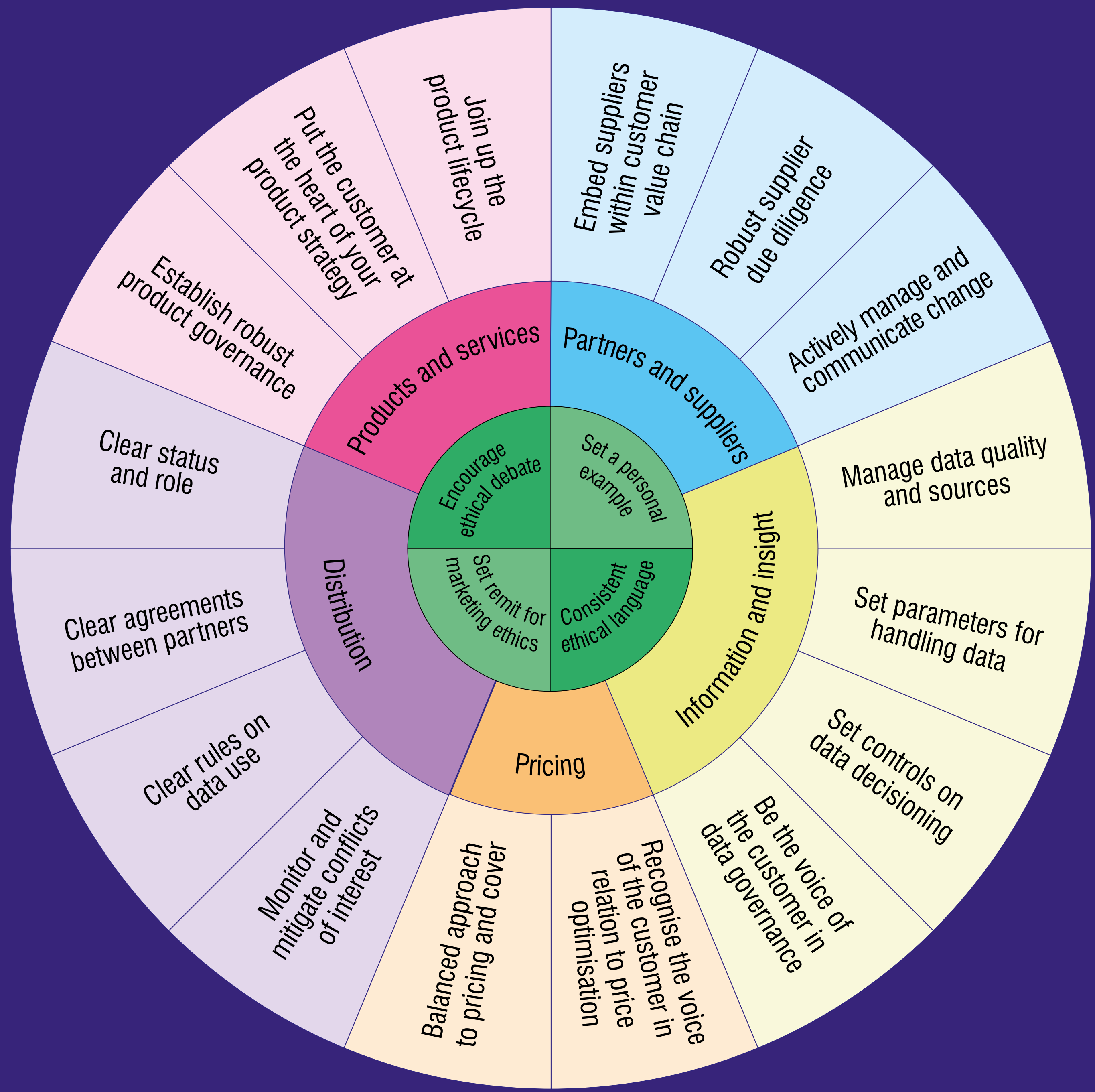
Due diligence

The FCA has been critical of how insurance firms have conducted due diligence in the past:

"…there was a tendency to focus predominantly or exclusively on underwriting and prudential matters with limited or no consideration of operational and conduct issues. In some cases the extent of due diligence appeared to be a tick box exercise considering solely whether the prospective third party was an authorised firm and solvent. Due diligence did not always appear to be risk-based and to consider, for example, the range of delegation, the number of customers involved, the products being underwritten or relevant operational issues."

Delegated authority: Outsourcing in the general insurance market – FCA Thematic Review TR15/7 – June 2015

Putting it into practice



Insurance marketers are in a position to drive more ethical outcomes for their firm and build trust across the sector because they work at the interface between their firm and the customer. Achieving such ethical outcomes can't just rely on insurance marketers' own personal values; a more organised approach is needed and these four steps should feature in every marketer's response:

1. become more familiar with the language of ethics and get more practice at voicing your values;
2. start to influence decisions through setting a personal example and challenging questionable decisions;
3. embed 'standards to achieve trust' into management tools used by marketing, both upstream and downstream; and
4. create a forum with fellow insurance marketers to share what things have been tried and what has succeeded.

> "You've got to understand that code of ethics from the perspective of both the customer and your firm."

1. Understanding ethics

Being a 'good person' with strong personal values may not be enough. The corporate environment has its own unique demands. Professional marketers need to be able to apply the values of their firm and profession to the everyday decisions that come with their role. And the more they do this, the easier and more natural it becomes.

There are a range of ethical issues associated with insurance and the work of the typical insurance marketer touches on most if not all of them: conflicts of interest, inducements, transparency and privacy to name but four. Being familiar with ethical issues like these is not just a nice idea, but an obligation, a duty set out in the codes of ethics of both the Chartered Insurance Institute and the Chartered Institute of Marketing.

And understanding and upholding ethical values is a duty for a reason. They help differentiate the professional from someone whose job just happens to include marketing. They signal greater responsibilities and the capacity to deliver on them.

The insurance sector has at times allowed some ethical issues to look after themselves and the results have turned out poorly, with insurance carrying a legacy of mis-selling scandals and low levels of public trust. These are circumstances that insurance marketers have to recognise and understand if they are to play a central role in rebuilding that trust. And the starting point for doing so is through their understanding of the customer.

It's relatively easy to read a code of ethics and think that you've got the drift of what is required. But to make any difference, you've got to understand that code of ethics from the perspective of both the customer and your firm. And that dual perspective is what professional marketers are trained to understand.

It takes a certain amount of confidence, however, to take an understanding of ethics and then use that understanding to influence the decisions you and your colleagues at work are making. Gaining the confidence to take that step starts with becoming familiar with the language of ethics, e.g. through reading up on the issues or taking an on-line ethics course. Then you need to use that language of ethics in practical, everyday work situations. Like any language, confidence in that of ethics comes through use, both in posing questions and providing answers.

2. Setting a personal example

Understanding the language of ethics and being confident in its use is a means to an end. That 'end' is greater public trust in the insurance marketing they experience. So what is the next 'means' towards that end?

Marketers know all about persuasion. And it is through persuasion that insurance marketers need to then direct their confidence in ethics. Their everyday work will bring them into contact with a steady stream of decisions and as a result, a steady stream of opportunities to ensure that those decisions are taken with customers and public trust in mind.

Sometimes decisions might already have been taken, and these give opportunities to talk over how a particular decision may be made next time round in ways more attuned to public trust. Then there will be decisions in which the outcomes look to be a backward step on trust. In such circumstances, it is incumbent on the professional marketer to raise questions about whether 'that is the right thing to do'. One way to do this is to present the ethical and unethical options in direct comparison: research shows that this makes taking the unethical option more difficult.

One distinct contribution that insurance marketers can make in each of these circumstances is through their training in the customer experience. This can help overcome one of the common tactics used to try to justify a bad decision: 'no one is going to be worse off if we do this'. Positioning themselves as the 'voice of the customer' helps bring definition to the detriment that customers could be exposed to.

One more situation is worth mentioning: that of 'if it's not illegal, then we can do it'. This may tick a compliance box, but it also steers your firm on to the boundary between legal and illegal. Is that a course that a chief executive would be happy justifying to the firm's board, or the media? Where the professional marketer should start from is the spirit of the law, not the letter of the law. And from there, they should explore not what needs to be done, but what should be done, in terms of the values and standards of the firm and in terms that the chief executive would be happy justifying, whatever the audience.

This doesn't happen overnight. It takes time to move the culture within a firm from one of compliance to one that builds trust with its customers. What emerges progressively over that time are what might be called 'standards to build trust': in other words, 'we don't do those sorts of things at this firm'. And it is tools like these that allow the insurance marketer to move from a personal commitment to building trust, to building an organisational commitment to trust.

3. Challenging to achieve more

Building in 'standards to build trust' at the organisational level works if such measures become embedded in how the firm goes about its business. This starts with the marketing function itself. Here are some steps every insurance marketer can take:

- empower a small team to come up with ideas around these 'standards to achieve trust'. Include someone who has experience, but is not necessarily senior;
- have them think in terms of 'the voice of the customer', to identify where such standards are most needed and some steps that would help your people move towards achieving them;
- make sure they think not just in terms of how to move forward, but also in terms of the hurdles that might stop this happening; and
- the language should be positive and empowering, but still include some clear positions around things that 'we don't do round here'.

Does this look like a redrawing of the firm's code of ethics? Not at all. What it is doing is interpreting a firm wide code in terms of how marketing in particular should work. And it is doing so with an emphasis on the customer's perspective.

From this, the next step would be to integrate such 'standards to build trust' into the management tools used by marketing functions: two examples of this would be the strategic marketing plan and the project plan. One talks to senior executives and connects directly with their responsibilities for the firm's values and reputation. The other talks to managers involved in the delivery of business goals and signals the terms upon which marketing engages in such work.

What this step sets out to change are the situations when insurance marketers feel left to implement product, pricing and distribution decisions that have already been taken and which fit uncomfortably with their professional standards. For example, the partner agreement devoid of meaningful quality standards, or the product launch without a clear target market. Just as every marketer needs to know about insurance, this step is trying to teach insurance people what they need to know about marketing.

4. Building capacity

There will be no one way to best take these steps. Every firm is different and what works well in one may not work at all in another. Some firms will experiment, while others will plan and execute. Yet all will learn and the variety of lessons that will be learnt can add up to more than its parts, so long as it is shared.

What is needed is a forum in which professional marketers can draw together that multiplicity of lessons and build a capacity for continuous improvement in 'ethics, insurance and marketing'. Such a forum would build confidence, through hearing what others have tried and how others have succeeded. It shows marketing people that they are not alone in facing particular challenges, and it shows them what success around a particular challenge can then look like. It creates a place for that most powerful of things: commonality of purpose.

Where such a forum is hosted is for insurance marketers to weigh up. The insurance sector plays host to a wide range of support organisations. All it takes is the will for something to start happening and then keep it happening.

Building consumer trust in a business sector might seem like a mountain to climb, an endless task to keep pushing at. Insurance is after all a complex thing, but then, it's also incredibly simple when compared with something like a plane and the airline industry. And we all use them now with hardly a second thought about whether they still earn our trust. That question is no longer asked because issues were recognised, standards set, expectations raised, best practice shared and the customer placed firmly at the head of the table.

Recommendations

Recommendation 6.1

Learn the language. Become more familiar with the language of ethics and practice using it, to raise questions and providing answers.

Recommendation 6.2

A personal example. Set a personal example by guiding people to fairer decisions and challenging questionable practices.

Recommendation 6.3

Set standards. Have your marketing function set its own 'standards to build trust' and introduce them into how you work with others in your firm.

Recommendation 6.4

A forum. Help set up a forum for discussing ethical challenges and successes with fellow professional marketers working in insurance.

36 Links and further reading

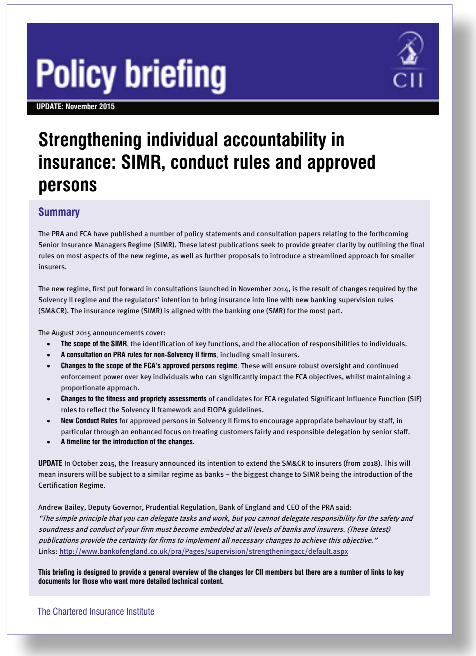
Links

Chartered Insurance Institute – **www.cii.co.uk**

Financial Conduct Authority – **www.fca.org.uk**

Chartered Institute of Marketing – **www.cim.co.uk**

Ask Ciindy (Insurance Made Simple) – **www.askciindy.com**



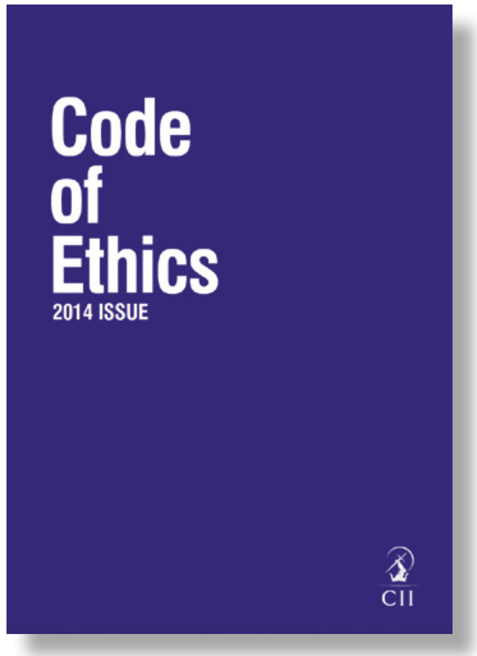
Policy briefing

UPDATE: November 2015

Strengthening individual accountability in insurance: SIMR, conduct rules and approved persons

Summary

The Chartered Insurance Institute



Further reading

The CII's Code of Ethics – **http://www.cii.co.uk/about/professional-standards/code-of-ethics/**

"Strengthening individual accountability in insurance: SIMR, conduct rules and approved persons" by Chartered Insurance Institute, March 2016 – **www.cii.co.uk/knowledge/policy-and-public-affairs/articles/cii-briefing-simr,-conduct-rules,-approved-persons/37798**

"Consumer Vulnerability: Occasional Paper No. 8" by Financial Conduct Authority, February 2015 – **www.fca.org.uk/your-fca/documents/occasional-papers/occasional-paper-8**

"Ethical issues in insurance marketing in the UK" by Stephen Diacon and Christine Ennew, European Journal of Marketing, Vol 30, No. 5, 1996, pp. 67-80 – **www.researchgate.net/publication/235303625_Ethical_issues_in_insurance_marketing_in_the_UK**

"Price Optimisation: Optimising Price; Destroying Value?" by Duncan Minty and the Chartered Insurance Institute, March 2016 – **www.cii.co.uk/knowledge/policy-and-public-affairs/articles/thinkpiece-122-minty-price-optimisation/40078**

"Insurance marketing and the dangers of manufactured vulnerability" by Duncan Minty. Nov. 2015 – **www.ethicsandinsurance.info/2015/11/04/dangers-of-manufactured-vulnerability/**

"Delegated authority: Outsourcing in the general insurance market; TR15/7" by Financial Conduct Authority. June 2015 – **www.fca.org.uk/news/tr15-7-delegated-authority-outsourcing-in-the-general-insurance-market**

"Giving Voice to Values" by Mary Gentile, published by Yale University Press, 2010– **www.yalebooks.com/book/9780300181562/giving-voice-values**

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

customer.serv@cii.co.uk
www.cii.co.uk

Chartered Insurance Institute
@CIIGroup

COH_J010838 (05/16)