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Standards. Professionalism. Trust.

A photograph of two women in business attire. One woman, with long dark hair, is seen from the side, looking at a tablet. The other woman, with curly hair, is looking at the tablet with her hand on her chin, appearing thoughtful. They are sitting at a desk with papers and a laptop.

# Code of Ethics:

Your practical guide

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### **Qualified 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

The Chartered Insurance Institute (CII), is a professional body dedicated to building public trust in the insurance and financial planning professions. Our 125,000 members commit to high professional standards and continuing professional development.

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

Success in CII qualifications is universally recognised as evidence of knowledge and technical expertise.

Our members are able to drive personal development and maintain their professional standing by adhering to our Code of Ethics and by accessing an unrivalled range of learning services.

Find out more at: [cii.co.uk](http://cii.co.uk)

## About the Author

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The Chartered Insurance Institute is dedicated to promoting high standards of professionalism in insurance and financial planning. 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 with clearly defined principles on how they should conduct themselves at work.

The Chartered Insurance Institute 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.

This guidance paper explores in some detail each of the five core duties in the Code of Ethics. It looks at the central message underlying each core duty and illustrates how they work in practice with two case studies. In this way, members can understand both the detail, and the big picture, of how their Code of Ethics works.

You may be thinking two things at this point: 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 here to bring those core duties to life.

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 clients and employees 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 a little time to learn more about each of the core duties in the Code of Ethics. There are some fun case studies to make you think about how you would act in such situations. 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.

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

Seems fairly obvious, doesn't it? A sort of call to do no wrong. But therein lies the danger. We could be tempted to skim over those few words, but then miss out on what they really mean. There's 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 means that if upholding it conflicts with any other core duty, then this one must take precedence.

Your first reaction to core duty one may be something along the lines of "I don't break the law", 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 Chartered Insurance Institute's overall Code of Ethics. It's about being clear what your professional and legal obligations are and being open and honest in how you uphold them.

It involves being on top of what applies to you and understanding why it applies to you. And it is about making sure your firm takes the necessary steps to provide the right compliance environment for you to do so.

## Five things to remember about this core duty

- 1. It's not just about your legal obligations...**  
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's 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's there to achieve.
- 3. It's not just about the regulations of the FCA...**  
vital though they are. It covers all laws and regulations, from bribery to data protection and the environment.
- 4. It's about showing responsibility and leadership...**  
because people will look to you to set an example of how things should be done. That's what being a professional means.
- 5. It's 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.**

There has been 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 have quickly resulted in customer complaints and checks confirm that their work had been below standard in each case.

You arrange for more reliable contractors to contact the complainants to sort out the sub-standard repair work and take steps to remove the rogue contractor from your list of authorised repairers.

Can you file this problem as resolved? Do you see 'doing the right thing' as just reacting to problems, or does it involve being more proactive? 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 sub-standard 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.

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 customer service.

## 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. Your compliance system shows them as bona fide, but you are puzzled by one particular adviser, whose input is difficult to establish and whose fee seems generous. Out of curiosity, you dig 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.

Do you have time for sorting out a compliance problem? Or do you see your firm's commitment to honesty and integrity as something that everyone has a part to play in?

You recall a recent article in the trade press about tackling corruption and after rereading it online, you realise the situation could be a potential timebomb.

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 these 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 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.

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

## This includes, but is not limited to:

- 1.1 dealing with the Chartered Insurance Institute in an open, clear and co-operative manner;
- 1.2 dealing with regulators in an open clear and co-operative manner;
- 1.3 ensuring regulators and the Chartered Insurance Institute are treated courteously and not in a vexatious or frivolous manner and that all queries are dealt with promptly;
- 1.4 meeting any Continuing Professional Development (CPD) requirements;
- 1.5 working not only within the law but also within the spirit of the law;
- 1.6 if within your control, making sure your organisation is suitably regulated and has effective compliance arrangements;
- 1.7 ensuring, where required, you are individually authorised or regulated; and
- 1.8 reporting any breaches of the Code to the Chartered Insurance Institute.

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?

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

What does this grand statement 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 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 profession as a whole.

This cannot be overemphasised, for ethics is about how we interact with each other.

## Core duty 2

### Five things to remember about this core duty

- 1. It is about building trust...**  
and not just in yourself, but in your firm and the profession 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

### Being open and honest

You work for a small insurance broker, on its commercial lines side. You have just had a call from a client who wanted to know about the level of commission in the renewal premium they have just been asked for.

This is a new one for you and you agree to call her back. In your manager's office, he points out a particular percentage to you from a schedule for that insurer.

You take note of that percentage, but ask what the other amounts are for. "They're for admin things that you don't have to bother about.", he replies. "Just stick to the number I pointed out to you", he emphasises. You ring the client back and tell her the figure that the manager told you.

She is surprised and lets slip that another broker she has been speaking to has suggested your firm gets a lot more. "Are you being open with me?" she asks.

Does being open mean telling her what your firm wants her to hear, or telling her what she has a right to know?

You stall her for a moment and call over the manager, who takes the call. He hints at a misunderstanding and outlines for her a number of small amounts the firm earns for taking services off the hands of the insurer. "...so we can provide you with a closer and more tailored service", he concludes. You make a note to bring this up at your appraisal next week.

## Case Study 2

### A fine wine

You are a senior claims manager at a mid-sized insurer, attending a charity dinner as the guest of a firm of loss adjusters.

It has been an enjoyable evening, helped along by the excellence of a particular wine that your hosts arranged for the table. You mention that it is one of your husband's favourite wines.

The following weekend, a case of that very same wine is delivered to your home address, with a friendly message for your husband from the adjusting firm. You access your firm's intranet site to check its business gifts policy and find that it covers employees, but not spouses.

Does acting ethically mean you follow the rules about what you have to do, or does it mean being guided by what you think is the right thing to do?

You point out to your husband that the business gifts policy refers to certain corporate values. You then email the loss adjusting firm, asking them to arrange to take it back.

Later at work, you report the issue to the procurement manager and suggest he puts a warning flag on that adjuster's account.

**These case studies demonstrate that making decisions according to high 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.

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

### This includes, but is not limited to:

- 2.1 being honest and trustworthy;
- 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 Chartered Insurance Institute 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 Chartered Insurance Institute membership or chartered status is described correctly;
- 2.9 informing the Chartered Insurance Institute 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 including avoiding personal insolvency.

### Some key questions to ask yourself:

- What would an outsider think of what I am doing, and does this matter ethically?
- How would my actions look to the Chartered Insurance Institute?
- Should I discuss my proposed actions with my superior or another appropriate person or the Chartered Insurance Institute?
- 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?

# 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 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 your firm's culture should 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 this 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, reviewing the file for a commercial property loss – a junior member of staff thinks there is something odd about it.**

The insured firm 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 it does raise some questions.

It may all be quite above board, but you have to decide whether to have it investigated further.

That will delay settlement, with repercussions for the firm, as the loss involved vital production equipment.

From what your sister says about the firm going through hard times, that could put jobs at risk.

Do you raise this as a conflict of interest and hand the file over for someone else to deal with?

Or do you keep quiet and pass the file through for settlement?

You forward the file 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

# A favour for a client

**You are a commercial account executive at a mid-sized insurance broker.**

You have just come out of a meeting with a big insurer, very relieved that they will after all meet an unusual claim submitted by one of your long standing manufacturing clients.

Talks had seemed touch and go at times, and that settlement has taken a weight off your shoulders. Yet it has not turned out to be all that simple.

Coming out of the meeting, one of the insurer's team has indicated to you that in return, he would like to win a well-known digital client of yours at next renewal: it would boost his growing digital account wonderfully.

"Don't worry about any awkward questions on price or commission; we'll match those", you have been reassured,

although you are far from certain the digital client will see the move in such simple terms.

They have been with their insurer since start-up and have some interesting cover extensions.

Does helping one client mean that another client's interests have to be compromised from time to time, or should you act in the best interests of each client each and every time?

Back in the office, you talk through the situation with one of the directors and agree that moving the digital client isn't feasible. Instead, you agree to get one of their underwriters in so that they can update you on their new business priorities.

**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 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.

# You must act in the best interest 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 sales service is 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 when a conflict of interest exists between you or your employer and the client; and
- 3.8 refusing to act when a conflict of interest exists, save where acting in these circumstances is expressly permitted by a regulator.

A conflict of interest is a situation 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.

## Some key questions to ask yourself:

- 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?

# 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, from talking with policyholders about their claims, to adding drivers to a motor policy and advising a client on the most suitable cover.

### 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". 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.

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 something they promised to do at a recent meeting, or a manager asks you to do a job in a 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 this 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 that is what they value 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 seem 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.

Do you use your insight to improve client service or do you stick with the targets you've been given? You do some internet research and find articles that confirm 'time to authorise' as a customer favourite.

You prepare 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

### Suitability for a scheme

**You have recently joined a medium-sized insurance broker, to manage one of its trade schemes.**

It has enjoyed a strong period of growth and your job is to maintain renewals at the highest level, to recoup the investment that went into its first few years. The systems seem very streamlined and everything is pretty much up-to-date, so your first impressions are very positive.

However, the scheme's loss ratio is emerging a bit on the high side and the settlement of several claims has been tricky to negotiate.

With everything running smoothly, it is tempting to sit back and let the renewals roll in, but you cannot help but remember one last item on the checklist you made prior to joining.

You arrange for two members of staff to conduct a file review, against a template you've found informative in the past. The outcome of that file review puzzles you: one member of staff finds everything in order, the other less so, with several cases indicating more complex needs than your scheme provides.

Do you put this down to one person with a pot half full view, and another with a pot half empty view? Or do you instigate a more detailed review of those files, to ensure that suitability checks were properly made and recorded?

You realise that those tricky claims settlements may indicate more deep seated problems and decide to lead the detailed file review yourself.

After all, you want this scheme to succeed for the right reasons.

**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 is 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.

## 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 that 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 when necessary;
- 4.8 ensuring your knowledge and expertise is kept up-to-date and relevant for your work;
- 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 clear written complaints procedure which is followed.

### Some key questions to ask yourself:

- 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?
- Do I listen to my clients or just hear them?
- Does my organisation assess customer satisfaction and provide feedback to employees?

# You must treat people fairly regardless of:

Age  
 Disability  
 Gender reassignment  
 Marriage and civil partnership  
 Pregnancy and maternity  
 Race  
 Religion and belief  
 Sex  
 Sexual orientation

This core duty seems to cover a lot of issues, however they 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 engage with 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 an insurance policy and setting your pricing strategy. In fact, it has been a prominent issue in recent years, following the ruling in 2011 by the European Court of Justice that insurers were no longer able to rely on gender as a rating factor.

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 everyone 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.

### Lead by example

Remember that while you may not be responsible for writing or monitoring your firm's policies and procedures on 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 this 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 unhappy 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 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 the racist remarks have upset you. He listens, but suggests you do not take it seriously and move on instead.

Do you simply accept the remarks as part of the job, or do you insist your firm addresses the abuse? Pondering how your firm would have reacted if you had made remarks like that at work, you check its equality policy and find it refers to employees, but not customers.

Angry at your manager's attitude, you put in a call to its 'speaking up' hotline.

## Case Study 2

### Deciding on your team

You are an account director at a large insurance broker, serving a big portfolio of mid-sized commercial clients.

You have been asked to come up with some recommendations for improving the reliability and consistency of client service. You decide on an away day for a handful of your account executives, but who should you choose?

It seems sensible to tap into the experience of those who have had to manage their teams through periods of disruption. Staff on maternity leave for months on end has certainly been stressful for you, but you are aware that not everyone feels the same way. You cast an eye down your list of account executives, thinking of who has usually got good ideas and who is likely to bring 'politics' into a project that is too important to get bogged down.

So, who to choose? Do you mentally split the list along gender lines in order to head off arguments about maternity leave?

Or do you recognise that good ideas come from a diversity of perspectives?

You decide that the more good ideas to come out of the away day, the better. And inviting someone from HR should help make you and your people feel more supported.

**Equality and diversity are themes most of us are familiar with, but beware: do not be lulled into thinking that 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 and financial planning profession.

## You must treat people fairly regardless of:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion and belief
- Sex
- Sexual orientation

### This includes, but is not limited to:

- 5.1 treating each person as an individual;
- 5.2 challenging and reporting unlawful or otherwise unfair discriminatory behaviour and practice;
- 5.3 always acting openly and fairly and treating employers, employees, colleagues, clients, potential clients and suppliers with equal respect and opportunity;
- 5.4 making reasonable adjustments to assist people with disabilities or particular needs you may deal with at work;
- 5.5 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
- 5.6 if it is within your control, making sure processes and procedures do not discriminate.

### You should be aware:

- Disability is defined as a physical or mental impairment which lasts, or will last, for over a year and which adversely affects the individual's capacity to undertake day-to-day activities. It includes conditions as diverse as dyslexia and cancer;
- Race includes ethnic or national origin, colour and nationality;
- Religion and belief includes non religious beliefs (including no-religion) and philosophical beliefs which impact upon the way in which an individual chooses to live their life.

### Some key questions to ask yourself:

- If I belong to any of these protected characteristics, 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 or can we make an adjustment to make it easier for the person to achieve?
- 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 practices 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 should now draw together what we have learnt and highlight some of the key messages that emerge.

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.

## There are five themes:

### Understand why it matters

It is all very well being able to recall what each of the core 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 your profession's ethics to colleagues and customers. Getting behind the Code of Ethics in this way will also show you how to best use this ethical 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 might 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, be it in terms of how you respond to what others do, or how they respond to what you do. 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 core duties in the Code of Ethics. If it still seems difficult or awkward, seek out a like-minded person you know at work and talk 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.

## Key skills for thinking ethically continued

### 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 prepared next time round to make better choices. 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 round. In the meantime, take a look at the Chartered Insurance Institute's online ethics course, which has case studies illustrating a great many types of work situations.

You can see that the five common themes outlined 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 out and start by asking yourself some of the questions that form part of each core duty.

It would also be worthwhile looking at some of the other resources on ethics available from the Chartered Insurance Institute. As well as the online ethics course, there are guidance papers on ethical culture, conflicts of interest and whistleblowing.

### The Five Core Duties that make up the 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 age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation.

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