

Ethics and Insurance Insight

A Review of the
Codes of Ethics
used by UK insurers

Ethics and Insurance Insight
..... Codes of Ethics

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Introduction

Codes of ethics exist for a reason. They set out the commitments a firm has made about how it will act on its ethical values. Yet this raises obvious questions: who do these codes apply to; what commitments are being made; and who are the codes aimed at?

To answer these and other questions, I conducted a review of the codes of ethics of ten insurers in the UK market. The review was conducted as anonymously as possible - I wanted to replicate what consumers would experience, rather than what a consultant would experience.

What the review was looking for

The review was looking primarily at three things: accessibility, authority and scope. In essence, are these codes of ethics...

- reaching the right people?
- given the support to deliver results?
- framed around the relevant issues?

The review wasn't seeking to judge the quality of what was covered in each code of ethics. So for example, if an insurer's code of ethics referred to conflicts of interest, that reference was simply recorded, with no judgement about how wide or detailed that reference was. That's because ethical issues raised in codes are often then supported by more detailed and focused policies addressing, as in this example, conflicts of interest.

It's important to remember that codes of ethics can vary, and one of the main variations is around the size of firm involved. Small firms often approach codes of ethics in a different way to large firms. And yet, while there are differences, there is also common ground, and that is where this review seeks to sit as far as possible. All codes must reach the right people and talk to them about the relevant issues. Given that all firms in this review had annual GWP of over £250m, even the smaller firms had to speak to reasonable numbers of people.

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The firms reviewed

Ten insurers were selected for the review. All were well known names in the UK insurance market. They ranged in size from small UK insurers to large global insurers.

| | Small | Medium | Large |
|-------------|-------|--------|-------|
| UK HQ | X X | X X | X |
| Overseas HQ | X | X X | X X |

Note: size was assessed by their GWP in the UK market.

The selection of one insurer over another for inclusion in the review was influenced by only a small number of factors. I wanted....

- to include ten firms that the insurance buying public would have heard of;
- a mix of firms, balancing the selection across size and UK/non-UK headquarters;
- insurers who I felt had a relatively settled presence in the UK market.

I did not run any form of pre-review check to see if these firms had a code of ethics. The rationale for the review was very much to work with what was found.

Confidentiality

I have gone to considerable lengths to ensure that the ten insurers covered in this review are not identifiable. Knowing whether insurer X was better than insurer Y on issue Z was not what this review was about.

The point of the review was not to home in on one or two outliers for being better or worse, but to gauge the overall state of codes of ethics in the UK insurance market. From that overview would come pointers to how the sector thought about ethics, and where that thinking might need to be supported or revisited.

Conclusions

In overall terms, the codes of ethics that were reviewed seemed adequate, but somewhat stale. They fulfilled a purpose more to do with ‘having a code’ than one that added something to the ambitions and organisation of the business and its employees.

Why might this be the case? The growth in conduct regulation could be a factor – insurers may be focussing all their attention on the FCA. This results in codes of ethics left to drift, unattended and, for some insurers, progressively forgotten about.

There’s a new generation of codes of ethics emerging in UK business at the moment, defined by the relevance of their scope, the quality of their design and the clarity of their message. Insurers need to follow these examples and refresh their codes for the ethical challenges ahead. One insurer in the review had clearly already started to do so.

So what stood out across the nine codes of ethics? Here are the main points...

- insurers can be uncertain about who makes up the audience for their codes of ethics. They need to decide if the public are one such audience, and if not, why not. Corporate Chartered firms should make their codes of ethics fully accessible to the public.
- codes of ethics can be difficult to get hold of. This points to either unclear ownership within a firm or uncertainty about who can see it. It doesn’t leave a good impression.
- codes of ethics issued on a global basis often feel distant and impersonal. They lack some local context – for example, in the form of an accompanying statement by a UK executive.
- codes of ethics are too often undated. As a result, they lack a clear signal of having received attention and support by the firm’s executive.
- more could be done to clarify who exactly the code applies to, for example by clearly confirming that it’s not just employees, but executives, suppliers and the firm as well.
- the ethical issues covered by the codes often felt like they had been assembled on a reactive, rather than proactive, basis. Firms need to align their codes more with the opportunities and risks that ethics represents to their business.
- there seems to be a reluctance in firms to talk about key ethical terms like trust, honesty and accountability. It’s as if firms are more at ease talking about inputs than about outcomes. Such terms need to be part and parcel of how firms communicate.
- not enough training and assessment is being done around the ethical issues covered in these codes. This could lead to a dangerous gap opening up between ‘thinking about ethics’, and ‘using ethics in decision making’.

Codes of ethics are important for regulated firms. They keep the firm’s attention from becoming overly focussed on the regulatory rules, and leave space for firms to consider what they should be doing, not just what they have to do. It’s how trust is built.

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Methodology

The review was in two parts: finding the code and then analysing the code. An important feature of that first stage (finding the code) was for me to approach each firm as if I was simply a curious member of the public. This meant that I looked for the code in places such as websites, or asked for it through contact services. I used neutral email addresses and only disclosed my purpose if specifically asked. When I could not find the code of ethics in this way, I then made use of contacts within those firms to obtain the code.

The second stage of the review (analysing the code) was done by a close reading of each code against a number of criteria. No clarifications were requested from any of the insurers involved. Importantly, I did not judge the quality of what the codes said. As mentioned earlier by way of example, if an insurer's code of ethics referenced conflicts of interest in any way, I simply recorded that there was a reference, and did not judge its scope or depth. Codes of ethics often refer to issues but then leave the detail of an insurer's response to a more specific policy on that particular issue.

Nine out of ten insurers

Of the ten insurers approached, nine were found to have a code of ethics, or a very similar such document. One insurer confirmed that it had no such code or similar document. Instead it offered a series of related references in corporate communications. After careful consideration, I decided to omit this insurer from the review. What follows is based upon a reduced collection of nine insurers.

The rationale for so doing was to review codes of ethics, not corporate communications. Including it in the review's findings would have skewed the analysis of what was found. Instead, I chose to raise the issue in this standalone section. I do not think I would be alone in expressing my surprise in finding a well known UK insurer without a code of ethics or a similar such document. It is an omission that they should considering addressing.

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How accessible was the code?

Codes are written to be read. And to be read, they first need to be found. So working on the basis that one of the potential audiences for a code of ethics would be the customers of the insurer, I approached each firm seeking its code. This is what I found, broken down by the size of firm...

| | Small | Medium | Large |
|--|-------|--------|-------|
| Online - found with ease | X | | X |
| Online - found with difficulty | | | |
| Contact services - provided on first request | | X | X |
| Contact services - provided after two requests | X X | X | |
| Contact services - provided after three or more requests | | X | X |

What does this tell us?

Codes of ethics can be difficult to get hold of. In some cases, the contact team (in either customer services or human resources) struggled to locate the code. And some seemed reluctant to make it available - in 3 cases out of the 7 insurers I had to contact, I was asked for the reason why I was asking to see the code, before they would release it to me. It made them appear defensive about ethics.

What are the implications of this?

Insurers need to have a clear understanding of which audiences their code of ethics speaks to. Employees are certainly one such audience, which then leaves the question: are customers another audience? If they are, then the code should be as freely available as possible to them.

For insurers holding corporate Chartered status with the CII, customers are most certainly an audience for their code of ethics. Yet 4 of the 6 insurers who provided the code of ethics only after two or more requests were Chartered. There's clear room for improvement there.

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How local was the code?

The UK insurance market is characterised by its global outreach and in return, by the involvement of global insurers. I wanted to understand the degree to which the codes of ethics used by the insurers in this review related specifically to the UK, or whether the UK firm relied on a global level code.

| | UK HQ'ed firm | Part of Global Group |
|------------------|---------------|----------------------|
| UK level code | X X X | X |
| Group level code | X | X X X X |

What does this tell us?

Four out of five UK insurers that were part of a global insurer relied on the global level code of ethics. The fifth of those five firms had a local code that spoke directly to their UK staff.

Of the four UK centric insurers reviewed, one had a code that was written in the UK and which applied to its worldwide operations. The remaining three insurers were predominantly or solely UK based, making use, not surprisingly, of a UK level code.

What are the implications of this?

The use of a global code across a global insurer certainly gives more consistency to the group message on ethics, but it also makes it feel more distant. That could be a problem if the UK firm was large or medium in size, as all four of the global insurers using a global code were.

A more universal code is then less local, which has implications for its scope and relevance to local markets. It also makes it less clear who in the local market carries responsibility for the global code – none of the four codes referenced any such person.

It's a balancing act of course, but one that still needs paying attention to. A global code is fine so long as some localisation measures are taken: for example....

- make the global code available on the local UK website;
- be clear in supporting information on the UK website about who is responsible for it (for example by adding in a supportive statement from the local chief executive);
- provide UK employees with an action plan relevant to their local UK firm and the ethical opportunities and challenges it faces (this need not be public facing).

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Leadership support for the code

A significant influence on the attention that people at a firm give to ethical issues comes from what is often referred to as the ‘tone from the top’. This is about senior executives at a firm showing strong and clear leadership on ethics. And one of the ways they can do this is by putting their name to their firm’s code of ethics. This is what the review found...

| Statement by... | Small | Medium | Large |
|-----------------|-------|--------|-------|
| Chairperson | X | | X |
| Chief Executive | X | X | |
| Other | | | |
| None | X | X X | X X |

Four out of the nine insurers included clear and powerful statements in their code of ethics by a senior figure – two were chairpersons and two were chief executives. No code contained a statement by a lesser executive, and five had no statement at all.

All four of the chairpersons and chief executives putting their names to their firm’s codes of ethics continued to hold that position as the time of this review.

What does this tell us?

There is clearly a reluctance, particularly in larger firms, for a senior executive to put their names to their firm’s codes of ethics. As a result, their codes feel impersonal and distant. No one in those codes was speaking to the people in those firms. They felt like just another policy.

What was striking about the four statements that were included was just how powerful they were. These weren’t instructions: they were often stories being shared about why ethics matters. And as a result, you read the code in a different light.

What are the implications of this?

Codes of ethics account for little unless supported by the firm’s leadership. And the starting point for leadership on ethics is a clear statement of support in those code of ethics. That visible support was too often missing. Including it would be a small but significant step.

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When was the code last reviewed?

A code of ethics that carries the date of its last review sends a signal of when it was last given attention by the management of a firm. This is what the codes of the nine insurers showed:

| Dated ? | Small | Medium | Large |
|------------------------------|-------|--------|-------|
| Clearly dated | X | | X |
| Dated, but difficult to find | X | | X |
| Not date indications found | X | X X X | X |

And of the four codes of ethics that were dated, this is what they showed:

| Last reviewed... | In the last 3 years | 4 to 6 years ago | 7 to 9 years ago | 10 or more years ago |
|------------------|---------------------|------------------|------------------|----------------------|
| Date shown | X X X | | | X |

What does this tell us?

There's a clear reluctance on the part of insurers to date their codes of ethics. And I state this quite strongly, for in the case of the two codes whose dates were difficult to find, the only clue was in the document's ID code. So in effect, only 2 of the 9 insurers showed a willingness to be open about the date of their code.

On the plus side, it was good to see pretty recent dates in three of the four codes that were dated. It was a shock though to find one dated more than 10 years ago. It gave the code a fossilised feel.

What are the implications of this?

A code of ethics with a clear date signals that the firm has ethics on its corporate radar and that it wants to keep it up-to-date and relevant. Remember that codes of ethics are the outputs of a process of review and consultation, so an undated code signals that the firm is probably not doing this. The risk is that if the firm isn't bothering to pay attention to ethics, then employees might take up the cue and not bother either.

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How long was the code?

Codes of ethics come in all shapes and sizes. That's natural - they should reflect the firm that creates them. So the question of how long a code of ethics is, is not a reflection of how good it is, but rather, a reflection of how much detail the firm goes into. Here's what was found:

| | 0-1,000 words | 1k to 2k words | 2k to 3k words | 3k to 4k words | 4k to 5k words | 5,000 + words |
|-----------------|---------------|----------------|----------------|----------------|----------------|---------------|
| Number of Codes | X | X X | X X X X | | | X X |

The measure was taken by a simple word count, without any differentiation between different types of document sections.

What does this tell us?

We shouldn't read a lot into this simple word count of each code. However, 2,000 to 3,000 words is clearly a favoured length.

A lot depends on what you choose to include in your code. Some firms included quite detailed sections on conflicts of interest, financial crime and business gifts and hospitality. Others mentioned many topics, but only in passing. Two devoted a lot of space to examples of what good and poor behaviour looked like, so they weren't particularly long as a code, but were supported by quite a lot of explanatory material.

What are the implications of this?

The size of a code of ethics can be linked to access – too long and people are put off reading it, while too short makes people think it's not got much to say. What is important is if you are to make your firm's code longer, that serious consideration is given to its design and tone. Consider questions like this:

- what are you trying to say in the code, and what do you want people to do after reading it?
- who are its main audiences? Are you telling them both what you're doing and why, or just the latter? What do these audiences need to know?
- how does it sit amongst other documents? Is it well supported by more detailed codes focussing on particular issues, or will it stand alone and cover a lot?

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The written style of the code

From a stark measure like word count, I then looked at the tone of each code, to judge firstly the narrative point of view and secondly, the level of subordination.

The narrative point of view looks at the perspective taken – first person (I and we), second person (you) or third person (he, she and they). The level of subordination is an estimate of how often a statement was followed by an explanation – for example, you should do X because it will help us achieve Y. Here’s what was found:

| Point of View | First | Mix of 1 st and 2 nd | Second | Mix of 2 nd and 3 rd | Third |
|---------------|----------------|--|--------|--|-------|
| No. of Codes | X X X X X X | X | | X | X |

| Subordination | Strong | Medium | Weak |
|---------------|-----------|--------|------|
| No. of Codes | X X X X X | X X | X X |

What does this tell us?

The narrative point of view can be indicative of the relationship between the firm and its employees. The first person narrative can feel more inclusive, with the ethical expectations conveyed as more like a joint venture. Second person narratives can feel more like the firm telling the employee what to do. And third person narratives can feel rather impersonal, like rules to be followed. Most insurers have adopted the first person narrative, which I think is a good one for codes of ethics.

Most insurers include a reasonable degree of subordination in their codes. Requirements were often supported by explanations, which told employees not only what was expected of them, but why as well. This is important in a policy, and especially an ethical one.

What are the implications of this?

The narrative style of your code of ethics should fit your firm. Some firms in the review were overseas ones, so their style will also reflect the cultures of their countries of origin. That said, if your code is to mean something to UK staff, it should be styled in such a way that it achieves the things that a UK firm wants (perhaps need) to achieve.

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Who was the code aimed at?

Codes of ethics should certainly talk to employees, but just them? What about the executives of the firm, or its suppliers, or perhaps even the firm itself? A code of ethics needs to be clear on this, and that is what the review found ...

| Aimed at ... | Employees | Executives | Spouses etc | Suppliers etc |
|---------------------------------|-------------------------|----------------|-------------|---------------|
| No. of Codes (each out of 9) | X X X X X X X X X | X X X X X X | | X X X X X |

What does this tell us?

Each of the nine codes of ethics spoke to the employees in their firm, but only six made explicit reference to executives. Five referred to suppliers, one in very clear terms. The lack of any references to spouses is not important, so long as the ethical risks where they can sometimes be a material factor (such as business gifts/hospitality and bribery/corruption) are then dealt with in greater detail in a more specific policy. Those fell outside the scope of this review, but insurers reading this should bear that in mind.

What are the implications of this?

A code that emphasises employees but not executives, is in danger of sending a dangerously mixed message, along the lines of... ‘ethics applies to you, but not necessarily to us’. It’s easily clarified, as one insurer in the review did, by including a clear and quick reference at the beginning to the scope of what it meant by employee. It gave the policy a clear ‘we are in this together’ feel from the beginning.

The same can be said for suppliers. With so many insurers delivering part of their business through suppliers or business partners, it makes sense to be clear that suppliers must stand with insurers in delivering ethical outcomes for customers.

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The ethical issues covered in the code

Each code was analysed to identify what ethical issues were being referenced. No attempt was made to evaluate whether the reference to a particular ethical issue was substantive or not – that was too tied into the length and style of the code to be done accurately.

Fifty six relatively distinct issues were identified in the analysis. In the table overleaf, I've organised them into broad categories. In the table below, I look at the number of issues each insurer addressed.

| Issues | 1-9 | 10-19 | 20-29 | 30-39 | 40-49 |
|-----------------|-----|-------|------------|-------|-------|
| No. of Insurers | X | | X X X X | X X X | X |

What does this tell us?

There was a clear concentration of insurers raising about 25 – 35 issues in these codes of ethics. The two outliers were distinctive – one raised few issues but was written in a very valued led and aspirational style. It begged the question – aspirational about what? The other covered a lot of issues, but in a well designed and thought through manner, so that while a large document, it came across as a relatively attractive read.

The table overleaf points to a wide range of issues being covered in codes of ethics. Is that range of issues too wide? Perhaps. The insurer who covered the most issues also invested most in the design of their code of ethics, and so carried it off. Codes of ethics need to be relatively focussed – some seemed to include issues for which no better home was available.

Were any ethical issues missing from these nine codes of ethics? I think so. Only two insurers mentioned pricing practices, and none mentioned claims practices. This is despite these being two experiences that consumers connect with. There were references to fairness and conflicts of interest, and these may well plug what is otherwise a significant gap. However, if insurers want their codes to talk to consumers, those codes need a narrative approach that will resonate with consumers. Insurers have work to do on this.

What are the implications of this?

Insurers need to be clear about their codes of ethics on two points: firstly, who is the audience, and are you addressing what those audiences are interested in? And secondly, is the code a checklist or a working document to achieve results? From their answers to these two questions, the insurer can then fashion a code with the right scope and depth.

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| Ethical Issue | No. of Ref. | Ethical Issue | No. of Ref. |
|-----------------------------------|-------------|------------------------------------|-------------|
| Senior executive message | 4 | Professional Manner | 3 |
| Our values / principles | 4 | Continuous Prof. Devel. | 3 |
| Linked to strategy/performance | 4 | Links to international agreement | 3 |
| Leadership behaviour | 4 | Accurate Reporting | 2 |
| Comply with the law | 8 | Fraud / financial crime | 7 |
| Fair competition | 6 | Bribery and corruption | 8 |
| Conflicts of Interest | 7 | Gifts and hospitality | 7 |
| Pursuing personal interests | 4 | Political/charitable contributions | 4 |
| Confidential information | 8 | Relationship with... | 4 |
| Acceptable asset use | 6 | Government and regulators | |
| Relationships with suppliers | 4 | Insider Trading | 7 |
| Relationships with investors | 2 | Tax evasion | 2 |
| | | Money laundering etc | 6 |
| Treating customers fairly | 7 | Pricing Practices | 2 |
| Communicating with customers | 5 | Data Protection | 7 |
| Complaints | 2 | | |
| Workplace culture | 5 | Alcohol and drug use | 1 |
| Equality and diversity | 8 | Political / trade union activities | 2 |
| Personal circumstances and... | | Social media | 3 |
| relationships | 1 | External communications | 3 |
| Personal presentation | 1 | Intellectual Property | 1 |
| Health and safety | 7 | Human rights | 4 |
| The environment | 7 | Forced labour | 3 |
| Communities | 6 | | |
| Record Keeping | 4 | Handling code breaches | 2 |
| Audit and internal control | 1 | Obtaining advice | 7 |
| Disciplinary action | 6 | Reporting issues | 6 |
| Governance of the code | 2 | Examples of good/bad... | |
| Openness encouraged | 7 | behaviour | 2 |
| No criticism for sticking to code | 2 | Know your responsibilities | 4 |
| Training in the code | 3 | Sign off by employees | 2 |

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Keywords used in the code

Research across UK business in general has found that some keywords are more common than others in codes of ethics. The review looked at each of the nine insurers' codes of ethics for those keywords, with the following results...

| Keyword | Total no. of mentions | Comments |
|-----------------------|-----------------------|----------------------------|
| Standards | 82 | 1 insurer used it 31 times |
| Fair | 64 | 2 insurers used this a lot |
| Respect | 54 | 1 insurer used this a lot |
| Responsibility | 47 | 2 insurers used this a lot |
| Conflicts of Interest | 47 | 2 insurers used this a lot |
| Integrity | 39 | 1 insurer used this a lot |
| Suppliers | 31 | 1 insurer used this a lot |
| Bribery | 31 | 1 insurer used this a lot |
| Trust | 25 | Evenly spread references |
| Openness | 19 | Evenly spread references |
| Honesty | 13 | Evenly spread references |
| Transparency | 12 | Evenly spread references |
| Accountability | 0 | Variations checked as well |

Keywords (cont'd)

What does this tell us?

The organisation of ethics within a firm can influence how many times a particular keyword is found in their code – one firm made frequent reference to more specific standards that detailed particular issues touched on in their code of ethics. Fairness is undoubtedly given more attention by insurers because of the regulator's 'Treating Customers Fairly' initiative.

It is good to see conflicts of interest so frequently referenced, given that it is a relatively technical term compared to other keywords. It is after all the main ethical risk facing all insurance firms, including insurers.

What the keywords table does point to is the caution with which insurers approach certain words. Insurers seem to be wary of keywords like trust, openness, honesty and transparency. And they shy away all together from accountability. This reluctance needs to be addressed.

What are the implications of this?

Insurers need to embrace three of these keywords to a much greater extent than at present, for they lie at the heart of ethics and at the heart of their firm's relationship with the public and regulators.

- trust is what insurers strive to have at the heart of their relationship with consumers;
- honesty is what consumers look for in their dealings with insurers;
- accountability is at the heart of new conduct regulations.

Insurers have to become more confident in their use of terms like trust, honesty and accountability. After all, these terms sum up what a code of ethics is striving to achieve in the first place. And if that confidence is not strong enough, then insurers need to use training techniques to rebuild it. If the code of ethics shies away from using them, then employees might take the cue and shy away from using them too.

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Training in the code

Ethics can seem a tricky subject at times. One way for firms to overcome this is to offer training in ethical knowledge and skills, and in their practicing of them. The review looked at each of the nine codes for references to any training that might be available.

| References to training | No references to training |
|--|---------------------------|
| X X X | X X X X X X |
| ...and these 3 references pointed to the following... | |
| Insurer 1 – training in bribery, money laundering and sanctions | |
| Insurer 2 –training in financial crime, money laundering, sanctions, conflicts of interest, bribery, business gifts and hospitality, share dealing and market abuse. | |
| Insurer 3 – training was mandatory for all employees, and it was followed by knowledge testing on the intent and detail of the code. | |

What does this tell us?

Insurer 3 clearly stood out, and it stood out not just for its training being mandatory, but also because the knowledge testing that followed it. Given that they were a medium sized insurer, this was impressive. Legal exposures clearly influenced the training at insurers 1 and 2.

What we cannot learn from these findings is whether the insurers who did not reference training in their codes of ethics simply chose not to mention a training programme that they might well have had in place. It is a possibility, but I suspect that if they provided ethics training, the code would have mentioned it.

What are the implications of this?

Codes of ethics get people to think about ethics, but it is ethics training that helps them move from thinking about ethics, to actually doing it. The signs are that too few insurers offer ethics training in support of their code, and this gap is going to contribute to a reputational weakness. Insurance is full of good people, but they need to be given clear and firm support to consistently deliver the behaviours and decisions that codes of ethics require from them.

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Raising concerns

Misconduct does take place from time to time in insurance firms and it's important that employees understand what the firm want them to do should they witness it. This is usually spelt out in whistleblowing or speaking up policies, but there is also a strong case for making reference to the expected response in codes of ethics. The review looked at how the nine codes of ethics handled this...

| | No mention | Weak mention | Medium mention | Strong Mention |
|---------------------------------|------------|--------------|----------------|----------------|
| References to raising a concern | X | X | X X | X X X X X |

What does this tell us?

In the main, the codes of ethics gave relatively strong mentions to how an employee could raise a concern. It is unusual to find codes of ethics with little or no referencing, and I feel that the two insurers whose codes lack this would still have a speaking up policy. It's just that they weren't cross referencing this in their codes of ethics.

What are the implications of this?

The details of how to raise concerns is usually spelt out in speaking up policies, but there is a strong case for including reference to the expected response in codes of ethics. That's because it's in such codes that people often first look to check if something was misconduct or not. Failure to do so may indicate a lack of join up thinking or an overly silo'ed approach to ethics.

Consequence of breaching the code

When misconduct does take place, the employee should expect to face consequences. These may be spelt in out in detail in human resource policies, but it is common for codes of ethics to carry some mention of them as well. This is what the review found....

| | No mention | Weak mention | Medium mention | Strong Mention |
|--|------------|--------------|----------------|----------------|
| References to the consequences of breaching the code of ethics | X X X | | X X X | X X X |

What does this tell us?

There's a clear split in insurers' handling of this issue. Most raise it in a medium to strong way, but three made no mention of it at all. Clearly, the tone an insurer gives to their code of ethics will influence how they then handle downside behaviours such as misconduct. A very upbeat code is unlikely to mention misconduct.

What are the implications of this?

Many codes of ethics, across many business sectors, set out the consequences of a breach for a specific reason. They want to emphasise how seriously the firm takes its code of ethics, and how seriously they will respond to cases of misconduct. Insurers who omit references to breaches are potentially sowing seeds of doubt in employees' mind about whether misconduct will actually be treated seriously. That is a slippery slope which insurers want to avoid.

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Ethics and Insurance helps insurance firms achieve greater certainty on ethical issues. It provides insight, guidance and the occasional bit of challenge, through weekly blog posts, guides, courses and consultancy.

www.ethicsandinsurance.info

Duncan Minty is an ethics consultant, as well as a Chartered Insurance Practitioner. He's worked with a variety of organisations across the insurance market. The two online ethics courses used by the Chartered Insurance Institute were both written by him, and in 2017, he gave the annual ethics lecture of the Insurance Institute of Ireland.

Follow him on Twitter at [@duncanminty](https://twitter.com/duncanminty)
Connect with him on LinkedIn
Contact him at duncan@ethicsandinsurance.info

Codes of Ethics reviews show firms how they can get more out of their codes. They identify its strengths and weaknesses, and the consequences that flow from them. And they map out how the code can be developed to further the firm's objectives. Email Duncan to find out more.

