



CODE OF ETHICS FOR INSURANCE PRACTITIONERS IN NIGERIA

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INTRODUCTION

The changing business environment and the pressure on professionals to meet the expectations of diverse stakeholders made the review of ethical standard imperative globally. This is to guide the conduct of professionals by principles which will ensure that they act ethically.

The Chartered Insurance Institute of Nigeria and all the other stakeholders in the Insurance Industry have produced a new Code of Ethics for Insurance Practitioners in Nigeria to address all the inadequacies of the previous one and ensure that Nigerian practitioners are guided by principles of global best practice. This will replace the 1991 Code of Ethics.

The enforcement of the new Code of Ethics has been aligned with the existing laws guiding practitioners and the practise of Insurance in Nigeria. The penalties for professional misconduct will be as contained in these laws.

The new Code of Ethics is principle based. It does not prescribe behaviours but principles to guide the conduct of practitioners. It covers the principles of conduct that will guide relations with clients, colleagues, regulators, the community, the laws of the land and the Chartered Insurance Institute of Nigeria.

This Code of Ethics states the principles and expectations governing the behaviour of Insurance Practitioners. It describes the minimum requirements for conduct and behavioural expectations. It does not prescribe behaviour for every situation. The overall objective is to make practitioners adhere to and get committed to the required ethical and professional standards.

The purpose of the Institute's Code of Ethics is to promote an ethical culture in Insurance profession and ensure a systematic, disciplined approach to evaluate and improve the effectiveness of risk management and corporate governance. The code of ethics sets forth the values, principles and standards to guide the conduct of all Insurance Practitioners. Instilling ethical behaviour among Insurance Practitioners is key to improving the public image of insurance business.

It applies to all Insurance Practitioners. They are expected to be guided in their responsibilities to Clients, the General Public, Government, Regulators, the Institute and their ethical behaviour towards other Insurance Practitioners. The code concentrates on the ethical behaviour of individual members who make decisions on behalf of the organisation because it is the individuals working for the organisations that decide the actions of the organisation.

CODE OF CONDUCT

This code of conduct shall be interpreted along with the Constitution of the Federal Republic of Nigeria, Chartered Insurance Institute of Nigeria, Act 22 of 1993, Companies and Allied Matters Act and all other regulations relating to Insurance business in Nigeria including Circulars and Guidelines from Regulatory and Supervisory Bodies.

The standards of behaviour which all members must follow in the course of their professional duties are set down in the Code of Conduct as follows:

- a. Acting responsibly and with integrity in their professional activities at all times to their clients and the society as a whole. Behaving honestly, courteously and fairly towards everyone they deal with. Being trustworthy and putting the legitimate interest of all stakeholders above their interests or the interests of others.
- b. Compliance with the Code of Ethics, all relevant laws and other regulatory requirements and appropriate code of practice and codes of conduct.

- c. Demonstrating professional competence by meeting the technical and Professional Standards commensurate to their level of qualification and position of responsibility, and completing their duties with due skill, care and diligence.
- d. Upholding professional standards in all dealings and relationships.
- e. Respecting the confidentiality of information acquired in professional and business relationships.
- f. Applying objectivity in making professional judgements and in giving opinion and statements.

BASIC PRINCIPLES OF CONDUCT

Every Insurance Practitioner has duties arising from these values to many stakeholders with varying interests and expectations. Even within these varying relationships, Insurance Practitioners should act ethically. Their behaviours and conduct should be guided by the following principles:

1.0 RELATIONS WITH CLIENTS

- 1.1 Give fair and proper consideration and appropriate priority to the needs, interests and requirements of clients.
- 1.2 Obtain and provide all relevant information and all necessary documentation needed by the client to make an informed decision and respect the confidentiality of information.
- 1.3 Ensure you do not use improperly any information gathered in the course of work.
- 1.4 Avoid being placed in a position of conflicting interests at all times, stepping aside and refusing to act in one or all matters where conflict of interests exists, save where acting in the circumstances is permitted by a regulator.
- 1.5 Preserve at all times impartiality. Should there be a particular case or circumstances which might in the view of a reasonable person be regarded as impairing or likely to impair impartiality, this should be declared to the client before proceeding on the transaction.

- 1.6 Act at all times with due skill, care and diligence
- 1.7 Act transparently and prudently in all business and professional dealings and shall at all times ensure the protection of any money and/ or property held on behalf of customers.
- 1.8 Act only within the limits of personal competence and authorization, and seeking help where necessary.
- 1.9 Act openly, fairly and respectfully at all times, treating all clients with respect and consideration.
- 1.10 Act in compliance with all Laws and Regulations regarding the practice of Insurance and other business activities.
- 1.11 Be honest and trustworthy with clients and communicate with them effectively in a clear, prompt, appropriate manner and language.
- 1.12 Provide suitable and objective recommendations to clients that will meet their needs and serve their interest.
- 1.13 Shall not provide or accept any financial gain, gifts, entertainments, loans or any benefits or advantage of any kind to or from any existing or potential client on account of anything done or to be done in the normal course of duty.

2.0 RELATIONS IN EMPLOYMENT

Insurance Practitioners should aim to ensure good relations with their employer and other employees and shall:

- 2.1 Avoid conflict of interest between personal interest or the interests of any associated company or person, and their duty to their employer, at the earliest opportunity bring to the notice of the employer, in all cases where conflict of interests arises in the discharge of duties to such employer.
- 2.2 Not disclose or permit to be disclosed to any third party, any information confidential to their employer during or after employment except where required by law.
- 2.3 Seek to be a responsible employer or employee and be honest and trustworthy at work at all times.
- 2.4 Abstain from discrimination, act openly and fairly and treating other employees, colleagues and clients with equal respect and opportunity at all times.
- 2.5 Ensure their knowledge and expertise is kept up to date and relevant to their work by taking every opportunity to improve their professional capability, knowledge and skills.

- 2.6 Be accountable in the discharge of duties to the employers, shall fully and accurately, account for and report in employer records all business dealings without exemptions.
- 2.7 Not provide or accept any financial gain, gifts, entertainments, loans or benefits of any kind to or from any existing or potential client on account of anything done or to be done in the normal course of duty.
- 2.8 Not seek redress in a court of law for any wrongdoing relating to the Institute's matters without first reporting to and obtaining a response from the Institute.
- 2.9 If in a position of influence within an organisation incorporate or encourage their employer to incorporate ethical standards into the organisation's governance standards including the development of an ethical code and complaints procedure.
- 2.10 Not sexually or otherwise harass each other. Sexual harassment shall include but not limited to unwelcome sexual advances, requests for sexual favours and other verbal or physical conduct of a sexual nature towards another person who may succumb in fear of adverse consequences on employment.

3.0 RELATIONS WITH REGULATORS AND THE LAW

All Insurance Practitioners must respect all laws and abide by all regulations that affect their business and must:

- 3.1 Ensure regulators are treated courteously and not in a vexatious or frivolous manner, that all queries are dealt with promptly and ensure any requirements made of them.
- 3.2 If within their control, make sure their organisations are suitably regulated and have effective compliance arrangements.
- 3.3 Report any breach of the code to the Institute
- 3.4 Meet any Mandatory Continuing Professional Development(MCPD) requirements.
- 3.5 Ensure they operate within the Law and within the spirit of the Law, at all times.

4.0 RELATIONS WITH THE COMMUNITY AND THE PUBLIC

Insurance Practitioners should recognize the important wider role that they play as practitioners and should:

- 4.1 Seek to advance the reputation of insurance through their own conduct
- 4.2 Operate in a way that respects environmental concerns and issues
- 4.3 Act in a socially responsible manner within the countries and societies in which they operate and do not contravene the principles of equality and inclusiveness that the insurance industry values and upholds.
- 4.4 Strive to be trusted individuals and fulfil their responsibilities to the societies and communities in which they operate professionally.

5.0 RELATIONS WITH THE INSURANCE INSTITUTE

Insurance Practitioners have various responsibilities to the Institute and its other members. They should:

- 5.1 Act at all times according to the laws of the Institute (including this Code of Ethics)
- 5.2 Ensure a transparent relationship with the Institute, based on trust, respect, responsibility and integrity
- 5.3 Have pride in their status as a member of the Insurance Institute and in any of the Institute's qualifications they hold.
- 5.4 Ensure they do not make improper use of information or disclose, or allow to be disclosed, information confidential to the Institute.
- 5.5 Aim to seek opportunities to support the work of the institute and to promote its values to others, especially industry bodies, employers and prospective members.
- 5.6 Aim to seek opportunities to support Institute Branch activities.
- 5.7 Demonstrate to others the value of professional qualifications and continuing professional development.

- 5.8 Treat other officers, other members and employees of the Institute with the same respect they would wish to be given.
- 5.9 Ensure that any conduct, promotion or public announcement, with which a member, their name or qualification are connected does not bring the Institute, another member or their profession into disrepute.
- 5.10 Advise the Institute of any member(s) not complying with its laws and this code.
- 5.11 Notify the Institute of any person falsely acting to be an Insurance Practitioner
- 5.12 Ensure the expected standard of technical competence is maintained and that they remain informed of current developments (to ensure they remain competent to carry out their role) by undertaking appropriate professional development.
- 5.13 Notify the Institute promptly of any change in the nature of their employment and update their records with the Institute appropriately.
- 5.14 Maintain their membership by payment of the appropriate annual membership fee.

6.0 ENFORCEMENT OF THE CODE OF ETHICS


The Chartered Insurance Institute of Nigeria is committed to ensuring the highest professional and ethical standards and encourages all Insurance Practitioners to maintain and support this standard.

The Code of Ethics serves as a guide to members to meet and maintain these standards in the course of their practice as Insurance Practitioners and require strict adherence as a condition for continuing membership.

It is the duty of all members to assist and co-operate with the Institute in the course of enforcing this code. All complaints/petitions involving members should be duly signed and addressed to the Registrar/Chief Executive of the Institute.

Insurance Practitioners are obliged to operate within the content and spirit of this Code of Ethics and non compliance shall result in the Institute taking action as provided in the Chartered Insurance Institute Act 22 of 1993.

Signed 9th July, 2018



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President/Chairman of Council
Chartered Insurance Institute of Nigeria



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Registrar/Chief Executive
Chartered Insurance Institute of Nigeria

DEFINITIONS AND INTERPRETATIONS

- a. **Employee** means an individual employed/ appointed/ engaged/ recruited by any insurance or other institutions within the insurance industry in Nigeria.
- b. **Employer** means a corporate entity within the insurance industry that engages/ hires an individual to provide services in exchange for remuneration - salaries/ wages.
- c. **Institute** means The Chartered Insurance Institute of Nigeria.
- d. **Member(s)** means individuals of the Chartered Insurance Institute of Nigeria and other employees engaged in the insurance industry.
- e. **Insurance Practitioner** means a person who in consideration of remuneration received or to be received, or whether by himself or in partnership with any other person he;
 - i. Engages himself in the practice of the profession or holds himself out to the public as insurance practitioner or

- ii. Renders professional service or assistance in or about matter of principle or detail relating to insurance procedure or
- iii. Renders any other service which may by regulations made by the Council, with the approval of the Secretary, be designated as service constituting insurance practice.
- f. **Client** means a person or organisation using the service or professional advice of an insurance practitioner in the insurance industry or other institution serviced.
- g. **Third party** means a person not directly involved in any matter.
- h. **Regulator(s)** means a body or bodies responsible for exercising authority over insurance practitioner(s) and insurance practice.