

# **THE INSURANCE INSTITUTE OF GAUTENG**

## **THE IIG CODE OF CONDUCT AND PRACTICE**

**ADOPTED BY THE COUNCIL OF THE IIG**

**ON**

## THE IIG CODE OF CONDUCT AND PRACTICE – INDEX

1.	<b>INTRODUCTION</b> .....	3
1.1	Vision .....	3
1.2	Mission.....	3
1.3	Purpose of the Code .....	3
2.	<b>DEFINITIONS</b> .....	3
2.1	Continuing Professional Development.....	3
2.2	Self Regulation .....	3
2.3	Client.....	3
2.4	Code of Conduct .....	4
2.5	Commission .....	4
2.6	Conflict of Interest.....	4
2.7	Fee .....	4
2.8	Industry.....	4
2.9	Institute .....	4
2.10	Regulations .....	4
3.	<b>PRINCIPLES AND STANDARD OF CONDUCT</b> .....	4
3.1	<b>Principles of Conduct</b> .....	5
3.1.1	Honesty and Integrity .....	5
3.1.2	Fairness, Reasonableness and Good Faith .....	5
3.1.3	Professionalism.....	5
3.1.4	Competency.....	6
3.1.5	Confidentiality .....	6
3.2	<b>Standard of Conduct</b> .....	6
3.2.1	Value of Professionalism .....	6
3.2.2	Continuing Professional Development.....	7
3.2.3	Conflict of Interest.....	7
3.2.4	Fiduciary Responsibilities .....	7
3.2.5	Responsibilities to the Institute.....	8
3.2.6	Remuneration.....	9
4.	<b>REVIEW OF THE CODE</b> .....	10
5.	<b>COMPLIANCE PROCEDURES</b> .....	10
6.	<b>GUIDANCE</b> .....	10

# **THE IIG CODE OF CONDUCT AND PRACTICE**

## **1. INTRODUCTION**

The IIG is a central, independent organisation for the promotion of efficiency, progress, welfare, knowledge, educational excellence and general development amongst its members and persons engaged and employed in the Insurance and Financial Services Industries and serves as a networking platform and supports professional standards and ethics whilst pursuing social issues in the insurance industry and generally achieves an image and reputation of excellence.

### **1.1 IIG Mission**

To implement, promote, maintain and honour professional standards, to continually advance the acquisition and dissemination of knowledge and skills, to ensure the upholding of the highest ethical values of fairness, integrity and inclusivity to embrace and pursue sustainable long term goals for the advancement and benefit of its members and stakeholders in the best interest of the insurance industry and of transformation within the insurance profession.

### **1.3 Purpose of the Code**

The purpose of the Code of Conduct and Practice is to determine, pursue and regulate high ethical standards, adherence to statutory and regulatory requirements and sound business practice and conduct, and through guidance and self-regulation to ensure that all professional members, through their loyalty to the Insurance Institute of Gauteng, pursue an acceptable level of behaviour and law abidance in their deliberations, choices, decisions and conduct towards their clients, amongst their colleagues inter se and in respect of all persons in the insurance industry, striving to achieve goals for advancement and benefit of all members and stakeholders in the best interests of the insurance industry, and promoting professional standards and fairness within the industry.

## **2. DEFINITIONS**

### **2.1 Member**

The Institute shall consist of such classes of membership as provided in the Constitution and in the Bye-laws, who shall have such rights, privileges and obligations as the Constitution and Bye-laws shall direct.

### **2.2 Code of Conduct and Practice Standards**

Refers to a set of principles and standards which describes an intrinsic value system of standards of behaviour and principles of conduct to which the Institute and its members shall aspire and to which they shall adhere.

### **2.3 Conflict of Interest**

Denotes circumstances, relationships or other aspects of the members own financial interest, property and / or personal interest which will, or reasonably may, impair the member rendering impartial advice, recommendation or services.

### **2.4 Continuing Professional Development – CPD**

Denotes activities that serve to develop maintain and enhance the capabilities of professional members to perform competitively, efficiently and effectively within and in relation to their professional environment.

- 2.5 **Fee**  
Denotes a method of compensation in terms of which compensation is received solely from a client with neither the member nor any related party receiving compensation which is contingent upon the purchase or sale of any financial product. A “related party” for this purpose shall mean an individual or entity from whom any direct or indirect economic benefit is derived by the member as a result of implementing a recommendation made by the member.
- 2.6 **Industry**  
Refers to the financial services industry in general, including but not limited to the short term insurance, life insurance and investment industries.
- 2.7 **Institute**  
Is the Insurance Institute of Gauteng.
- 2.8 **Regulations**  
Are the regulations promulgated by the Council of the Institute in terms of and in accordance with the Constitution of the Institute.
- 2.9 **Self Regulation**  
Self regulation means the adoption by the members of the Institute of self imposed standards and practices that will contribute to professional and ethical business practices reflected in this Code of Conduct and Practice, and compliance by the Institute and its members with these standards, principles and all legal requirements.

### 3. **PRINCIPLES AND STANDARDS OF CONDUCT**

#### **Preamble:**

Compliance with the fundamental code of ethical standards for professional business practice, individual and business conduct, as well as with all relevant and applicable legislation, by the Institute and its members shall constitute the core behavioural benchmark of the Institute within the insurance industry. The Institute shall supervise, guide and direct all its members in relation to ethical practices, choices and actions in all their relationships and dealings. The Institute’s ethical standards are universal, will never be compromised and shall blend with cultures and customs.

The Code of Conduct shall be binding upon all members of the Institute at every level of membership in their interaction inter se, as well as with the insuring public and the insurance industry.

The Institute is committed to and shall honour the following standards applicable to all professional members and such professional members shall be obliged to adhere to all the provisions of the Code which incorporates five pillar values and principles underlying human conduct, which will guide members in their interaction with colleagues, clients and the industry in a spirit of fairness and “*ubuntu*”.

#### 3.1 **PRINCIPLES OF CONDUCT**

The Institute shall honour and require members to observe the following ethical attributes:

### 3.1.1 **Honesty and Integrity**

In deciding what is right, just and fair members should rely on their integrity as the appropriate benchmark. Integrity requires consistent application of stated principles. It demands honesty, fair dealings and candour, and non discrimination which must not be subordinated to personal gain, expediency and personal advantage.

Allowances can be made for legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of one's principles.

Integrity requires members to observe both the letter and the spirit of the Code, whilst at all times maintaining a sense of balance between moral, ethical, social and business issues.

### 3.1.2 **Fairness, Reasonableness and Good Faith**

Fairness requires that members provide clients and fellow members with that to which they are entitled, as may be expected from a professional relationship, and to put fair treatment of clients at the centre of professionalism and of the Institute's culture. It involves members managing their own feelings, prejudices and desires in a reasonable manner, transparently and in good faith, to achieve a fair balance of interests.

Fairness and good faith is treating others as you would want to be treated, fairly, objectively, impartially, reasonably and with respect, in the particular professional and social circumstances, regardless of age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion and belief, sex and sexual orientation.

In all services rendered in the capacity in which professional members operate, they shall ensure the fairness of their work, manage conflicts of interest and exercise sound impartial professional judgement, whilst delivering fair treatment, in good faith to clients at all times.

### 3.1.3 **Professionalism**

Professionalism requires members to behave with dignity, showing respect and courtesy to clients, fellow professionals and others, in business related activities, complying with appropriate rules and statutory provisions, regulations and professional requirements, maintaining the profession's public image, whilst serving the public interest.

The elements of professionalism include:

- Acquiring and mastering intellectual skills through continuing professional development and experience, and basing decisions on a clear understanding of client needs, priorities, concerns and circumstances and ensuring that all professional advice is accurate and suitable for the individual client.
- Accepting and embracing responsibilities to the Institute, general public, fellow members, clients, employees and employers.
- Rendering service of a high standard in accordance with the Code and all applicable legal, statutory and regulatory requirements governing professional services provided to clients.

### 3.1.4 **Competency**

Members shall acquire and maintain an elevated level of knowledge, skills and abilities necessary to provide competent professional services.

To maintain the aforementioned competency members shall make a continuing commitment to learning, technical and professional improvement of practice and standards.

### 3.1.5 **Confidentiality**

Members and Officers of the Institute shall maintain the confidentiality of all proprietary and sensitive or valuable information of the Institute, fellow Officers, members and clients, former clients and potential clients, entrusted to them, except when disclosure is authorised or legally mandated.

## 3.2 **STANDARD OF CONDUCT**

An Institute effecting self-regulation shall, and shall be perceived to represent an image of trust and confidence in keeping with its status. Such self regulation shall serve to direct professional members to maintaining and implementing superior standards of conduct in line with its Principles of Conduct, thereby ensuring that the reputation of the Institute is never brought into disrepute.

The Standards of Conduct shall constitute a benchmark and measure to be applied by the Institute and its members for self regulation. The onus rests upon the Institute and its members to strive for compliance with the Standards of Conduct and to monitor and measure their compliance therewith. The role of the Institute shall be to facilitate and assist its members in this regard at all times and in all circumstances.

### 3.2.1 **Professionalism**

The value of Professionalism is fundamental to the prime underlying significance and status of the Institute in its role and existence in the insurance industry. The establishing, overseeing and maintenance of professional standards shall ensure that the Institute secures and retains respect within the industry. Implementing and preserving superior standards of professional conduct, as propounded by the Code, by the Institute serves to uphold and support high principles of conduct by professional members.

Members of the Institute shall at all times display professional conduct and deliver professional service.

### 3.2.2 **Continuing Professional Development**

The Institute shall ensure that it maintains and monitors a process of Continuing Professional Development for its members. The members shall be obligated to ensure that they comply with and adhere to the requirements regarding Continuing Professional Development, as determined by the Institute from time to time and as governed by any statute or regulations.

Members falsifying information regarding their CPD status shall be in contravention of the Code. Members who fail to comply with requirements regarding CPD may have their membership suspended and subsequently terminated. Reinstatement of membership shall be governed by the membership regulations as determined by the Institute.

### 3.2.3 **Conflict of Interest**

Means any situation in which a provider or a representative has an actual or potential financial interest that may, in rendering a financial service to a client, -

[a] influence the objective performance of his, her or its obligations to that client; or

- [b] prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the best interests of that client,

including, but not limited to -

- [i] a financial interest  
[ii] an ownership interest;  
[iii] any relationship with a third party;

Members shall be and be seen to be free of any personal vested interest save where acting in these circumstances is expressly permitted by a Regulator, which might serve to detract from their objectivity and impartiality, always ensuring that such personal interest in no manner whatsoever detrimentally affects and prevents the member from rendering an unbiased and fair financial and insurance service to that client, or from acting in the best interest of that client.

Members shall make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity, or interfere with their respective duties to their clients, prospective clients or fellow members.

Members must ensure that such disclosures are prominent, delivered in plain language and that the relevant information is communicated effectively and transparently.

#### 3.2.4 **Fiduciary Responsibilities**

Fiduciary duties fall into two broad categories: the duty of loyalty and the duty of care. Members shall at all times conduct themselves in a loyal manner determined by the Code of conduct and Principles and Standards of Conduct and contained therein and in accordance with behavioural norms and convictions which render such professional member worthy of membership of the Institute.

The Institute shall exercise the responsibility of the promotion and inculcation of a deep seated notion and practice of an ethical and a risk-averse approach, by instilling the appreciation and practice of sound and cooperative governance principles and sustainability through conscientious execution of duties of care, consideration and diligence, by its professional members in their striving to develop their full potential and to realise their respective aspirations.

The Institute shall vigilantly exercise its authority to monitor and ensure adherence by its professional members to the provisions of the Code of Conduct of the Institute and to statutory rules and regulations of the industry.

#### 3.2.5 **Responsibilities to the Institute**

In carrying out their responsibilities to the Institute members and Institute officers and staff shall protect the Institute's reputation and its assets ensuring their efficient use and that they are utilised for legitimate Institute business purposes.

- Members shall comply with all applicable renewal requirements specified by the Institute, including but not limited to, payment of annual fees;
- Members shall abide by the terms of all agreements with the Institute, including, but not limited to the proper use of all relevant professional designations;

- Members shall comply with all Institute requirements, including those regarding continuing professional development, in order to retain the right to use the relevant professional designations.
- Members shall update changes to contact information, including e-mail address, telephone number[s] and physical address, by way of the Institutes renewal process within the time frame specified by the Institute.
- Members shall not engage in conduct that reflects adversely on their integrity or suitability as a professional member, or the profession as a whole.
- Members are obliged to cooperate with fellow professional members to enhance and maintain the profession, and the Institute's public image, and to work jointly with other professional members to improve the quality and fairness of service, both internally and to the public.
- Members shall show respect for other professional members by engaging in fair and honourable competitive practices.
- Should members have reasonable knowledge of another member having committed a violation of this Code or any other law, which raises substantial questions regarding member's honesty, trustworthiness or suitability as a member of the Institute, they shall promptly inform the Institute thereof. This principle does not require disclosure of information or reporting based on knowledge gained as a consultant or expert witness in anticipation of or related to, litigation or other dispute resolution mechanisms.
- Professional members who have such knowledge which could, under the circumstances, reasonably warrant further investigation of a case of unprofessional, fraudulent or illegal conduct by another professional member, shall promptly inform the appropriate regulatory authority and/or the Institute. This principle does not require disclosure of information or reporting based on knowledge gained as a consultant or expert witness in anticipation of, or related to, litigation or other dispute resolution mechanisms.
- Members shall not use this section of the Code to report, or threaten to report, information to the Institute if the only substantial reason for such report is to harass, maliciously injure, embarrass and/or unfairly prejudice or burden another professional member.
- Members must comply with the Institute's disciplinary regulations concerning the handling of complaints, dispute resolution and disciplinary procedure.
- Members of the Institute shall not give the impression that they are representing the views of the Institute unless they have been authorised to do so by the Institute. Therefore, personal opinions shall be clearly defined as representing the views of the member and not those of the Institute.
- In all activities, members shall perform services in accordance with the applicable laws, rules and regulations of government and other applicable Regulatory Authorities, including the Code established by the Institute as amended from time to time, and ensure, as far as possible that their respective organisations are suitably regulated and have effective compliance regulations.

- Failure to comply with the Code may result in disciplinary action against the member by the Institute with the consequence of adverse publicity for such member and the relevant organisation and the Institute.

### 3.2.6 **Remuneration**

The income and property of The Institute, whence so ever derived, shall be applied solely towards the promotion of the objects of The Institute. The Institute shall not engage in any transaction with a view to the personal gain or profit of it's members. No member shall make a profit out of his membership except in the case of and as a salaried officer of The Institute.

## 4. **REVIEW OF THE CODE**

The IIG Code shall be reviewed at least every three years and/or on an ad hoc basis, when and if deemed necessary.

The review process shall take into account any changes to objectives, operational matters and needs of the Institute, its members, the insurance industry and society at the time of review.

## 5. **COMPLIANCE PROCEDURES**

Any waiver of any provision of this Code may only be made by the Council after deliberation and a determination by such Council that appropriate controls to protect the Institute are in place. Suspected violations of this Code shall be communicated to the President. Violations shall be investigated by the President or by a person or persons designated by the President / Council, and appropriate action shall be taken in the event of any violations of the Code.

The Code establishes a complaints procedure to be pursued in accordance with the Regulations of the Institute, but does not create any new legal rights for clients and consumers and the procedures will not deal with any complaints which have already been referred to an Ombud or Court of Law.

If an Institute member fails to comply with this Code, and after a facilitation and mediation process followed by the Institute, to resolve the issue has failed to resolve the matter, a complaint may be lodged, which will be investigated by the Disciplinary Committee of the Institute. This Committee may impose sanctions on such members concerned.

The Code's compliance procedure will be followed when a complaint has not been resolved through the member's internal processes, and when the complaint does not fall under the jurisdiction of an established Ombudman or is not directly related to non-compliance with this Code.

Situations of the above nature shall, however, be monitored by the Institute, which shall be entitled, if required, and at its discretion, to take its own independent action where considered appropriate in the circumstances.

The Institute continually strives to be a proudly South African organisation with world class ethics, having professional responsibilities to a variety of stakeholders of diverse cultures, races and customs, to clients, to stakeholders, to members inter se, to the communities in which it conducts business and to the Council members within the Institute, and such fundamental ethical standards are universal and shall never be compromised.

6. **GUIDANCE**

Guidance and advice in respect of the application of this Code can be obtained from the Institute at the following contact details:

**Tel:**

**International Tel: +**

**e-mail:**