

INSURANCE INDUSTRY OF ST. VINCENT & THE GRENADINES

CODE OF ETHICS

Persons engaged in the insurance industry of St. Vincent & the Grenadines have a responsibility to the public and other members of the profession, to at all times conduct themselves in a manner which will not bring disrepute to either the public, themselves or *the industry*. To this end, a Code of Ethics is necessary so as to:

- a) **Define and promote standards of ethical behaviour among persons engaged in the insurance industry;**
- b) **Facilitate effective functioning of insurance personnel, in accordance with proper insurance industry practice;**
- c) **Project a positive image of the industry, as one dedicated to serving the public interest, in a fair and honest manner.**

Definition

Unless specifically stated, for the purposes of this Code, ***Insurance Personnel*** shall be deemed to include any person engaged in the business of insurance as defined by The Insurance Act No. 45 of 2003, as well as persons in their employ, whether salaried or on a commission basis, engaged in the business of insurance.

General

1. Insurance Personnel shall observe the rules of this Code, maintain their integrity and the honour and dignity of the profession, and encourage others to act similarly in the practice of the profession, and shall refrain from conduct which is detrimental to the profession or which may tend to discredit it.
2. Insurance Personnel shall seek the interest of the policy owners as they would their own interest and advise them to the best of their ability and responsibility without bias and without regard for personal advantage.
3. Insurance Personnel shall not endeavour, whether directly or indirectly to attract clients by unfair means, including the criticism of a competitor.
4. Insurance Personnel shall not unlawfully breach their clients' confidences regarding the policyholders' personal and business affairs.
5. Insurance Personnel shall not make false or misleading statements or representation to policy owners or prospective buyers and should at all times be guided by a policy of *Utmost Good Faith*.
6. Insurance Personnel shall bring to the attention of the Association without fear or favour, and/or before the proper tribunals, unprofessional or dishonest conduct

by any other insurance person.

7. Insurance Personnel shall not refuse, without cause, someone proposing for insurance.
8. Insurance Personnel shall treat clients and third party litigants with fairness and courtesy, refraining from all offensive personal references.
9. Insurance Personnel shall at all times acknowledge and act promptly upon communications with respect to claims arising under insurance policies.
10. Insurance Personnel shall at all times adopt and implement reasonable standards for the prompt investigation of claims.
11. Insurance Personnel shall at all times affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed.
12. Insurance Personnel shall at all times act in good faith, to effectuate prompt, fair and equitable settlement of claims in which liability has become clear.
13. Insurance Personnel shall at no time attempt to circumvent their obligations by attempting to settle a claim for less than the fair amount due.
14. (a) Insurance Personnel shall at no time delay the settlement of a claim where liability has become clear under one portion of the policy in order to influence settlements under other portions of the policy.

(b) Where there are several heads of a bona fide third party claim, settlement under one aspect shall not be delayed simply to influence the settlement of the remaining aspects.
15. Insurance Personnel shall at no time make payments to clients without an explanation about how the figures were arrived at.
16. Insurance Personnel shall at no time prior to the commencement of Arbitration proceedings, attempt to intimidate claimants by threatening a policy of appealing awards in favour of the claimants.
17. Insurance Personnel shall at no time seek to repudiate liability on the grounds of non-disclosure of material facts, which material facts a claimant could not be reasonably expected to have known either at policy inception or during its currency.
18. Insurance Personnel shall at no time seek to repudiate liability on the grounds of non-disclosure of material facts or the misrepresentation of material facts if knowledge of the fact would not materially have influenced the insurer's judgement in the acceptance or assessment of the insurance, provided such non-disclosure or misrepresentation was not deliberate.

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19. Insurance Personnel shall at no time seek to repudiate liability where there has been a breach of warranty or condition but the circumstances of the loss are unconnected to the breach.
20. Insurance Brokers shall at all times act in the best interests of their clients, representing them honestly, competently, zealously and endeavour by all fair and honourable means to obtain for them the benefit of any and every remedy and defence which is authorised by law.
21. Insurance Brokers shall at all times endeavour to place the interests of their clients above all else, so long as this is done within the law.
22. Insurance Personnel shall observe all laws governing unfair trade practices and unfair contracts as stipulated by subsidiary legislation.

Everyone within the Insurance Industry shall at all times uphold:

- **The basic tenets of insurance and the letter and spirit of this code with fidelity to public needs**
- **Fairness to fellow industry employees as well as consumers**
- **Commitment to high standards of honour and professional integrity**
- **Loyalty to and confidence in the objectives of the Insurance Association of St. Vincent & the Grenadines.**

In pursuit of the foregoing rules, a Disciplinary Committee shall be established for the purpose of dealing with complaints against Insurance Personnel. (Appendix A).

Appendix A

The Disciplinary Committee

Composition

The Disciplinary Committee, (hereinafter referred to as the Committee), shall consist of the President of the Association (as chairperson), an attorney at law and a member nominated by the office of the Supervisor of Insurance. Where the matter involves the president, the Association's Vice President will substitute .

Term of office

While the Association's nominee shall hold office to coincide with their tenure as the Association's President, the two other officers shall hold office for a period of two (2) years.

Resignation

A member of the Committee may at any time resign his office by letter addressed to the Chairman of the Association.

Filling of Vacancies

Where a member of the Committee vacates his seat before the expiration of his term of office, a person similarly qualified to him shall be appointed in a similar manner to fill the vacancy for the remainder of that term of office.

Liability for Default of Committee

No member of the Committee shall be personally liable for any act or default of the Committee done or omitted to be done in good faith in the performance of his/her functions under the Code.

Proceeding at Meetings

1. The Committee shall meet in private at such times as may be expedient for the transaction of business and such meetings shall be held in such places and times and on such days as the Committee shall determine.
2. The Chairman shall preside at all meetings, and provide a written report, signed by all three members, to the Executive of the Association.
3. The Committee shall have the power to regulate its own proceedings.

Rules

1. All complaints shall be in writing and addressed to the Secretary, Insurance Association of St. Vincent and the Grenadines

2. Before fixing a date for a hearing, the Committee may require a complainant to supply such further information and documents relating to the allegations, and in any event where in the opinion of the Committee no prima facie case is shown, the Committee may, without requiring the respondent to answer the allegations, dismiss the complaint and notify the complainant of the dismissal.
3. In any case in which, in the opinion of the Committee, a prima facie case is shown, the Committee shall fix a day for the hearing and the Secretary shall serve notice thereof on the complainant and the respondent. A copy of the complaint shall accompany the notice to the respondent.
4. The notice shall not be less than fourteen (14) days.
5. If either or both parties fail to appear at the hearing, the Committee may, upon proof of service of the notice of the hearing, proceed and act upon evidence given by affidavit if the same exists.
6. The Committee may in its discretion, either as to the whole case or as to any particular facts, proceed and act upon evidence given by affidavits.
7. If the findings and order of the Committee are not pronounced on the date of the hearing, notice shall be given to the parties of the date when the findings and order will be pronounced.
8. An appeal to any order of the Committee shall be made to and heard by the Executive of the Insurance Association of St. Vincent. Such appeal shall be presented no less than fourteen (14) days following the findings and order of the Committee.
9. A failure to abide by the order of the Committee (if no appeal is made) or the executive (if an appeal is lodged) shall result in the matter being placed for the attention of the Supervisor of Insurance for his determination.

Penalties

The Committee shall have the power to impose fines not exceeding \$500 on individuals and \$3000.00 on companies in respect of breaches of the Code, and such fines must be approved by two-thirds of the Executive.

Where the Committee considers the allegation sufficiently serious, it shall have the power to recommend suspension or removal from the list of companies in the case of companies, or suspension or revocation of licenses in the case of salespersons, brokers or adjusters. However, such suspensions or revocations will have effect only if ratified by two thirds of the Executive of the Insurance Association of St. Vincent and the Grenadines.

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