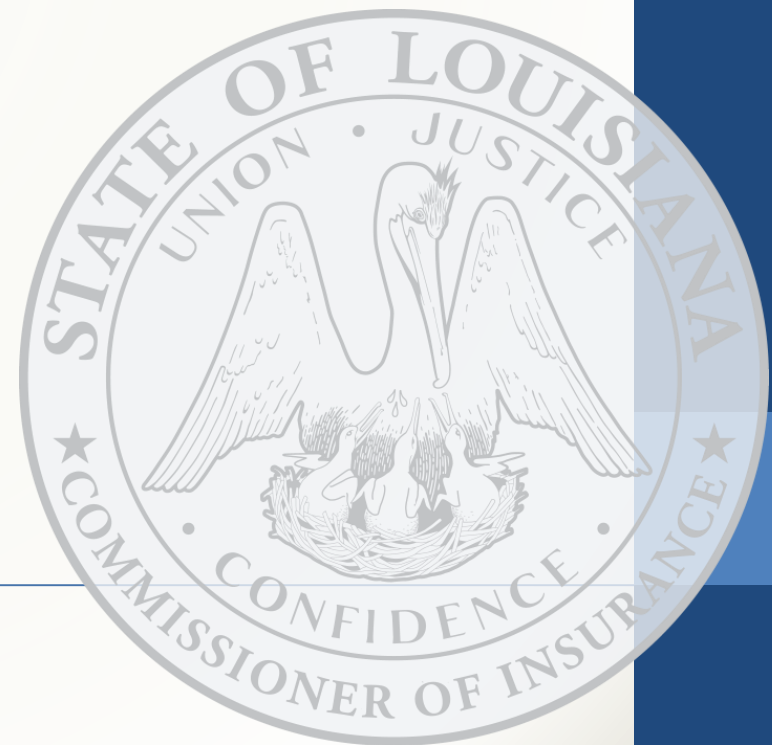


LA Department of Insurance

Ethics Training for Producers

Ron C. Henderson, Esq.

Deputy Commissioner of Consumer Advocacy & Diversity





Disclaimer

The information in this presentation is intended to provide a general overview of the issues contained herein and is not intended, nor should it be construed, to provide specific legal or regulatory guidance or advice. If you have any questions or issues of a specific nature, you should consult with appropriate legal or regulatory counsel to review the specific circumstances involved.



Learning Objectives

- To **gain** *insight* into why ethical behavior is important
- To **understand** why the terms *ethical* and *moral* are quite different, and why confusing them presents problems
- To **familiarize** yourself with *inherent conflicts* in being ethical

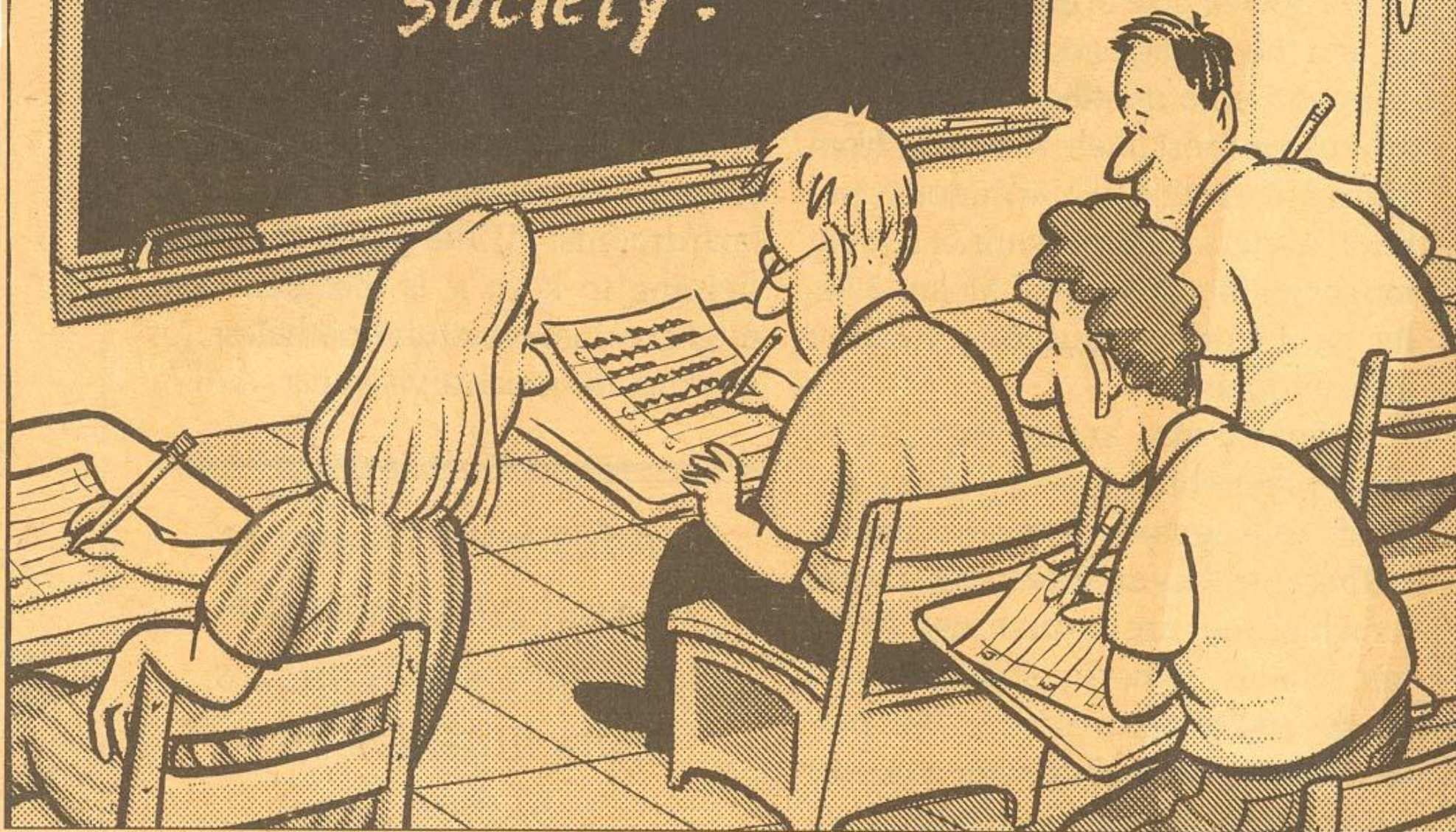


Learning Objectives Cont'd

- To **understand** the **value** of a code of ethics
- To **observe** the **ethical dilemmas** in common insurance situations
- To appropriately **address ethical predicaments** using the information provided in this presentation
 - If it wasn't hard, everyone would do it!

How important are
ethics in today's
society?

ST. PETERSBURG TIMES *RAMON*





Today's Headlines

Are they “moral” or “ethical” issues?



- Corporate cheating and corruption
- Corporate criminal behavior
- Individual profiteering
- Stock manipulation
- Insurance
 - Misrepresentation or concealment
 - Using policyholder funds for personal purposes
 - Using lower sales or payroll figures in order to write an account



Morality versus Ethics: There is a Difference

- Morality and Right vs. Wrong decisions
 - Lying vs. telling the truth
 - Paying vs. stealing
 - Following the rules vs. cheating
 - From the heart and the brain
 - Feels like the right thing
 - According to the way I was taught, this IS the right thing to do.



How do you tell right from wrong?

1. Legal Test
2. Professional Standards Test
3. Gut-feeling Test
4. Front-page Test
5. Role Model Test



How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living

By Rushworth M. Kidder www.globalethics.org

How do you tell right from wrong?

- Legal Test



How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living
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How do you tell right from wrong?

- Legal Test
- Professional Standards Test



How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living

By Rushworth M. Kidder www.gloablethics.org

How do you tell right from wrong?

- Legal Test
- Professional Standards Test
- Gut-feeling test

How do you tell right from wrong?

- Legal test
- Professional standards test
- Gut-feeling test
- Front-page test



How do you tell right from wrong?

- Legal test
- Professional standards test
- Gut-feeling test
- Front-page test
- Role-model test





Ethics Quotes

Even the most rational approach to ethics is defenseless if there isn't the will to do what is right.

- Alexander Solzhenitsyn

For the year after I left government service, I worked as a consultant to the Republican National Committee, because the lawyers advised that was the proper way for me to comply with ethics regulations and continue to advise the President.

- Karen Hughes

An ethical person ought to do more than he's required and less than he is allowed to do.

- Albert Schweitzer



Ethics Quotes Cont'd

I had taken a course in Ethics. I read a thick textbook, heard the class discussions and came out of it saying 'I hadn't learned a thing I didn't know before about morals and what is right or wrong in human conduct.'

- Carl Sandburg

Live one day at a time emphasizing ethics rather than rules.

- Wayne Dyer

No matter what definition of ethics you examine, ethics is not primarily about standards, rules, and sanctions in isolation from society. Ethics is about people and their relationships with one another.

- Linda M. Williams, Ph.D., Founder, The Williams Institute for Ethics and Management



Ethical Considerations

1. Governmental Ethics
2. Producers
3. Attorneys
4. Adjusters
5. Company Personnel



Governmental Ethics

“When a man assumes a public trust, he should consider himself as public property.”

Thomas Jefferson, 1743-1826



Governmental Ethics Cont'd

- Most states have laws which govern the behavior of public employees. The laws address employee interaction with third parties. This can include contractors, insurance companies as well as the general public.
- These laws generally address lobbying and to a certain extent the public employees ability of participate in the political process.



Who is Governed by State Ethics Laws?

1. Public employees
2. Elected and appointed Officials
3. State Board Members
4. Family members of designated persons
5. Third parties contracting with the State
6. Lobbyists



Purpose of Governmental Ethics Laws

Louisiana

“It is essential to the proper operation of democratic government that elected officials and public employees be independent and impartial; that governmental decisions and policy be made in the proper channel of the governmental structure; that public office and employment not be used for private gain other than the remuneration provided by law; and that there be public confidence in the integrity of government. The attainment of one or more of these ends is impaired when a conflict exists between the private interests of an elected official or a public employee and his duties as such. The public interest, therefore, requires that the law protect against such conflicts of interest and that it establish appropriate ethical standards with respect to the conduct of elected officials and public employees without creating unnecessary barriers to public service. It is the purpose of this Chapter to implement these policies and objectives.” LA R.S. §42:1101(B)



Governmental Ethics

1. Gifts and incentives
2. Food and drink restrictions
3. Travel-related matters
4. Outside employment
5. Conflict of interest
6. Other considerations
7. Disciplinary actions



Gifts and Incentives

- Most states have limitation on the acceptance of gifts by government employees. Some states prohibit any gift from a “prohibited source” while other states allow the acceptance of gifts in limited situations.
- Gifts are generally defined as anything of monetary value accepted by the person or on that person’s behalf.



Gifts and Incentives Cont'd

Louisiana

No public servant shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person who has or is seeking a contractual, business, or financial relationship with the public servant's agency.



Exceptions to Gift Prohibition

- Teacher exception
- Complimentary admission for the benefit of an educational institution
- Promotional items having no resale value
- Gifts accepted on behalf of the state that become state property
- Flowers or a donation in connection with death if the value does not exceed \$100



Exceptions to Gift Prohibition Cont'd

- Necessary expenses
 - A public servant may receive payment or reimbursement for necessary expenses if he, in his official capacity, actively participates in an educational or professional development seminar or conference. For example by giving a speech or presentation or running a workshop.
 - Necessary expenses are limited to:
 - Travel (coach or economy class)
 - Lodging (standard cost of room for the nights before, of, and immediately following the event)
 - Admission

Expense payments also do not include payment of expenses for family members or other guests. Must file ethics form within 60 days after acceptance.

Must have agency approval. Must be invited by a civic, non-profit or political organization.



Food and Drink Restrictions

Louisiana

No person from whom a public servant or public employee is prohibited from receiving a thing of economic value shall give to such a public servant or public employee any food, drink, or refreshment the total value of which exceeds fifty dollars for a single event at which food, drink, or refreshment is given. The total value of the food, drink, or refreshment given to a public servant or public employee at any single event shall not exceed fifty dollars, regardless of the number of persons subject to the provisions of this Subsection giving food, drink, or refreshment to the public servant or public employee at the single event.





Exceptions to Food and Drink Rule

- Food or drink consumed at a gathering of a national or regional organization, a meeting of a statewide organization of government officials, or employees to which at least 10 individuals associated with the organization are invited
- Public servant of a post-secondary institution in an event held for fundraising from private individuals for the benefit of the institution



Outside Employment

- Generally Prohibited
 - If the outside employment is with a person who does or is seeking to do business with the employee's agency
 - If the employee's agency regulates the entity
 - If the employee or his family has an economic interest which may be affected by the performance or non-performance of the employee's official duties
 - If the outside employment is related to official duties
 - If there is an appearance of impropriety.
 - In several states, any outside employment must be approved by agency prior to accepting



Conflict of Interest

- Conflict of interest is any situation in which a person has an actual, potential, or perceived interest that may:
 - Influence the performance of their duties and responsibilities toward their agency.
 - Compromise or appear to compromise their professional judgment or integrity in performing their official duties.
 - Prevent a person from rendering unbiased and fair services to their agency and from acting in the best interest of their company.



Conflict of Interest Cont'd

- Most conflicts of interest concerns are covered by the State governmental laws which were discussed earlier.
- Most departments require that you avoid transactions which involve an insurance company under the supervision and regulation of the department.
 - This does not include purchase of insurance for personal use or involving a personal insurance dispute.
- Also avoid such transactions with agents, producers or others which the department regulates.



Conflict of Interest Cont'd

- Most conflicts of interest concerns are covered by the state governmental laws, which were discussed earlier.
- Most departments require that you avoid transactions, which involve an insurance company under the supervision and regulation of the department.
 - This does not include purchase of insurance for personal use or involving a personal insurance dispute.
- Also avoid such transactions with agents, producers or others which the department regulates



Reconciling Conflicts

- Producers may find it difficult to reconcile the competing interests of prospective insureds and insurers.
- The best way to solve this problem is to act in the interest of the insurer.
 - The insurer can best serve its customers if it is fully aware of all relevant facts when underwriting risks.



Other Considerations

- Undue influence
- Abuse of office
- Nepotism
- Post-employment issues



Disciplinary Actions

- Actions, which can be taken for a violation of state ethics rules, vary from censure to prison terms.
- They can include:
 - Fines
 - Forfeiture of the gift or payments received
 - Removal or suspension from employment
 - Demotion
 - Prison



Why is Ethical Behavior Important to the Insurance Industry?

- The nature of our business demands that we operate in an ethical manner.
- Fiduciary relationship exists between an agent/broker and his or her clients.
- Trust with:
 - Policyholders
 - Insurance carriers
 - The public-at-large



Why is Ethical Behavior Important Cont'd

- Specific state rules and statutes demand ethical behavior or you face the risk of:
 - Suspension or revocation of license
 - Penalties and fines
- Damage to personal and organizational reputation
- Errors and Omissions (E&O) claims
- Potential loss of carrier appointments



Licensing

- All states require that producers and brokers be licensed before transacting insurance.
- The criteria to obtain a license varies from state to state.
 - Most have continuing education requirements.
- The purpose of licensing is to ensure that producers are knowledgeable and aware of the ethical issues they will face in doing business.



Producer Responsibilities

- Producers are primarily responsible to the insurer.
 - Must help the insurer place appropriate risks.
 - Must help the insured obtain coverage appropriate to the insured's needs.
- All producers owe duties to the insurer, the policyholder, their profession, their licensing states, and to the public-at-large.



Insurance Agents

- Solicit insurance transactions and help place risks on behalf of an insurance company
 - Deliver policies
 - Collect premiums
- Can bind the insurer to the extent of the agent's authority.
- Are fiduciaries of the insurer



Independent Agents

- Independent producers represent several insurance companies:
 - This poses difficulties in determining which business to send to each company
 - Independent agent may renew a policy with a different insurer if the policyholder approves.
- Independent producers may be required to place a certain amount of business with each insurer.
 - Creates further conflicts.



Excess/Surplus Lines Brokers

- Excess/Surplus Lines brokers are brokers that place excess or surplus lines insurance risks.
 - These risks are often difficult to write.
- These brokers must ensure that the insurers they work with are permitted to write excess lines policies in their jurisdiction.
- The Non-admitted and Reinsurance Reform Act (NRRA) simplified tax collection for excess brokers.



Brokers as Producers

- Brokers are producers of their clients – prospective insureds
 - Thus, brokers owe duties primarily to clients.
- However, brokers owe some duties to insurers, including:
 - Complete and accurate disclosure on insurance applications
 - Due diligence
 - Integrity



Responsibilities to the Insurer

- Producers are fiduciaries of the insurer.
- The legal relationship is established by the written contract, which both parties negotiate and sign.
- Producers must diligently execute their duties, including:
 - Inspecting risks
 - Binding the insurer by agreement with the prospective insured
 - Collecting premiums
 - Disclose all relevant facts
 - Premium Handling
 - Due diligence
 - Issue binders



Compensation

- Compensation is a major duty principals owe their agents.
 - Each party owes duties to the other, but both also expect to profit from the relationship
- Compensation is usually in the form of commissions.
 - May vary by line and whether the policy is new business or a renewal
- Some insurers award lower commissions for renewals.
 - This creates an incentive for producers to place that business with a different carrier rather than renew.
 - The agent should only do what is in the interest of his or her principal.



Indemnity

- The principal must indemnify its agents for costs incurred from claims arising from the course of the agent's fulfilling his or her duties to the principal.
 - This is part of the principal's agreement to be bound by the agent's actions.
- However, the principal can recover costs from an agent that breaches his or her contract.
 - Occurs when an agent breaches a duty



Responsibilities to the Profession

- The temptation to use unfair tactics against competitors is strong.
 - Misrepresenting the competence or integrity of other producers must be resisted.
 - It is also dishonest for a producer to misrepresent his or her own experience.
- Unfair tactics reflect poorly on the producer profession and the industry as a whole.



Responsibilities to the State

- Both the federal and state governments regulate the insurance industry, but the states are the primary regulator.
 - The federal government regulates areas such as anti-trust and labor.
- Ethics and professional responsibility are regulated by the states.
- There is variation between the states of the nuances of what is permitted.
 - For example, some states use the term “marketing practices” and others use “unfair trade practices” to refer to aspects of producer ethics.



Responsibilities to the Federal Government

- The federal government has exerted increased influence on insurance regulation since the 2008 financial crisis.
 - The 2010 Dodd-Frank Act established the Federal Insurance Office (“FIO”).
 - FIO monitors U.S. insurance regulation.
- The National Association of Registered Agents and Brokers (“NARAB”) is an entity that would provide for multi-state producer licenses.
 - Congress has yet to enact a statute creating NARAB.



Responsibilities to the Public

- Primary responsibility is the maintenance of a positive image of the insurance industry.
 - Maintain professional integrity
 - Deal fairly and promptly with members of the public
 - Provide full and truthful information to prospective insureds
- Producers should maintain their integrity at all times.
 - Negative stories are likely to be amplified as they circulate through the public in the news or by word-of-mouth, but positive stories are likely to be ignored.

Handling Client Information and Funds



Confidentiality

- Insurance producers necessarily obtain access to large amounts of a client's personal information.
 - It would often be harmful to the client if this information was made public.
 - Cyber Security
- Producers must take appropriate measures to safeguard client information.
 - Information should not be released without the client's permission.



Confidentiality Cont'd

- State and federal laws mandate that certain practices be observed to safeguard customers' personal information.
 - Federal laws:
 - Fair Credit Reporting Act
 - Gramm Leach Bliley Act
 - Health Insurance Portability and Accountability Act ("HIPAA")
 - These federal laws often mandate that the states adopt standards.
- If personal information is lost or stolen, the entity must usually notify state authorities and affected individuals.



Confidentiality vs. Disclosure

- The producer's duty of confidentiality is made complicated by the fact that he or she must fully disclose to the insurer of all material facts concerning the client's application.
- Thus, the producer must fully inform the client of all information that the insurer will consider.
 - The client will then be better able to make decisions regarding coverage.



Premium Handling

- There are two methods of paying the insurer for an insurance policy:
 - The insured directly pays premium to the insurer.
 - The insured pays the agent or broker, who in turn, forwards the premium to the insurer.
- Producers must ensure that all laws are complied with when handling premium.
 - Fidelity bonds



Commingling Funds

- Proper premium handling is part of a producer's fiduciary duties to an insurer.
 - Part of this duty is the prohibition on commingling funds.
- Producers cannot commingle premiums held for the insurer with other business or personal funds.
- Premiums should be kept in a separate trust account.



Unfair Trade Practices

- Unfair trade practices refer to any acts that are deceptive or unfair with regards to the issuance of insurance policies or the settlement of claims.
 - Producers sometimes violate unfair trade practices' acts when soliciting prospective policyholders or when explaining coverage.
- The NAIC developed the Unfair Trade Practices Model Law, which has been substantially adopted in a majority of the states.
 - The Model Law prohibits unfair trade practices.



Twisting

- Twisting is the act of convincing a policyholder to drop one policy and buy a new one with no real benefit to the policyholder.
 - Some misrepresentation is usually involved to convince the policyholder to make the change.
 - Unscrupulous agents may engage in this practice to earn a commission.
- Twisting is illegal in most jurisdictions.
 - It is a breach of the duty to fully disclose.



Rebating

- Rebating is the practice of offering some valuable inducement in order to encourage a person to purchase insurance coverage.
 - It may be a payment from the producer's commission or other gift of value.
- It is illegal in most states, and in some states it is a crime.
 - Producers are usually barred from receiving a commission if they offer a rebate to a policyholder.



Redlining

- Redlining is the practice of refusing to write homeowner's or renter's insurance based solely on the geographical location of the property.
 - Redlining usually results in discrimination against people living in minority neighborhoods.
- Redlining may also include other practices that have the effect of limiting access to insurance in these areas.
 - Producers may be complicit in some of these practices, such as consistently failing to return calls to individuals in minority neighborhoods.
- These practices are illegal under the federal Fair Housing Act.



Ethics and Common Sense

Example: Insured asks an agent to back-date coverage to cover a known claim.





Approaches to Ethical Decisions

1. Situation-Based
2. Rule-Based
3. People-Based



Situation-Based



- Do whatever provides the greatest good for the greatest number.
- What is the best possible outcome given these circumstances?
- Involves predicting results of your decision.



Rule-Based



Follow the rules, and let the chips fall where they may.



People-Based



- Follow the Golden Rule: what would you have others do if faced by the same situation?
- Put yourself in the other person's shoes.



Inherent Weaknesses



Situation-Based:

Do the ends justify the means?

Rule-Based:

What should the rules be?

People-Based:

Who is to say if the moral code of the decider is good or bad?

Codes of Ethics can help overcome weaknesses



"A 34% cut in our corporate ethics should return us to profitability."



Ethics

- Right vs. Right decisions
- Come from the head:
 - Codes of expected behavior
 - Approved guidelines
 - Derived from morals

*Justice is truth in action.
Benjamin Disraeli*



Ethics: Tough choices

Right vs. right dilemmas have four common patterns:

1. Truth vs. Loyalty
2. Individual vs. Community
3. Short-term vs. Long-term
4. Justice vs. Mercy



Ethics: Tough choices

Truth versus Loyalty





Ethics: Tough choices

Individual vs. Community





Ethics: Tough choices

Short-term vs. Long-term





Ethics: Tough choices

Justice vs. Mercy





Ethics: Other Definitions

Doing the right thing
when no one is
looking.



To the extent we do not
learn to regulate
ourselves, the law will
move in to fill the void.



Ethical Values

- Words or ideas that help us to choose the right thing to do
- Important beliefs and desires that shape attitudes and motivate actions

Class Exercise:
What makes a person good?



Provide set, agreed-upon guidelines for the behavior of those who adhere to them.

The screenshot shows the AAMGA website. At the top is a navigation bar with links: MEMBERSHIP, NEWS, ABOUT, EDUCATION, COMMITTEES, DOCUMENTS, UNDER FORTY, and FA. Below this is a large blue banner with white text that reads: 'Representing over 500 Members; Entrusted with over \$27 Billion in annual premiums'. Below the banner is a red bar with the text '» FIND AN AAMGA MEMBER' and a 'Search' button. The main content area has a light blue header with a link '> Code of Ethics'. Below this, the text states: 'The principals, officers and employees of AAMGA members have certain obligations to one another, to the insurance industry, and to the communities in which business is conducted. Our goals and obligations fall into six broad categories.' This is followed by a numbered list: 1. Financial, 2. Intra-organizational, 3. Relationships with our sub-producers, 4. Relationships with insurance companies, 5. Legal responsibilities, and 6. Community obligations. The '1. Financial' item is expanded, showing the text: 'As AAMGA members, we must meet all financial obligations (i.e. debts owed, premiums due companies, returns due to sub-producers and insureds, and other matters) on a timely basis.'

ABOUT THE CODE OF PROFESSIONAL ETHICS

This is a brief summary of information appearing in greater detail in the Code of Professional Ethics, which is among the CPCU 1 study materials.

All CPCU candidates and CPCUs are bound by the Code of Professional Ethics of the American Institute for CPCU. The Code describes both high goals and minimum standards of conduct.

1. The high goals described in the Canons challenge all CPCUs and CPCU candidates to aspire to the highest level of ethical performance in all of their professional activities.
2. The minimum standards of conduct, described in the Rules, maintain the integrity of the CPCU designation. CPCUs and CPCU candidates are obligated to at least meet the minimum standards in the Rules, and failure to do so may



Ethical Code of Conduct

- Provides guidance and direction on both ethical and moral issues.
- Establishes consequences for non-performance.
- Takes many forms:
 - Written
 - Built into the culture of the organization
 - Evolves over time to reflect changes in society



Ethical Code of Conduct Cont'd

- Organizations with a Code of Conduct and/or Value Statements:
 - The Institutes/Society of CPCU
 - American Association of Managing General Agents
 - National Association of Professional Surplus Lines Offices
 - International Association of Insurance Professionals



Professional Organizations' Code of Ethics

- Most professional organizations have ethical guidelines or codes to govern the activities of their members.
- The failure of members to adhere to these Codes or guidelines can result in sanctions up to and including termination from the organization.
 - Chartered Property Casualty Underwriters (CPCU)
 - State Bar Associations (ABA)
 - American Institute of CPAs (AICPA)



Professional Organizations' Code of Ethics Cont'd

American Bar Association (ABA)

- Maintaining the Integrity of the Profession
- Rule 8.4 Misconduct
- It is professional misconduct for a lawyer to:
 - (a) violate or attempt to violate the Rules of Professional Conduct, knowingly assist or induce another to do so, or do so through the acts of another;
 - (b) commit a criminal act that reflects adversely on the lawyer's honesty, trustworthiness or fitness as a lawyer in other respects;
 - (c) engage in conduct involving dishonesty, fraud, deceit or misrepresentation;
 - (d) engage in conduct that is prejudicial to the administration of justice;
 - (e) state or imply an ability to influence improperly a government agency or official or to achieve results by means that violate the Rules of Professional Conduct or other law; or
 - (f) knowingly assist a judge or judicial officer in conduct that is a violation of applicable rules of judicial conduct or other law.



Professional Organizations' Code of Ethics Cont'd

American Institute of CPAs (AICPA)

- Preamble
 - These Principles of the Code of Professional Conduct of the American Institute of Certified Public Accountants express the profession's recognition of its responsibilities to the public, to clients, and to colleagues. They guide members in the performance of their professional responsibilities and express the basic tenets of ethical and professional conduct. The Principles call for an unswerving commitment to honorable behavior, even at the sacrifice of personal advantage.
- Sample Rule
 - 01 Rule 102—Integrity and objectivity
 - In the performance of any professional service, a member shall maintain objectivity and integrity, shall be free of conflicts of interest, and shall not knowingly misrepresent facts or subordinate his or her judgment to others.

calvin

and

Hobbes

by WATTERSON



GET WHAT YOU CAN WHILE THE GETTING'S GOOD - THAT'S WHAT *I* SAY! MIGHT MAKES RIGHT! THE WINNERS WRITE THE HISTORY BOOKS!





Professional Organizations' Code of Conduct

Disciplinary Actions

CPCU: Reprimand to Revocation of Designation

State Bar: Admonition to Disbarment

AICPA: Suspend, Expel, or Lesser Sanctions as decided by the Board



Ethics: More Perspectives

- Ethics has to do with values...or how individuals are “wired.”
- In general:
 - 10% of people will always do what’s right.
 - 10% of people will always do what’s wrong.
 - 80% of people can go either way depending on the circumstances!
- How do you respond when opportunity meets emotion?

The Ethical Decision Making Model

- Decide whether or not the situation has one or more ethical dimensions.
- Gather all available information.
- Identify and evaluate alternatives.
- Make and communicate your decision.
- Monitor your decision to make sure you would make the same one in the future.

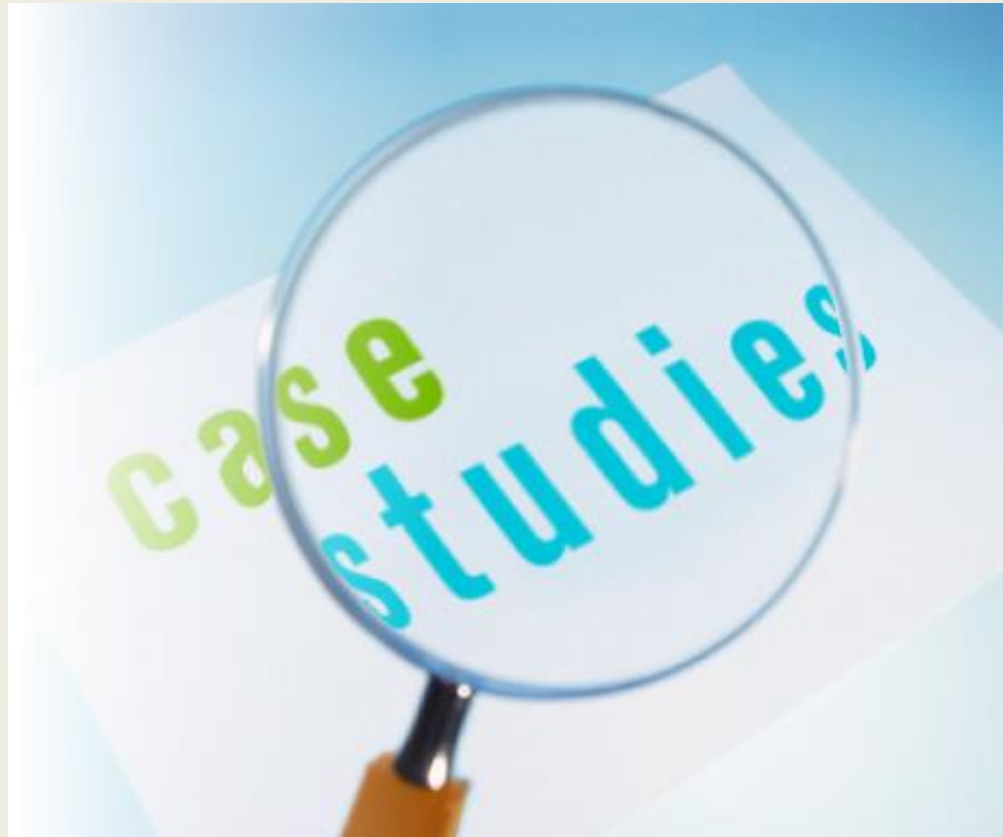
What you need to do:



- Identify the key stakeholders.
- Apply each decision model to the case to determine what you will do.
- Bonus – Can you identify a pattern?
 - Truth vs. loyalty, self vs. community, short term vs. long term, justice vs. mercy.

Case Studies

Insert Audio
Box – Under
insert media



Value of the case study approach:

- Gain experience in working through possibilities.
- Gain comfort in decision-making.
- Explore differences; consider options in a safe, controlled environment.
- Practice makes perfect.



Ethics is Action-based

“Ethics is not about rhetoric, it is not about what we say, or what we intend. It is not a written code or a framed credo. Ethics is about actions. It is about what we do.”

Josephson Institute





Other Ethical Concerns

1. Social Media
2. Record Retention
3. Corporate Governance
4. Whistleblower
5. Third party contractors



Social Media

- Social media has become a major marketing technique for insurance entities.
- Insurers will often be liable for social media content produced by their agents.
 - This is due to the agency relationship.
- Agents must take care that their social media content does not violate unfair trade practices or other laws.
 - The agency contract should provide guidance for agents' use of social media on behalf of the insurer.



Record Retention

- Most states require maintenance of records of advertisements disseminated to the public.
- Maintenance of records of social media content is more complicated than maintenance of traditional advertisements (TV, radio, print, etc.).
 - It is unclear whether just an initial post must be retained, or whether the initial post and all responses must be retained.
 - Users of social media may have to retain content posted by third parties.



Record Retention Cont'd

- Producers should always maintain their integrity through following high ethical standards.
 - It is the right thing to do, and failure to behave ethically can lead to legal liability.
- Maintaining integrity helps producers in the long-run.
 - Insurers and clients seek out producers with good reputations.



Do what is right

“Have the courage to say no. Have the courage to face the truth. Do the right thing because it is right. These are the magic keys to living your life with integrity.”

W. Clement Stone



Closing Words

“Without trust, insurance cannot perform its proper function as a risk management device for companies and individuals. No industry depends more on trust, and this trust comes from a series of events in which ethical values are demonstrated.”

Dr. Norman Baglini, former Chairman and Chief Executive Officer of the American Institute for CPCU, the Insurance Institute of America, and the Institute for Applied Ethics, 1998



Conclusion

“Insurance is an industry affected with the public interest.” LA:R.S. §22:2

Most states recognize that fairness, integrity and trust are integral parts of the Insurance industry.



Louisiana Department of Insurance

Ron C. Henderson, Esq.

Deputy Commissioner, Office of Consumer Advocacy & Diversity