CIRCULAR LETTER

TO ALL NON-LIFE INSURANCE COMPANIES, ITS OFFICERS AND EMPLOYEES, AND THE GENERAL PUBLIC

SUBJECT ENDORSEMENT OF PIRA’S CODE OF ETHICS FOR INSURANCE PROFESSIONALS

WHEREAS, the Insurance Commission considers the Philippine Insurers and Reinsurers Association (PIRA), Inc. as partner in regulating and growing the non-life insurance industry.

WHEREAS, PIRA came up with the Code of Ethics for Non-Life Insurance Professionals1 to uphold the ethics of all non-life insurance company’s officers and employees.

WHEREAS, PIRA imposes on all its company members’ officials and employees and adheres to this Code of Ethics to meet the ethical standards and to maintain the non-life insurance industry’s reputation.

NOW, THEREFORE, the Insurance Commission supports and endorses the Code of Ethics for Non-Life Insurance Professionals, attached hereto as Annex “A”, to strengthen the integrity and reputation of non-life insurance industry and to preserve professionalism in the performance of their duties.

All concerned are hereby enjoined to observe and abide by the Code of Ethics for Non-Life Insurance Professionals.

DENNIS B. FUNA
Insurance Commissioner

1 Annex “A”
CODE OF ETHICS FOR INSURANCE PROFESSIONALS

The Philippine Insurers and Reinsurers Association (PIRA), Inc. encourages the highest professional and ethical standards for the officers and employees of its members.

PIRA looks to all officers and employees of members to meet these standards and to maintain the non-life insurance industry's reputation by adhering to this Code of Ethics (the Code). It sets down the principles which all officers and employees of members should follow in the course of their professional duties.

The key values which set the standards for the behavior of all officers and employees of officers and employees of members in respect of the key stakeholders in sections 1 to 5 are:

A. Behaving with responsibility and integrity in the professional life and taking into account their wider responsibilities to society as a whole. Acting in a courteous, honest and fair manner towards anyone they deal with. Being trustworthy and never putting their interests or the interests of others above the legitimate interests of their stakeholders;

B. Complying with all relevant laws and meeting the requirements of all applicable regulatory authorities, and appropriate codes of practice and codes of conduct;

C. Demonstrating professional competence and due care including: Meeting the technical professional standards relating to their level of qualification, role and position of responsibility; completing their duties with due skill, care and diligence;

D. Upholding professional standards in all dealings and relationships;

E. Respecting the confidentiality of information;

F. Applying objectivity in making professional judgements and in giving opinions and statements, not allowing prejudice or bias or the influence of other to override objectivity.

Officers and employees of members operating in a professional capacity have duties, arising from these key values, to a number of different groups. Within these relationships they should always act ethically and their behavior and conduct should meet the following principles:

A. Relations With Clients
B. Relations In Employment
C. Relations With Regulators and the Law
RELATIONS WITH CLIENTS

Officers and employees of members will seek to earn and maintain the trust of their clients at all times and should:

1.1 Give fair and proper consideration and appropriate priority to the interests and requirements of all clients. Obtain and provide relevant information, including all necessary documentation, maintaining the confidentiality of information.

1.2 Avoid any conflict of interests between himself (including his company's and affiliations' interests) and his duties to clients;

1.3 Avoid conflict between any competing interests of one or more client (s), stepping aside in one or all matters if such conflicts cannot be resolved;

1.4 Act all times with due skill, care and diligence;

1.5 Act only within the limits of personal competence and any limits of authorization;

1.6 Act in a financially honest and prudent manner, including ensuring the protection of any money and/or property held on behalf of clients;

1.7 Act openly, fairly and respectfully at all times, providing all clients with due respect, consideration and opportunity;

1.8 Be honest and trustworthy with clients and communicate with them in a clear, concise, prompt and appropriate manner;

1.9 Provide suitable and objective recommendations to clients;

1.10 Comply with all laws and regulations regarding the insurance product and services offered to clients;

1.11 Refrain from giving or accepting money, gifts, entertainment, loans or any other benefits or preferential treatment from or to any existing or potential client or provider, other than occasional gifts, entertainment or remuneration, which are provided as part of accepted business practice, and which are not likely to conflict with duties to clients.
RELATIONS IN EMPLOYMENT

Officers and employees of members should aim to ensure good relations with their employer and fellow officers and employees and should;

2.1 Avoid conflict between personal interests (including the interest of any affiliated company or person) and duty to their employer;

2.2 Avoid improper use of information obtained as an employee or disclose, or allow to be disclosed, information confidential to their employer;

2.3 Aim to be a responsible officer or employee and be honest and trustworthy at work;

2.4 Act openly, fairly and respectfully at all times, treating other employees, colleagues, clients and suppliers with equal respect, consideration and opportunity;

2.5 Aim to take every opportunity to improve their professional capability, knowledge and skills;

2.6 Accurately and completely account for all business dealings and report in the company's records;

2.7 Refrain from giving or accepting money, gifts, entertainment, loans or any other benefit or preferential treatment from or to any existing or potential supplier or business associate, other than occasional gifts, entertainment or remuneration, which are provided as part of accepted business practice, provided this is not likely to conflict with any duty that is owed to the Employer.

2.8 After separation from employment, under no circumstances shall an ex-employee use or allow to use or make available to others, any data or any information he, by his earlier relation or position in the organization, had access or was privy to.

In addition, where an officer or employee of a member holds a position of influence within an organization they should;

2.8 Provide (or encourage their company to provide) suitable arrangements for the internal review of decisions, policies and actions where an officer/employee raises concerns of unethical behavior.

Officers/employees should not be penalized for raising matters of ethical concern even if this results in a loss to the organization or a client;
2.9.1 Incorporate (or encourage their company to incorporate) ethical standards into the organization's governance standards, including the development of its own ethical code aligned with this Code.

2.9.2 While the professional relations of officers and employees are defined, member companies, as employers, should exercise professionalism, respect and recognize the privileges and rights of their officers and employees within the principles of due process, fairness, and rightful representation.

RELATIONS WITH THE REGULATORS AND THE LAW

Officers and employees of members must respect all laws and abide by all regulations that affect their business and shall:

3.1 Ensure they operate within the law and within the spirit of the law, at all times;

3.2 Ensure they deal with regulators in an open, transparent and co-operative manner and comply with any requirements.

RELATIONS WITH THE COMMUNITY AND THE PUBLIC

Officers and employees of members should recognize the important wider role that they play as professionals and should:

4.1 Protect and promote the reputation of the non-life insurance industry, through their own conduct;

4.2 Operate in a way that respects environmental concerns and issues:

4.3 Act in a socially responsible manner and not contravene the principles of equality and inclusivity that PIRA values and upholds;

4.4 Strive to be trusted individuals and fulfil their responsibilities to society and the community.

RELATIONS WITH PIRA

Officers and employees of members receive various benefits, but they also have responsibilities to PIRA and other officers and employees of members. They should:

5.1 Act at all times according to this Code of Ethics;

5.2 Ensure a transparent relationship with PIRA, based on trust, respect, responsibility and integrity;
5.3 Have Pride in their status as an officer/employee of a member of PIRA;

5.4 Ensure they do not make improper use of information or disclose, or allow to be disclosed, information confidential to PIRA;
5.5 Seek opportunities to support the work of PIRA and to promote its values;

5.6 Find opportunities to support PIRA activities;

5.7 Treat officers and employees of members and of PIRA with the same respect they would wish to be given;

5.8 Advise PIRA of officers or employees of members who are not following this Code;

5.9 Ensure that the expected standard of technical competence is always maintained. Remain informed of current developments (to ensure competence in carrying out their role) by taking appropriate professional training or refresher courses.

**FINAL NOTE**

Officers and employees of members are obliged to comply with this Code. Non-compliance and non-adherence to this Code may result in PIRA’s taking disciplinary action against the members and/or their erring officers or employees.

Applicable disciplinary actions to be imposed for violation of this Code shall be approved by PIRA’s General Membership as recommended by the PIRA Board of Trustees.

This Code of Ethics was recommended by the PIRA Ethics and Arbitration Committee for approval by the Board of Trustees on 29th of August 2018 in the City of Makati, Philippines.

(Sgd.)
Rebecca B. Dela Cruz, PIRA/Committee Chairperson