

# Code of Conduct for Insurers

2015



VERBOND VAN VERZEKERAARS

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# 1. Introduction

The Dutch Association of Insurers is the interest group association of Dutch private insurers. Insurers play an important role in spreading risks, making risks manageable, and offering a safety net, should things go wrong. As part of this social role, the Association fulfils a pivotal function as a discussion partner of many stakeholders.

At the beginning of this century, the theme of corporate social responsibility became more and more important in the social debate. In 2002, after consulting our stakeholders, we introduced the Code of Conduct for Insurers. This code of conduct was not so much the beginning of the debate about our social responsibility as a document setting out and, where necessary, tightening our general policy. Over the years, agreements and rules of conduct related to this policy had been laid down in various codes. The code of conduct did not replace these agreements but, rather, constituted an overall policy whilst acting as a framework. Since then, the code of conduct has served as a basis for the activities of the Dutch Association of Insurers and its individual members.

The 'laws' of the financial markets, the dynamics of the sector with its distribution and IT issues and the changing statutory frameworks, however, require an increasing amount of attention from us. Because we wish to offer short-term and long-term security, continuity and trust are crucial to us. Only by acting consistently and in the interest of our clients will

we be worthy of their trust. Core values offer support in getting and retaining the right focus. Explaining who we are and what we stand for, they are the point of departure for our ideas and actions. The core values constantly remind us of the essence: the added value that we offer our clients and society at large.

The revised code of conduct of the insurance sector has therefore been formulated on the basis of the core values that were established in 2009: 'providing security'; 'making it possible', and 'social responsibility'. By doing so, we have future-proofed the code of conduct, leaving its basis intact. The code of conduct shows that, in consultation with our stakeholders, we are continuously working on a balance between economic growth and social progress. Always with a focus on the client. This code of conduct, too, contains general provisions to reflect existing and new self-regulation of the market. Because reality cannot be 'condensed' into general provisions, many provisions have been implemented in further self-regulation.

The code of conduct leaves room for individual insurance companies' own identities. With the code of conduct as a basis, insurers can further flesh out their own social role based on their corporate views. By signing the code of conduct, the Dutch Association of Insurers and its individual members promise that they will prudently apply the general provisions in the code of conduct. Our stakeholders may call us to account on this.

## 2. Core values and rules of conduct

### 2.1 Core values: the basis of the code of conduct

Our core values are the basis of the code of conduct, which we, as signatories, consider directional in all our actions. These values are: 'providing security', 'making it possible' and 'social responsibility'.

### 2.2 Implementing the core values

We seek practical ways of implementing the core values by formulating rules of conduct. These rules serve as a guideline by which each of us further shapes our own corporate policy.

### 2.3 Providing security

Insurers provide security. The security we provide ensures that clients know where they stand. Security means: simplicity, clarity, reliability, quality and expertise. Eliminating stress, this offers protection, safety and confidence. For example, we emphasise that our clients may rely on us to provide the security they may expect from us. We provide the security called for in an increasingly complex and dynamic society. Insurance has become a basic need in an affluent, stable society. Providing security means that our services and products are tailored to the client's expectations as much as possible.

#### *Simplicity & clarity*

1. We treat our clients with care and embed this in our culture. We communicate with our clients in a clear, open way.
2. We provide understandable products and good information about those products.
3. We invest in education and provide information so that clients know what insurance can do for them.
4. We are clear about the security that we provide and, therefore, also about what we exclude.
5. We are clear about the effects and costs of products.

6. We have a product approval process in place, which entails a careful consideration of the risks and an accurate assessment of other relevant aspects, including the duty of care towards the client.
7. We ensure that the client understands the acceptance and claim settlement process.
8. If we decide not to accept a client, we will substantiate our decision in writing in clear terms. We will point out to clients any other possibilities open to them to appeal this decision.

#### *Reliability*

9. We refrain from using any improper sales motives, methods and communications.
10. We make sure that any difference of opinion between insurers about a claim in respect of which the right to payment is not under discussion will not have any adverse effects on the service provided to the client.
11. In the claim settlement process we ensure an expeditious and careful settlement for all the parties involved.
12. We do not conduct business with any individuals, institutions or companies that we know to be involved in activities prohibited by law.
13. In the event of insurance fraud, we will make a report in compliance with the agreements we have with the Public Prosecution Service.
14. We will register any unlawful actions towards us, our staff or our clients.

#### *Quality & expertise*

15. We manage the premiums entrusted to us in a careful and responsible way.
16. We invest any funds received in a sound way, with due observance of the requirement of achieving good returns.

17. We ensure that we have a carefully composed, carefully managed and sustainable company management.
18. We ensure an adequate internal supervision of our relevant business processes. We foster the expertise of our managing directors and internal supervisors by means of a continuing education programme. This education programme should in any case provide insight into the duty of care towards the client.
19. We have a client-oriented internal complaints handling scheme in place. We inform clients of this and, where applicable, point out to them that they may refer to the Financial Services Complaints Board (Klachteninstituut Financiële Dienstverlening, Kifid).
20. We unconditionally cooperate in mediation by the Financial Services Ombudsman and, apart from the possibility of appeal, will act on the binding advice of the Financial Services Disputes Committee. In addition, we subject ourselves to the applicable legal procedure before the Insurance Disciplinary Tribunal and the civil court.
21. We make it possible that as many (potential) clients as possible can financially cover risks and we will endeavour to prevent that our clients are uninsured against their will.
22. We anticipate clients' objectives and the challenges of the moment with innovative solutions.
23. We put the client's interest first, even when tension occurs between political choices and the client's wishes.
24. We devote ourselves to quality improvement in social fields related to insurance.
25. We cooperate with the government and other strategic partners when insurers cannot achieve solutions on their own.
26. We are clear about the limits of our possibilities.

#### **2.4 Making it possible**

Insurers make things possible. This means that we ensure that clients and, in turn, society can move on. We reduce our clients' risks to a level that is acceptable to them. This gives people the confidence to move forward in life. We organise solidarity and make risks manageable. We thus offer all our clients appropriate security. Making it possible also means that we remove impediments for our clients. Because risks constantly change, we are attentive to new impediments. When we are unable to remove these by ourselves, we cooperate with the government and other strategic partners. Making it possible means that we enable existing and future clients to grow, to develop, to realise their ambitions and to achieve their goals.

#### **2.5 Social responsibility**

Insurers are socially involved. We are in the midst of society, shoulder to shoulder with our clients, and with an eye for the society of which our clients are part. But our engagement goes beyond corporate social responsibility. We show genuine involvement by anticipating actual issues. Dutch society is constantly challenged. Issues around risks, safety and solidarity again and again demand a different interpretation of insurance. That is why we look for innovative solutions on the basis of our expertise and in cooperation with the government, client representatives and other strategic partners. Being socially involved means that insurers listen carefully and give appropriate answers.

27. We anticipate social developments.
28. We take part in the social debate with our stakeholders.
29. We include not only economic but also social and ecological interests in our corporate governance and investment policy and are accountable on this.

## 3 Signing, compliance, control, complaints procedure and review

### 3.1 Signing

The Code of Conduct for Insurers applies to the Dutch Association of Insurers and its individual members. Signing it is a condition for membership of the Dutch Association of Insurers. By signing, insurers commit themselves to the rules of conduct as described in the code of conduct. They will behave in the spirit of the code of conduct and can be called to account on this. In case of non-compliance, the Dutch Association of Insurers can take appropriate measures.

### 3.2 Compliance and control

- a. We maintain the reputation of the industry.
- b. We implement the code of conduct in our own company policy.
- c. We inform our employees about the code of conduct and ensure that they act in accordance with it.
- d. We do not do business with parties that make it difficult or impossible for us to act in accordance with the code of conduct.
- e. In so far as applicable, we actively assist the Insurers Assessment Foundation in assessing compliance with the binding self-regulation of the Dutch Association of Insurers in general and with this code of conduct in particular. We are open about the outcome of this assessment.

### 3.3 Complaints procedure

**Step 1: complaining to the insurer in question**  
Anybody who is of the opinion that one of the signatories does not act in accordance with the code of conduct has to apply first to (the management board of) the signatory in question.

### *Step 2: complaining to another authority*

If the complaint is not dealt with to the complainant's satisfaction, they can apply to the Kifid (consumers) or the Disciplinary Tribunal (other stakeholders).

### *Consumers*

A consumer with a complaint about compliance with the code of conduct can apply to the Kifid, where the Financial Services Ombudsman, the Financial Services Disputes Committee and the Financial Services Appeal Committee are active. The complaint is either dealt with in the Kifid or referred to the Disciplinary Tribunal. The Tribunal advises the Dutch Association of Insurers about the measures to be taken.

### *Other stakeholders*

Stakeholders with a complaint about compliance with the code of conduct other than the aforementioned consumers can apply directly to the Disciplinary Tribunal. The Disciplinary Tribunal advises the Dutch Association of Insurers about the measures to be taken. These measures have been laid down in the articles of association of the Dutch Association of Insurers.

### 3.4 Review of the code of conduct

Society is constantly changing and so is the insurance industry. This dynamic and the wish to anticipate it flexibly requires a continuous dialogue between us and our stakeholders. That is why the Dutch Association of Insurers will periodically review whether the code of conduct needs to be amended.

## Appendix: Stakeholders

In the development, advice, sales and management of insurance products, we come into contact with a great diversity of individuals, groups, institutions and authorities.

We consider these parties to be our stakeholders. We distinguish six groups of stakeholders:

1. *Stakeholders in the insurance agreement:*
  - (potential) policy holders
  - insured parties
  - victims of actions of insured parties
  - beneficiaries
  - other parties invoking the insurance and those assisting them
  - dealers of insurance policies
  - insurance companies with power of attorney
  - firms of loss adjusters
  - claims settlement agencies
2. *Governmental and non-governmental organisations:*
  - governmental authorities
  - supervisory bodies to which the insurers are accountable
  - representatives of social groups
  - organisations of employers and employees
3. *Capital providers:*
  - shareholders
  - members of mutual societies
  - credit providers
4. *Personnel of insurers:*
  - managing directors
  - employees
  - works councils
5. *Insurance companies:*
  - fellow insurance companies
  - the insurance industry as a whole
6. *Sector organisations in the financial sector*