

## Insurance Broker's Code of Ethics

This Code observes the Code of Ethics in the insurance industry, approved by the Czech Association of Insurance Companies and is closely related to its provisions. The Association of Czech Insurance Brokers promotes these standards and ensures compliance with them in an effort to safeguard the reputation of the Czech insurance industry.

First and foremost, insurance brokers are bound to defend the interests of their clients, to develop optimal insurance programmes for them both in terms of their needs and the supply on the insurance market. In doing so, the broker is obliged to respect the relevant legislation, to preserve the commercial confidentiality of its clients and to ensure compliance with the following standards:

### A. General principles of brokers' conduct

- brokers observe the rules of competition and business practices, avoiding the use of false and defamatory statements about their competitors
- while conducting their activities, they strictly avoid anything that could violate the trust of their clients and create a distorted impression of their services
- all advertising is conducted truthfully in accordance with fair competition without elements of misleading advertising
- they follow a careful personnel policy and are committed to educate their employees professionally and ethically
- the insurance broker must adopt such organizational measures and means that enable him to protect his client's interests even in the absence of one of the company's representatives or owners
- an insurance broker is an independent intermediary of one of the two parties who conclude an insurance contract between them
- an insurance broker is obliged, as part of the insurance industry, to contribute to the maintenance of a healthy and functional insurance market.

### B. Principles of conduct of employees of brokerage companies

**Employees of brokerage companies are bound to respect the following ethical standards:**

- they represent with dignity their company as well as the entire insurance sector of which they are a part
- they refrain from any activities that would constitute a conflict between their own interests and those of the company or the insurance industry as a whole
- they maintain commercial confidentiality, even after the termination of their employment in the insurance sector
- strictly adhere to the code of ethics, in particular, they must not abuse their position to accept or request financial or material benefits from anyone and must never offer or provide similar benefits themselves
- they never use their company's information and materials for their own personal benefit
- in an effort to improve their professional knowledge, they continuously care about their education.

### C. Principles of conduct in relations with clients

**Brokerage companies and their employees are bound to respect the following rules:**

- client's interests are always superior to those of their own and of the market
- they observe the principles of confidentiality of all facts relating to the insurance of clients

- they provide, as a matter of principle, complete, truthful, unbiased and comprehensible information about insurance companies, insurance products and their prices
- they do not take out insurance with speculative intentions
- depending on the content of the contract with the client, they are responsible for comprehensive risk analysis, elaboration of insurance programme proposals, consulting and advisory activities, administration of concluded insurance policies and assistance in the event of insurance claims
- they always have professional indemnity insurance
- upon request, the insurance broker shall disclose the amount of his/her income from the concluded business and the methods of his/her remuneration
- the insurance broker must place the insurance at the price specified in the quotation
- they must not take illegal actions even if the client wishes so
- the relationship arising from the delegation is always limited in time
- in the event that another entity acts between the broker and the client, this fact must always be disclosed to the client
- if the client decides to change the broker, the current broker will return all the client's materials to the client.

#### **D. Principles of conduct in relations with insurance companies**

**Brokers shall in particular observe the following rules:**

- they have an up-to-date overview of the state of the insurance market, individual insurers and their products
- they behave impartially and professionally when placing business, avoiding in particular any slander or favouritism of any of the insurance companies
- they maintain good cooperative relationships with insurers, usually embodied in partial cooperation agreements
- they never depend on any insurance company.