Definition

Ethics training comprises a broad curriculum of courses that defines the types of ethical responsibilities insurance producers owe to their companies, their prospective customers, policyholders, their regulators, other agents, and to the public at large.

Ethics training may include subjects such as fair trade practices, fair claims practices, fair underwriting practices, fair sales practices, market conduct, fraud awareness, fiduciary duties, privacy, product suitability, and compliance with state and federal laws and regulations.

An ethics course is a course in which 100 percent of the content describes licensee conduct in a particular situation or situations that would be good, fair, just, honest, proper, or legal, and why, and contrasts that conduct with conduct that would be bad, unfair, unjust, dishonest, improper or illegal.

To be approved, an ethics training course must reinforce a producer’s ethical competence, must contribute to a producer’s understanding of the complexities of ethical decision-making in the insurance industry, and must provide tools to help an insurance professional identify, prevent, and constructively resolve ethical dilemmas.

Training

Ethics training may include subjects as follows:

- age issues, including but are not limited to the military, seniors, young, and other vulnerable populations
- anti-money laundering
- consumer protection
- credit scoring
- fair trade practices
- fair claims practices
- fair underwriting practices
- fair sales practices, including compensation disclosure
- market conduct
- fraud awareness
- fiduciary duties
- managing general agent practices
- product suitability
- compliance with state and federal laws and regulations
- new issues (at the discretion of the CDI)
Questions for Education Providers:

1) Describe how this course contributes to an agent’s understanding of his/her ethical responsibilities.

2) Point out where in the course examples of “good” licensee conduct are given, as well as examples of “bad” licensee conduct.

3) Explain how this course contributes to an agent’s understanding of the complexities of ethical decision-making within the context of insurance transactions.

4) Describe where in the coursework an agent may find tools that are provided to help the agent identify, prevent, and resolve ethical dilemmas that arise in the course of conducting insurance business.

5) How will the content of this course contribute to the producers understanding of proper vs. improper, honest vs. dishonest behavior?

6) Please provide two samples of licensee conduct you will use in this course to contrast ethical with unethical behavior and details supporting the judgment of ethical or unethical behavior.

7) Identify how this course demonstrates to whom the licensee "owes" an ethical responsibility to in this course and how this course will help the licensee under his or her ethical responsibilities to such an entity.

8) How will this course help the licensee distinguish between legal and ethical behavior and legal but unethical behavior?
An ethics course presents content that describes and/or presents insurance licensee conduct in particular situations, which contrasts the concepts of legal but unethical, legal and ethical, legal but unjust, legal and just, proper and improper, right and wrong, fair and unfair, etc., that licensee’s confront in the normal course of transacting insurance.

Course Approval Requirements

Non-Contact Course
(Non-Interactive)

**Content:** To be approved, an ethics training course must reinforce a producer’s ethical competence, must contribute to a producer’s understanding of the complexities of ethical decision-making in the insurance industry, and must provide tools to help an insurance professional identify, prevent, and constructively resolve ethical dilemmas.

**Non-Contact Course Credit Hours:** A minimum of 4,600 words is required for each hour of credit approved.

Time included for the examination must not be more than 15 percent of the course total credit hours. The examination must have a minimum of three (3) questions for each credit hour approved.

Partial credit hours will not be awarded and will be rounded down to the nearest whole credit hour.

**Non-Interactive Courses**
Non-Interactive video, online, compact diskette (CD) and digital versatile disc (DVD) courses are reviewed in a similar manner using screen prints or script, and applying the same formula in “Non-Contact Credit Hours” noted above.
Contact Course (Interactive)

Content: To be approved, an ethics training course must reinforce a producer’s ethical competence, must contribute to a producer’s understanding of the complexities of ethical decision-making in the insurance industry, and must provide tools to help an insurance professional identify, prevent, and constructively resolve ethical dilemmas.

Contact Course Credit Hours: Our guideline for assigning credit hours to contact courses is based on a 50-minute hour of classroom instruction. No credit is given for breaks. The student may receive credit for only 480 minutes of instruction per day. This equates to 9 hours of classroom credit per day (partial hours are not given credit). The student is required to be attentive and to participate. It is at the instructor’s discretion to determine if the student should receive credit based on his attention and participation. Additionally, the instructor may give credit if the student participates in at least 80% of class instruction.

No credit is given for review. Credit is given for exams only if it is mandatory to pass the exam to receive credit for the course.

Interactive Courses
Interactive video, compact diskette (CD), or digital versatile disc (DVD), computer chat room courses or other similar forms designed for the exchange of information electronically are based on the “Contact Course Credit Hours” noted above.