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Digital Ethics: a Companion to the Code of Ethics

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“As a profession, we earn the trust of the public by understanding their needs and providing products, services and advice that puts them at the centre. The public rightly judges us by their whole experience with us, including how they feel their data may be used, the fairness of our decision-making and the transparency of our communications. A clear and consistent ethical approach becomes ever more important as elements of our service are increasingly delivered digitally.”

Sian Fisher
ACII, Chartered Insurance Practitioner
Chief Executive Officer, Chartered
Insurance Institute

“With the opportunities for using data in insurance growing at breath taking speed, it is ever more important that the ethics of how the industry uses this data keeps pace. This is a challenging emerging context for the CII Code of Ethics and we are pleased to have contributed to this new Companion guide, which is a must read for all industry practitioners.”

Huw Evans
Director General, Association of
British Insurers

“Technology brings new and exciting opportunities, but also new ethical considerations. Ensuring good customer outcomes, whether technology plays a significant part or not, is an important focus for us all. This is why we’re pleased to have contributed to this guide and endorse its content.”

Steve White
Chief Executive Officer, British
Insurance Brokers’ Association

Digital Ethics: a Companion to the Code of Ethics

This Digital Ethics Companion supports the five core duties set out in the Code of Ethics. It outlines key issues that members should take into account when undertaking their work in a digital context.

Like the Code of Ethics, this Digital Ethics Companion should guide your engagement with both regulatory obligations and broader ethical themes.

This is important because as insurance becomes ever more digital, new ideas, opportunities and risks emerge. In this changing environment, members must continue to work in ways that secure and justify the confidence of the public.

Insurance and personal finance must continue to be a force for good and a vital component of our economic and social progress. The public reliance on it at key life stages is hugely important, both for them and for the sector. The public's trust in how we evolve this into a digital context is central to that contribution continuing to be valued.

Remember that while your involvement in digital initiatives might vary from zero to full time, we all as professionals have to work together to deliver outcomes that secure and justify public confidence.

1.

Complying with this Code and all relevant laws and regulations

- Your responsibilities under this Code, and under all **relevant laws and regulations**, are the same when working in a digital context as they are when working in a non-digital context. Your commitment to professionalism, as articulated by this Code, must continue.
- Change in a market undergoing transformation can often be rapid. This might result in you working in areas that have yet to be explicitly defined by regulation. In such circumstances, you must remember to abide by **the spirit of what laws and regulations are seeking to uphold**.
- Change involving digital practices can sometimes be complex. When you are part of such change, make sure that your contribution remains in line with your firm's **compliance arrangements**. Engage with others to help them achieve the same outcome. And in your digital work, remember to **take account of the outcomes** that clients could experience.

2.

Acting with consistent ethical standards and integrity

- Digital products and practices offer many new and exciting opportunities. In weighing up such opportunities, you should continue to **ask important questions**, such as ‘what would someone from outside the profession think of what I am doing?’.
- You can do many things with data and analytics. However, reflect not only upon **what you ‘could do’**, but on **what you ‘should do’** as well. The difference between the two can be where ethics lies and trust is built.
- Remember to anticipate not only what you want your digital initiative to achieve, but also what **unintended consequences** might flow from it as well. This sort of honesty builds trust in your firm and with your customers.
- Digital initiatives often involve engaging with partners from outside of the sector, or relying on a wider range of professionals within your firm. Whenever possible within the scope of your responsibilities, take steps to ensure that these **partners and other professionals** work in ways that promote trust in your firm and across the sector. Work together to monitor and evidence how this is being achieved, for example in areas like product design, pricing and customer service.

3.

Acting in the best interests of each client

- Data and analytics present you with **opportunities to understand more** about a client than ever before. In acting upon the insight this presents, you should continue to put the best interests of each client at the heart of the decisions you take.
- Digital processes should be designed to ensure the **fair treatment** of each client. Whatever level of sophistication or automation is used, that fair treatment should be monitored on a regular basis. Remember to reflect upon the different perspectives of fairness that can exist.
- The data that businesses and practitioners can draw upon is vast and varied. The way in which it is collected, treated and used should **respect the best interests of each client**. Its ownership should be recognised as well. These data practices should be reflected in the relations you have with your firm's business partners.
- Digital processes can sometimes remove, introduce, increase or diminish **conflicts of interests**. This can happen both within the firm and with external interests too. It is important that you continue to be on the lookout for them and the impact they can have.

4.

Providing a high standard of service

- Digital decisions are often built upon complex processes. What then matters is for those decisions to be **clear and explainable**, to clients and other key audiences. You should be prepared to explain the decisions that you are responsible for and understand how best to provide this.
- The broadening of services that digital facilitates will deliver many benefits to clients. Making sure that such services are **suitable** for each client, **transparent** in their delivery and **meet expectations** will be as important as ever. Your involvement in the design and delivery of such services should take these things into account.
- Tailoring services to meet the needs of different types of customers can really enhance customers' experience of insurance and personal finance. It's also important to ensure that the **benefits of insurance** are made as widely available as possible. Seek in your digital work to keep both of these things in mind.
- Digital projects often involve a wide range of **internal and external partners**. When working together with them, make sure that responsibilities for delivering the right outcomes are clearly understood.
- Digitising customer interactions and communications can reduce the time taken to deliver the desired result for customer and business alike. Make sure that in **streamlining processes** in this way, you don't unintentionally remove opportunities for customer engagement or the understanding of options and possible consequences.

5.

Treating people fairly

- Digital practices present many opportunities to understand and respond to the **individual needs of consumers**. This focus on the personal will bring many benefits. You should also be aware of how it might impact some consumers less favourably. The decisions you make should recognise these two perspectives.
- The data and analytics that digital processes rely upon should be carefully managed so as to ensure that **nothing discriminatory** is allowed to influence the outcomes that consumers experience. You should approach this in an active and ongoing way, so that consumer confidence is maintained.
- As the sector delivers an increasingly personal product and service, it is important that it also ensures the fair and equal treatment of consumers on a **group basis**. You should understand how your decisions influence not just the individual, but groups of people sharing similar characteristics. Use what you learn from each to secure the confidence of both.
- Many people will find **the experience of digital service** more engaging and convenient. At the same time, others might struggle with it. Wherever possible, you should ensure that the decisions you take recognise both types of people.

Guidance

This Companion forms part of the additional guidance that helps to enhance your understanding of the Code of Ethics. The CII will continue to add to that guidance in ways that:

1. allow members and their colleagues working in different functions to appreciate how this Digital Ethics Companion can support them in their everyday work;
2. reflect the evolving nature of many digital developments.

With thanks

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