

ABOUT THE CODE OF PROFESSIONAL ETHICS

This is a brief summary of information appearing in greater detail in the Code of Professional Ethics, which is among the CPCU 1 study materials.

All CPCU candidates and CPCUs are bound by the Code of Professional Ethics of the American Institute for CPCU. The Code describes both high goals and minimum standards of conduct.

1. The high goals described in the Canons challenge all CPCUs and CPCU candidates to aspire to the highest level of ethical performance in all of their professional activities.
2. The minimum standards of conduct, described in the Rules, maintain the integrity of the CPCU designation. CPCUs and CPCU candidates are obligated to at least meet the minimum standards in the Rules, and failure to do so may subject a CPCU—or a CPCU candidate—to disciplinary measures.

CPCU candidates study the Code and are tested in CPCU 1 to ensure that all CPCUs understand their ethical obligations. The ultimate goal of the Code is to foster highly ethical conduct on the part of all CPCUs.

THE CANONS AND RULES OF THE CODE OF PROFESSIONAL ETHICS

Canon 1—CPCUs should endeavor at all times to place the public interest above their own.

Rule R1.1—A CPCU has a duty to understand and abide by all *Rules* of conduct which are prescribed in the *Code of Professional Ethics of the American Institute*.

Rule R1.2—A CPCU shall not advocate, sanction, participate in, cause to be accomplished, otherwise carry out through another, or condone any act which the CPCU is prohibited from performing by the *Rules* of this *Code*.

Canon 2—CPCUs should seek continually to maintain and improve their professional knowledge, skills, and competence.

Rule R2.1—A CPCU shall keep informed on those technical matters that are essential to the maintenance of the CPCU's professional competence in insurance, risk management, or related fields.

Canon 3—CPCUs should obey all laws and regulations, and should avoid any conduct or activity which would cause unjust harm to others.

Rule R3.1—In the conduct of business or professional activities, a CPCU shall not engage in any act or omission of a dishonest, deceitful, or fraudulent nature.

Rule R3.2—A CPCU shall not allow the pursuit of financial gain or other personal benefit to interfere with the exercise of sound professional judgment and skills.

Rule R3.3—A CPCU shall not violate any law or regulation relating to professional activities or commit any felony.

Canon 4—CPCUs should be diligent in the performance of their occupational duties and should continually strive to improve the functioning of the insurance mechanism.

Rule R4.1—A CPCU shall competently and consistently discharge his or her occupational duties.

Rule R4.2—A CPCU shall support efforts to effect such improvements in claims settlement, contract design, investment, marketing, pricing, reinsurance, safety engineering, underwriting, and other insurance operations as will both inure to the benefit of the public and improve the overall efficiency with which the insurance mechanism functions.

Canon 5—CPCUs should assist in maintaining and raising professional standards in the insurance business.

Rule R5.1—A CPCU shall support personnel policies and practices which will attract qualified individuals to the insurance business, provide them with ample and equal opportunities for advancement, and encourage them to aspire to the highest levels of professional competence and achievement.

Rule R5.2—A CPCU shall encourage and assist qualified individuals who wish to pursue CPCU or other studies which will enhance their professional competence.

Rule R5.3—A CPCU shall support the development, improvement, and enforcement of such laws, regulations, and codes as will foster competence and ethical conduct on the part of all insurance practitioners and inure to the benefit of the public.

Rule R5.4—A CPCU shall not withhold information or assistance officially requested by appropriate regulatory authorities who are investigating or prosecuting any alleged violation of the laws or regulations governing the qualifications or conduct of insurance practitioners.

Canon 6—CPCUs should strive to establish and maintain dignified and honorable relationships with those whom they serve, with fellow insurance practitioners, and with members of other professions.

Rule R6.1—A CPCU shall keep informed on the legal limitations imposed upon the scope of his or her professional activities.

Rule R6.2—A CPCU shall not disclose to another person any confidential information entrusted to, or obtained by, the CPCU in the course of the CPCU's business or professional activities, unless a disclosure of such information is required by law or is made to a person who necessarily must have the information in order to discharge legitimate occupational or professional duties.

Rule R6.3—In rendering or proposing to render professional services for others, a CPCU shall not knowingly misrepresent or conceal any limitations on the CPCU's ability to provide the quantity or quality of professional services required by the circumstances.

Canon 7—CPCUs should assist in improving the public understanding of insurance and risk management.

Rule R7.1—A CPCU shall support efforts to provide members of the public with objective information concerning their risk management and insurance needs and the products, services, and techniques which are available to meet their needs.

Rule R7.2—A CPCU shall not misrepresent the benefits, costs, or limitations of any risk management technique or any product or service of an insurer.

Canon 8—CPCUs should honor the integrity of the CPCU designation and respect the limitations placed on its use.

Rule R8.1—A CPCU shall use the CPCU designation and the CPCU key only in accordance with the relevant *Guidelines* promulgated by the American Institute.

Rule R8.2—A CPCU shall not attribute to the mere possession of the designation depth or scope of knowledge, skills, and professional capabilities greater than those demonstrated by successful completion of the CPCU program.

Rule R8.3—A CPCU shall not make unfair comparisons between a person who holds the CPCU designation and one who does not.

Rule R8.4—A CPCU shall not write, speak, or act in such a way as to lead another to reasonably believe the CPCU is officially representing the American Institute, unless the CPCU has been duly authorized to do so by the American Institute.

Canon 9—CPCUs should assist in maintaining the integrity of the Code of Professional Ethics.

Rule R9.1—A CPCU shall not initiate or support the CPCU candidacy of any individual known by the CPCU to engage in business practices which violate the ethical standards prescribed by this *Code*.

Rule R9.2—A CPCU possessing unprivileged information concerning an alleged violation of this *Code* shall, upon request, reveal such information to the tribunal or other authority empowered by the American Institute to investigate or act upon the alleged violation.

Rule R9.3—A CPCU shall report promptly to the American Institute any information concerning the use of the CPCU designation by an unauthorized person.