

CODE OF CONDUCT FOR BROKERS IN GUYANA

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1. REGULATION

The Commissioner of Insurance (hereinafter referred to as “the Commissioner”) is responsible for the regulation and supervision of brokers. The Commissioner and his/her staff (hereinafter referred to as “the Office of the Commissioner of Insurance” or “OCI”) are empowered by the Insurance Act 1998 (hereinafter referred to as “the Act”).

This document shall be referred to as the Code of Conduct. It applies to all registered insurance brokers in Guyana.

The OCI oversees compliance with the Code of Conduct.

Registered brokers are required to follow the Code of Conduct in order to comply with the conditions of registration and to maintain an appropriate standard of professional conduct.

2. AMENDMENTS

Changes or amendments to the Code of Conduct will be made following a due process of consultation between the OCI and registered brokers. All brokers are responsible for ensuring they have familiarised themselves and their employees with the requirements of the most recent version of the Code of Conduct and the appropriate guidelines.

3. PROFESSIONAL CONDUCT

- 3.1 Only corporations or partnerships registered with and authorised by the Commissioner may represent themselves as an insurance broker and/or carry on insurance business as an insurance broker in Guyana.
- 3.2 For classes of business for which a broker has been registered or all classes if not specified, no registered broker or employees of said broker shall operate as an insurance agent, claims adjuster, insurance representative, insurer, adviser of insurance companies, or have any relationship where the broker is remunerated by an insurance company other than in the capacity of a broker.
- 3.3 The provisions of this Code shall be construed as standard practice for brokers. The Code of Conduct is considered to be in the best interest of the public and the Insurance Brokers and other persons concerned with their conduct.
- 3.4 Brokers shall –
 - 3.4.1 At all times conduct their business with utmost good faith and integrity;
 - 3.4.2 Do everything possible to satisfy the insurance requirements of their clients and shall place the interest of those clients before all other considerations provided these are not in violation of any Law of Guyana; and
 - 3.4.3 Refrain from making any misleading representations in their advertising.
- 3.5 Without prejudice to the generality of the foregoing the following are specific examples of practices which must be observed, breach of which either singly or jointly may be regarded as constituting unprofessional conduct –
 - 3.5.1 Brokers shall not directly or indirectly, nor shall they allow any agent of theirs directly or indirectly to pay or allow any other inducement whatsoever not specified in the policy, nor will they make any misrepresentation or incomplete comparison for the purpose of inducing a client of any company to convert, lapse, forfeit or surrender their insurance therein;
 - 3.5.2 In the conduct of their business, brokers shall provide appropriate advice objectively and independently and only advice for which they are qualified to give, and shall use due care and diligence when so doing;
 - 3.5.3 Brokers shall ensure that all work carried out in connection with their business shall be properly supervised, and they shall ensure that their employees are made aware of these requirements and that procedures are in place to monitor compliance with these requirements;

- 3.5.4 Brokers shall explain to the client the differences in, and the relative cost of, the principal types of insurance which in the opinion of the broker might suit a client's needs before making a recommendation or giving advice to the client;
- 3.5.5 Although the choice of an insurer can only be a matter of judgment, brokers shall use their skill objectively in the best interest of their client;
- 3.5.6 Brokers shall not withhold from the client any written evidence of documentation provided by the insurer relating to the contract of insurance that has been acquired for the client;
- 3.5.7 If there is an unreasonable delay in providing all the necessary documentation to the client regarding the contract of insurance, brokers shall inform the client of the outstanding information and when the client may reasonably expect to receive said information;
- 3.5.8 Brokers shall inform the client of the name of all insurers with whom a contract of insurance is placed. This information shall be given at the inception of the contract and any changes thereafter shall be advised at the earliest opportunity to the client;
- 3.5.9 Before any work, involving a charge, is undertaken or an agreement to carry on business is concluded, brokers shall disclose and identify any amount they propose to charge to the client which will be in addition to the premium payable to the insurer;
- 3.5.10 Brokers shall have proper regard for the wishes of a client who seeks to terminate any agreement with them. Brokers shall make no attempt to induce any client to rescind an existing letter of appointment;
- 3.5.11 Any information acquired by brokers from their clients shall be treated as strictly confidential and shall not be disclosed by brokers unless the consent of the client has been obtained or the information is required by a Court of competent jurisdiction.
- 3.5.12 Brokers shall ensure that clients are aware of the need to provide accurate responses to requested information in order for insurers to assess risks. Withholding requested information or providing false information can be inferred as selection against the insurer and may lead to claims being repudiated. If the broker is aware that the client is falsifying information provided to the insurer, the broker should not continue to seek cover for the client and should state his reasons for doing so with the client;

- 3.5.13 In the completion of the proposal form, or any other material document, brokers shall make it clear that all the answers or statements are the client's own responsibility. Brokers should inform clients that these documents form part of the contract of insurance. The client should always be asked to check the details and told that the inclusion of incorrect information may result in a claim being repudiated;
 - 3.5.14 Brokers should ensure they maintain copies of material declarations by clients;
 - 3.5.15 The content of advertisement made by or on behalf of brokers shall not be restricted to the policies of one insurer except where the reasons for such restriction are fully explained in the advertisement and the insurer named therein, and the written approval of the insurer obtained by the broker;
 - 3.5.16 When advertising their services directly or indirectly either in person or in writing brokers shall disclose their identity, occupation, contact details and that they are registered by the Commissioner of Insurance;
 - 3.5.17 Brokers shall report to the Commissioner of Insurance any suspected breach of the Insurance Act 1998, No. 20 of 1998, by insurers or agents. All reports will be treated in strict confidence and with discretion, and
 - 3.5.18 Brokers shall ensure that clients are provided with the contact details of the Commissioner of Insurance and clients are informed that any complaints or comments should be directed to that Office;
 - 3.5.19 Brokers shall ensure that any monies collected from their clients on behalf of an insurer shall be forwarded to the insurer in accordance with any agreement referred to in section 89 of the Act or, in the absence of said agreement, no later than the last working day of the month following the month that the premium has been collected by the broker and;
 - 3.5.20 Brokers shall ensure they maintain proper accounts of monies owed to insurance companies and commission collected and outstanding.
- 3.6 Brokers shall declare to the client, potential client and Commissioner of Insurance any conflict of interest that exists that may be deemed to significantly influence any advice the broker may provide. In particular brokers should declare to the client or potential client any significant relationship with an insurer that is being recommended by the broker.

4. BREACH OF CODE

- 4.1 Brokers shall report any breach of this Code to the Commissioner in writing.
- 4.2 A breach of any part of this Code shall be deemed unprofessional conduct.
- 4.3 A breach of this Code shall be sufficient reason for the Commissioner to withdraw the registration of the offending broker(s) either permanently or temporarily depending on the nature of the breach.
- 4.4 The Commissioner shall offer the broker an opportunity to respond to any allegations before determining whether there has been a breach. The Commissioner may also consult with members or nominated deputies of the Insurance Arbitration Board on reported breaches and appropriate penalties. A right of appeal against a decision made by the Commissioner of Insurance lies with the Board of Review.
- 4.5 No part of this Code prejudices or affects the rights of any party as allowed under the Insurance Act. If any contradictions arise, the provisions of the Insurance Act supersede or overrule the Code.