



**Canadian Association of
Managing General Agents**

**Code of Ethics for
CAMGA
Members**

CAMGA is committed to setting, maintaining and supporting the highest professional and ethical standards for Managing General Agents.

Ethical and professional behaviour underpins the general insurance industry. Most participating organisations have their own principles and codes of behaviour. The CAMGA does not seek to replace individual company efforts to act ethically or to establish and enforce standards. However, the CAMGA does require certain minimum standards of Members and their staff as a condition of continuing membership. Members are expected to endorse, and act in accordance with, the Code of Ethics set out below.

The Over-arching Principle

The over-arching principle which Members must observe is to operate in a legal, fair and ethical manner in all that they do and with whomever they deal.

Members must not only comply with the laws and regulations binding their businesses but understand the intended outcomes of those laws and regulations and act accordingly. In short, they should strive to comply with the spirit as well as the letter of the law where consistent with meeting their legal obligations.

CAMGA Guidance Notes and their relationship with this Code

To support Members in the conduct of their business, in particular to comply with these obligations, the CAMGA may from time to time issue Guidance Notes. Members are expected to have regard to these in the conduct of their business. Failure to do so, may be taken into account in any consideration of whether a Member has breached this Code.

Where any Guidance Note states expressly that Members “**must**” act in a particular way (by the use of that word in bold) failure to do so will normally be treated as a breach of this Code, such that a Member would be expected to demonstrate that there were compellingly good reasons for such failure.

For the avoidance of doubt, in the unlikely event that a conflict should arise between acting in accordance with a Guidance Note and a Member’s legal obligations, legal obligations must always take precedence as set out at 1(a) below.

Who does the Code apply to?

All Members of CAMGA are required to observe the Code. This extends to requiring those for whom they are responsible, such as employees, to become familiar and comply with the Code.

Duties and Responsibilities

These fall into six broad categories.

1. Legal
2. Financial
3. Inter-organisational
4. Community
5. Relationships with insurers
6. Relationships with brokers and agents (or insureds if operating directly)

In all matters Members must not only comply themselves but must not aid non-compliance by others, including not assisting them to conceal breaches.

1. Legal Responsibilities

- a. Members, will observe all insurance and other applicable laws and regulations. Where this duty conflicts with another duty of this Code this duty will have priority.
- b. Members will bring to the attention of the Conduct and Ethics Committee any circumstances of which they become aware involving:
 - i. a Member being in material breach of any regulatory requirement and
 - ii. any circumstances that may reasonably lead to sanctions against the Member or a member of their staff or directors by the relevant regulatory bodies.

- c. Members will provide all reasonable lawful assistance to regulatory, professional and law enforcement organisations in the discharge of their functions whether in respect of themselves, another Member or a non-member.

2. Financial Responsibilities

- a. Members should always meet their financial obligations on time. This includes, but is not limited to, payment of debts, premiums due to insurers, returns due to brokers and insureds, sums due to staff.
- b. Members must comply with solvency or like requirements.
- c. Members shall maintain or exceed the minimum amount of errors & omissions coverage as stipulated by their provincial regulator/body

3. Inter-organisational Responsibilities

- a. Members will compete fairly and honourably in the markets in which they operate.
- b. This includes, but is not limited to:-
 - i. making no statement about fellow Members, competitors or other market participants, privately or publicly, which they do not honestly believe to be true and relevant based on the best information reasonably available to them;
 - ii. entering into any agreement intended to diminish competition within the market.

4. Community Responsibilities

- a. It is a privilege, not a right, to belong to the CAMGA. Membership is a "badge of honour" and Members must conduct themselves in a manner befitting the privileges of membership.
- b. Members will not only comply with their obligations under law pertaining to discrimination, but in all their dealings will take reasonable steps not to cause a detriment to any person or organisation arising from any of the following characteristics of them or those associated with them: race, sex, sexual orientation, gender reassignment, pregnancy and maternity, married or civil partnership status, religion or belief, age and disability.
- c. Members are encouraged to take part in civic, charitable and philanthropic activities which contribute to the promotion of the good standing of the insurance sector, its contribution to the public good and the welfare of those who work in it. They should be able to demonstrate the steps they have taken to do so.

- d. Members will encourage continuing education and training for staff.

5. Relationships with Insurers

- a. Members will deal fairly and honestly when acting on behalf of insurers. In particular they should :
 - i. faithfully execute the underwriting guidelines of the insurers they represent;
 - ii. act in the utmost good faith and gather all data necessary to make a proper underwriting decision before putting an insurer on risk;
 - iii. keep themselves up to date on the laws and regulations in all areas in which they have authority, and advise insurers accordingly of the impact of such laws and regulations as they affect their relationship.

6. Relationships with Brokers and Agents (or Insureds if operating directly)

- a. Members should deal fairly and honestly with brokers, agents or insureds (if operating directly), and in so doing will:
 - i. consider at all times the financial stability of insurers with which the Member places business;
 - ii. make no false or misleading representation of what coverage is being provided, or the limitations or exclusions to coverage or impose limitations or exclusions such that the policy provides no effective benefit to the insured.
- b. Members should be able to demonstrate that they have carefully considered the insurers that they represent as underwriting agents and place their and their brokers' customers' business with.

Effective and appropriate due diligence is a key part of the process that Members should perform on the insurance companies they represent as security for the policies they provide.

There is the risk to customers in the event that an insurer fails and is unable to pay valid claims.

Members have an important role to play in understanding and providing clear information about the quality and financial standing of the insurers they represent. The insured sees brokers, MGA's and insurers as trusted professional organisations and experts on insurance matters. We expect Members to be able to demonstrate that suitable due diligence has been

performed on the insurers that they represent and offer as insurance security.

Members should provide clear and unambiguous detail of the name and address of the insurer in all the relevant documentation provided for brokers and policyholders. We expect Members to positively avoid giving the policyholder the impression that the MGA is the insurer and obscure the name of the insurer behind the MGA. It is important that customers can make an informed decision on where their insurance is being placed.

- c. Members shall take all appropriate initiatives and act in utmost good faith to place as much of a risk as possible through their own underwriting capabilities and markets, in order not to duplicate costs and fees to the insured by sharing this with other underwriters or intermediaries.

All notices of potential breaches made under this Code should be made to:

Steve Masnyk, Managing Director
Canadian Association of Managing General Agents.