



LEGACY
UNDERWRITING MANAGERS (PTY) LTD

ETHICAL CODE OF CONDUCT
FOR LEGACY UNDERWRITING MANAGERS (PTY) LTD. FSP: 13783

LEGACY UNDERWRITING MANAGERS: ETHICAL CODE OF CONDUCT

Introduction

Like any other social group Insurance Underwriting Managers and Financial advisors follow a certain behavior pattern which distinguishes them from other social groups. A particular behavior pattern implies conformation to certain rules of conduct, principles or ethical codes.

Objective of ethical code

Our ethical code is necessary to direct the actions and attitudes of Legacy staff in order to render professional insurance underwriting and claims services and also to protect staff members against undue pressure from or unreasonable demands by clients.

Preamble

The success and good reputation of Legacy are dependent on the conduct of its staff members and the opinions which clients and prospective clients hold in connection with the kind of service which Legacy is capable of providing. It is, therefore, imperative that each staff member is aware of the existence of our ethical code and for him or her to underwrite these principles and to execute them consistently in dealings with clients or prospective clients. Our conduct must always be fair, impartial and professional, but always in the best interests of Legacy. In other words, the ethical conduct must be pure, right and positive.

Conduct expected of Legacy staff members

In the passages that follow, the manner in which duties are to be performed is outlined in more detail. Relevant legislation and a glossary are quoted.

Relevant Legislation

Relevant Acts, as amended

The Short-term Insurance Act No. 53 of 1998, Financial Intelligence Centre Act 38 of 2001, Financial Advisory and Intermediary Services Act 37 of 2002 and Policy Protection Rules regulate the insurance industry. Staff members should at all times act in such a manner that they do not transgress the stipulations of the Act.

Basic Conditions of Employment Act 75/1997, as amended

The Act on Basic Conditions of Employment Act 75/1997 regulates personnel matters. Every member of staff of Legacy is subject to the Act.

Glossary

Members of staff include independent consultants. The execution of duties and fulfillment of responsibilities.

Integrity, objectivity and independence

You should be honest and conscientious in your approach towards and in the execution of your responsibilities.

Avoid direct or indirect relationships or interests that may influence your judgement to act with integrity and objectivity.

Be impartial and protect yourself from any influence or relationship, either directly or indirectly, which may impede your professional judgement or independence. Accordingly, you should in fact and visibly be free from any interests who can be regarded as irreconcilable with integrity and objectivity.

Independence, being an indispensable characteristic, should enable you to judge impartially and to apply objective considerations to form opinions and to make decisions.

Should you as a member of staff of Legacy not be in a position to act with full independence, or if there is any influence that threatens your objectivity, then you ought to reconsider your ability to act in the specific situation.

You should not hold a direct or indirect financial or management interest in the affairs of a client. As soon as such an Interest influences your independent decision making, then it ought to be terminated forthwith.

Have and employ effectively the resources, procedures and appropriate technological systems for the proper performance of professional activities.

Making of adequate disclosures of relevant material information, including disclosures of actual or potential own interests, in relation to dealings with clients.

Avoid the fraudulent and misleading advertising, canvassing and marketing.

The proper safe-keeping, separation and protection of funds and transactions. This includes the documentation of clients.

Confidentiality

You should honor the confidentiality of information which you obtain in the course of your work, and you may not utilise such information without appropriate and specific written authorization, or disclose it, unless you have a legal or professional obligation to do so.

You may not improperly utilise confidential information which you obtain in the course of your work, either for personal gain or for the benefit of a third party. The duty of confidentiality continues after completion of an assignment.

The disclosure of necessary information to adhere to technical standards or ethical requirements is not prohibited, and should be made known when relevant.

You may disclose information in order to protect your professional interests in a legal action.

Commission

You may not pay any commission to canvass clients, and you may not cede a part of your remuneration and/or commission to finance a client in any way, as such a practice can affect your objectivity and independence. Grants and donations to clients and other organisations must be authorised by a Director of Legacy.

When an arrangement is made to purchase, or to purchase in part, another broking practice, which entails payment to compensate any legal entity, or individuals concerned with the broking fraternity, or their heirs, or to individuals legally entitled thereto, or to their estates, then such transactions will not be regarded as payment of commission, but such transactions must be authorised by a Director of Legacy.

Responsibilities towards Legacy

Publicity and advertisement and also the medium utilised, should not unfavorably affect the professional status of Legacy.

Judgement of what reflects good taste, or not, can only be formed in the context of the specific facts on which the judgement is based. It is, however, possible to identify broad guidelines and general examples of what constitutes good taste in a particular situation. Material which tends to be sensational, or is intended to shock, or to give offense to religious views, or which is racist, or unconstitutional is unacceptable. Other examples are: the underestimation of important concerns; undue trust in a particular personality or personalities; the ridicule of public figures; the deprecation of training achievements; material which makes repulsive comparisons, or which is rash in nature, or which is obviously exaggerated.

You ought not to hold directorships, or comparable decision making appointments, or offices, if such a position could lead to a conflict of interest or impediment of your independence and judgement in rendering professional services to a client.

You should avoid circumstances which could give rise to the exercise of, or probable exercise of pressure on yourself.

You should ensure that neither you, nor any company you are associated with is financed with excessive debts to the extent that your professional independence is affected or could probably be affected.

Withholding of essential information

You may not, either at the time of receiving an original application, or when reviewing the risk, withhold any information which may come to your knowledge and which may influence the risk.

You may not on purpose and knowingly, directly or indirectly, or by implication, make any false or misleading statement to insurers, clients, or other parties.

Unless specific arrangements are made beforehand with the authorised party, no cover for which provision is not made in the underwriting rules and insurance risk selecting guidelines of Legacy may be granted or confirmed by you.

Responsibilities towards clients

Your behavior ought to promote the prestige of, and confidence in Legacy. You should, therefore, act courteously and considerately towards those you come into contact with.

You should not undertake a task for which you are not qualified. As a Legacy staff member you should maintain a high level of professional knowledge and skills in order to execute your work with the highest professional standards.

A client or prospective client is entitled to assume that you are professionally qualified to execute a specific assignment which you accept. If you are not qualified to execute an assignment, you should not continue with it, unless you have obtained the necessary help and advice.

If you do not possess highly specialised knowledge of insurance you should not get involved in tasks which require such knowledge, unless a colleague who is conversant with the specialised task can be requested to assist with rendering of the service.

Act honestly and fairly, with due skill, diligence and care in the interest of the client and the integrity of the financial services industry.

Seek from clients appropriate and available information regarding their financial situations, financial product experience and objectives in connection with the financial service required.

Act with circumspection and treat clients fairly in a situation of conflicting interests.

Responsibility towards colleagues

Your behavior should at all times be such that cooperation and good relations among members of staff are promoted.

Before such matters are not discussed with the particular staff member, the fair achievements and work of colleagues should not be criticised or unfavorable remarks made regarding it.

Staff members ought to support one another, to respect the relevant disciplinary codes and they should collaborate in such a manner that disciplinary action against individuals need not be necessary.

Ethical Code and Service Contract

This Ethical Code of Conduct is not separate from your Service Contract with Legacy but forms an integral part thereof and is supplementary thereto, without contradicting any of its stipulations.