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Ethics and the credit insurance industry

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INTRODUCTION.

Ethics and the Credit Insurance Industry.

The purpose of this report is to investigate whether ethics is important to the credit insurance industry and to consider the role a code of ethics can play in helping to make better decisions.

The conclusions that I reach are that ethics plays a vital role in building and sustaining a healthy credit insurance business and that a well designed and managed ethics policy is an invaluable tool in running an ethical business and in protecting the reputation and long term viability of a credit insurer.

The report begins by providing - in part I - a brief outline of the major ethical theories including short reviews of the two closely related subjects of corporate governance and sustainable development. It continues by discussing the impact of ethics on business in general. I commence the heart of the report by examining in part II ethics in the credit insurance industry, by defining credit insurance and describing the special roles it plays in national and international economies. I then focus on the pertinent operational aspects of a credit insurance business, i.e. marketing and sales, underwriting, claims and

reinsurance with particular reference to the role ethics can and should play in each of them.

By drawing together the outcomes of these various deliberations the basic guidelines for the drafting of codes of ethics in the credit insurance industry will be developed (obviously each company has to design its own code in line with its own corporate culture, values and circumstances). Finally I attempt to show the benefits a well drafted and properly managed code can have for a credit insurer (part III).