

# A Question of Ethics

## The Pragmatic Necessity of Global Ethics

After driving Native Americans off the Great Plains during the course of the 19th century, the U.S. government encouraged citizens to move west, plow the land and enrich the nation by creating the world's most prosperous agricultural economy.

Farmers heeded the call and came by the tens of thousands, neglecting sound farming principles and plowing up the roots of more than 33 million acres of native grasses. The federal government backed its rhetoric by providing generous financing to farmers. Private banks joined in the boom, abandoning their traditional loan criteria to cash in on the harvest. The immediate results were record profits from a bumper crop of wheat.

After some unusually wet years in the 1920s, however, a drought cycle returned. The bare ground soon became uninhabitable as the topsoil broke away and turned the skies dark with a succession of rolling dirt storms. Historian **Timothy Egan** described the scene:

Carrying three tons of dust for every American alive, [one such storm] moved over the Midwest. It covered Chicago at night, dumping an estimated six thousand tons ... By morning, the dust fell like snow over Boston and Scranton, and then New York slipped under partial darkness. Now the storm was measured at 1,800 miles wide, a great rectangle of dust from the Great Plains to the Atlantic weighing 350 million tons.

What began as an unprecedented economic boom ended with agricultural desolation, a host of bankruptcies, widespread respiratory illnesses and the displacement of more than a quarter-million people. Although an example of the effects of irresponsible economic growth in its own right, the Dust Bowl



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and its “Black Blizzards” are also a fitting metaphor for the far-reaching consequences of economic gain without a sound ethical vision.

Unfortunately, the use of short-sighted and exploitative means to gain economic prosperity has been a common theme throughout human history. From colonialism to the Industrial Revolution to the current global recession, rapid economic growth has often come with a hefty “price tag” in human suffering and economic instability.

Especially when considering the excesses and unethical behaviors which contributed so profoundly to the current global recession, the pragmatic dimensions of the CPCU Code of Professional Ethics become readily apparent. One can safely conclude that trillions of dollars in wealth would not have been lost if desires for quick economic profit had not eclipsed the primacy of the public interest (Canon 1), the importance of not causing unjust harm to others (Canon 3), and the necessity of preserving the integrity of the insurance mechanism (Canon 4).

There are many complexities pertaining to global ethics that specifically concern multinational insurers. A sense of cultural respect and understanding must be instilled in the minds of employees and grafted into the corporate philosophy. Appropriate policies must be formulated for doing business in localities where human rights

abuses are more prevalent, women's rights are lacking, or environmental stewardship is deficient. Regardless of the challenges peculiar to multinational corporations, current realities dictate that all insurers are part of the global economy no matter where they are domiciled and regardless of where they write business. Simply put, global ethics are the responsibility of all participants in the modern worldwide economy.

As the insurance industry looks toward the future, ethical responsibility and economic prosperity must be considered to be an inseparable union. The stability of the worldwide marketplace depends on the responsible actions of the leaders of the economic world, of which the insurance industry indubitably plays an integral part. As both history and current events show, economic growth without roots in the greater public good can create a far-reaching storm of monetary loss and human suffering.

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