

# A Question of Ethics

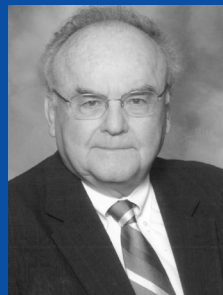
## How Difficult Is It to Be Ethical?

Ask the public what it thinks of the insurance industry's ethics, and you will hear that we are not ethical and not trusted. Ask the public if it thinks it is difficult to be ethical, and it will say that it is not difficult. Get into specifics with the public, and you may find that what you consider ethical and what the public considers ethical are not the same.

A 2008 survey of U.S. high school students came up with some statistics that point out the different viewpoints on what is ethical. The Josephson Institute, a Los Angeles-based ethics institute, surveyed 29,760 students in 100 high schools. Thirty percent of those surveyed said they had stolen from a store in the last year, 64 percent had cheated on a test in the past year and 36 percent had used the Internet to plagiarize an assignment. Yet 93 percent of the students said they were satisfied with their personal ethics and character.

Our ideas of what is, or is not, ethical are formed early in our lives. Different factors such as education, family values, religious upbringing and work experience cause us to form habits on which our ethical standards are based. Since each of these influencing factors is different for each of us, our perception of what is ethical and what isn't ethical will vary. Some of these high school students will soon be replacing us in the insurance industry — and as CPCUs. Who is going to take up the difficult challenge of leading our future leaders to higher ethical standards?

I recently attended a panel discussion sponsored by the University of Illinois College of Business on



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corporate responsibilities. Because it obviously was a "hot topic" in today's business environment, there was a large crowd. In the end, the panel agreed that many problems in today's business world are caused by corporate greed. Chief executives are treating company money as if it were their own. The panel was quick to point out that this unethical behavior brought a huge amount of additional risk to their corporations. Who is going to take up the difficult task of challenging these leaders to maintain higher ethical standards?

The May 12, 2008, *Wall Street Journal* published a section on corporate reputation called, "Does Being Ethical Pay?" In a series of experiments, consumers were shown the same products — coffee and T-shirts — but one group was told that the items were made using high ethical standards, and another group was told that low standards had been used. The test showed, among other things, that consumers were willing to pay almost \$4 per pound more for coffee produced by a company with high ethical standards. Who is going to take up the difficult task of making sure that our companies know that high ethical standards translate into higher potential profits?

In the March issue of *Agent and Broker*, **Chris Amrhein** raises the ethical question, "When is it OK to lie?" I urge you to seek out the article, as he gives compelling reasons why it is never OK to lie. He explains very vividly why ethical behavior translates into trust. I am in my 50th year as an independent agent. I have learned that there is nothing more valuable than trust. If your customers trust you, your employees trust you and your insurance companies trust you, success will be assured.

Always being ethical is difficult. It is even more difficult to influence someone else's ethical behavior. As CPCUs, we are sworn to the highest ethical behavior. As ethical leaders in the insurance industry, we must lead by example. The public's trust will follow.

**Editor's note:** *The opinions expressed in this column are those of the author and do not necessarily reflect the views of the CPCU Society membership, the Society's Ethics Committee or the author's employer. In upcoming issues of CPCU News, the authorship of the "Question of Ethics" column will rotate among members of the Ethics Committee. If you have suggestions for upcoming articles or comments about the "Question of Ethics" column, please contact **Steve G. Brown, CPCU, CLU**, Ethics Committee chair, at [steve.brown.bid2@statefarm.com](mailto:steve.brown.bid2@statefarm.com).*

**"If your customers trust you, your employees trust you and your insurance companies trust you, success will be assured."**