

Street-Level Ethics

Outline of One-Hour Ethics Workshop

I. Course Objectives

- A. To gain insight into ethical behavior**
- B. To understand why the terms “ethical” and “moral” are quite different (and why confusing them presents problems)**
- C. To become familiar with inherent conflicts in being ethical (if it weren’t hard, everyone would do it)**
- D. To understand the value of a code of ethics**
- E. To gain practice in seeing the ethical dilemmas in common insurance situations**
- F. To exercise individual judgment and reasoning in addressing ethical dilemmas, relying upon accepted ethical approaches and applicable codes of ethics**

II. Introduction and Overview

A. Working definitions

- 1. Morality**
 - a) “right vs. wrong” decisions
 - b) “from the heart and the brain” (“feels” like the right thing; according to the way I was taught, this IS the right thing)
- 2. Ethics**
 - a) “right vs. right” decisions
 - b) from the head (codes of expected behavior, guidelines; can be derived from morals)

B. Are today’s headline scandals moral or ethical issues?

- 1. Corporate cheating, corruption**
- 2. Corporate criminal behavior**
- 3. Individual profiteering**
- 4. Stock manipulation**

C. A true moral crisis is not going to be solvable by an ethical process, since the first moral step is determining “right” from “wrong”

III. Approaches to Ethical Decisions

A. Three basic approaches (and a possible weakness)

1. Situation-based – what is the best outcome possible given these circumstances (the ends justify the means)
2. Rule-based – follow the rules, and let the chips fall where they may (but what should the rule be?)
3. People-based – following the Golden Rule, what would you have others do if faced by the same situation (based upon individual morality of decider, which may be good or bad)

B. Codes of Ethics - Since positives and weakness of each approach can lead to conflict, guidelines are invaluable:

1. American Institute for CPCU
2. IIABA
3. NAIW
4. NAIIA

IV. Case Studies

A. Value

1. By working through a possible situation in a controlled environment, you can become more comfortable with the decision when it must be made in the “heat of the moment”
2. Practice provides the opportunity to air differences, consider options, and become more comfortable with a final determination while still not suffering consequences for mistakes or misjudgments
3. Practice makes perfect

B. Practicality assumptions

1. True test of ethics is at ground level, not intellectual discussion. “What *might* you do” is far different from “What *will* you do”
2. Best examples are those that occur commonly; as confidence in ability grows through taking steady

steps on a daily basis, ethical “muscles” are strengthened for facing the truly tough crisis

C. Cases

1. Agents

- a) How low will you go?**
- b) The last-minute certificate crunch**
- c) E&S: when is “worse” better?**
- d) Wrong is wrong, but right for client**

2. Underwriters

- a) School’s out**
- b) Ignorance can be bliss**

3. Adjusters

- a) He who hesitates gets lost**
- b) Gone with the wind**