


IAIR 2021 Issues Forum



The background of the slide is an abstract image featuring vibrant, horizontal light trails in shades of orange, yellow, and blue, suggesting motion or a long-exposure photograph of a city at night. A large, dark blue circle is positioned on the left side of the slide, serving as a backdrop for the text.

Welcome to the International Association of Insurance Receivers (IAIR) Issues Forum

January 14, 2021

11:00 am Eastern



Kathleen M. McCain
President



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Today's Agenda

- Ethics: What You Do When No One is Looking

Presented by: Bernd G. Heinze, Esq.



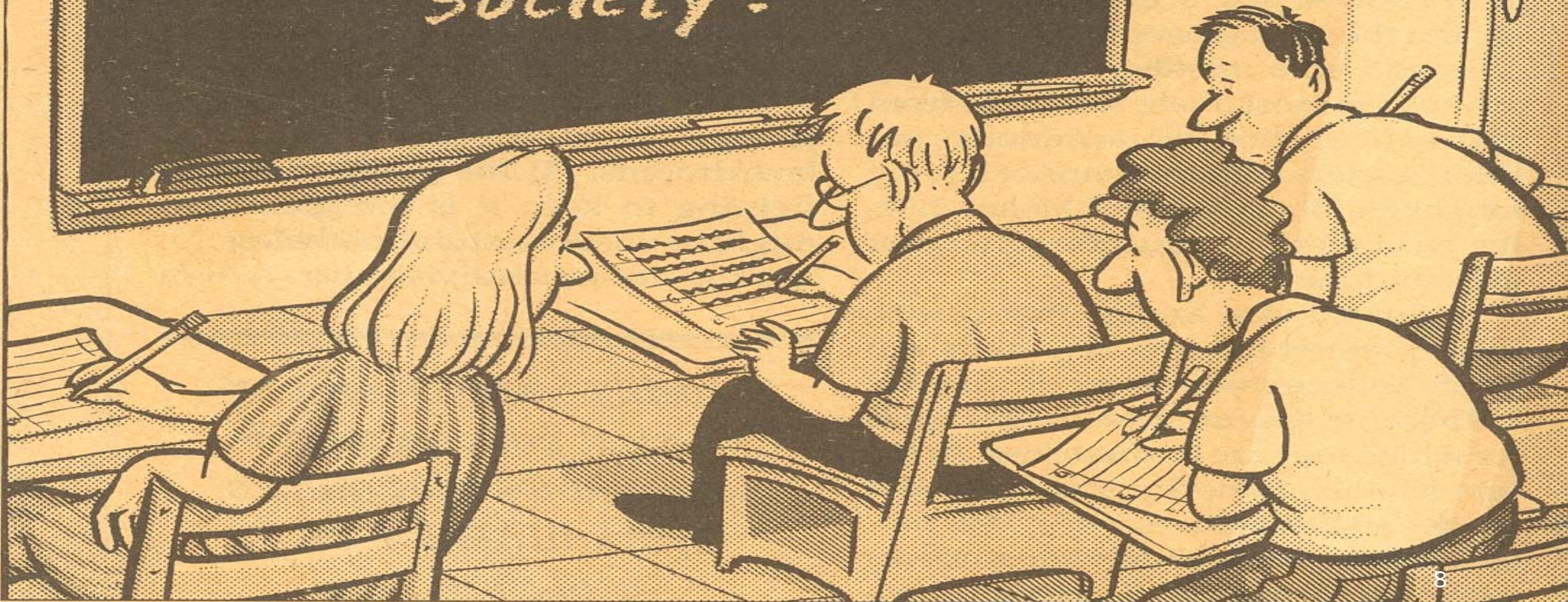



Today's Objectives

- Re-examine the foundations of ethical behavior
- Understand the differences between what is “ethical” and what is “moral”
- Become familiar with inherent conflicts in being ethical
- Understand the value of a personal/company Code of Ethics
- Practice to gain understanding in seeing ethical dilemmas in common situations
- To exercise individual judgment and reasoning in addressing ethical dilemmas, relying on accepted ethical approaches and applicable codes of ethics

How important are
ethics in today's
society?

ST. PETERSBURG TIMES *BRANCH*





The Simple Truths:

1. Sharing is Caring
2. Play Fair
3. Don't hit people
4. Say you're sorry
5. Wash your hands
6. Look both ways before crossing traffic
7. Take a nap
8. Clean your room
9. Put things back where you found them
10. If it's yellow, let it mellow; if it's brown, flush it down





A Higher Calling

Everybody Does
It



NO EXCUSES

“Everybody Does It”

- What’s good for the goose is good for the gander
- If I don’t do it someone else will
- Eat what you kill
- Tit for Tat
- If it’s not illegal, it’s ethical
- The end justifies the means
- We’ve always done it this way
- Don’t worry, the auditor is my nephew

“Everybody Does It”

- It’s only “illegal” if I get caught





Ethical/Fiduciary Obligations

The Duty of
Honesty

The Duty of
Competence

The Duty of
Diligence

The Duty of Loyalty

The Duty to
Maintain
Independent
Judgment

The Duty of Candor
& Communication

The Duty of
Confidentiality

Only dead fish swim with the current



An iceberg floating in a blue ocean under a cloudy sky. The visible tip of the iceberg is labeled 'PRACTICES'. The much larger, submerged part of the iceberg is labeled 'PRINCIPLES' and 'VALUES'.

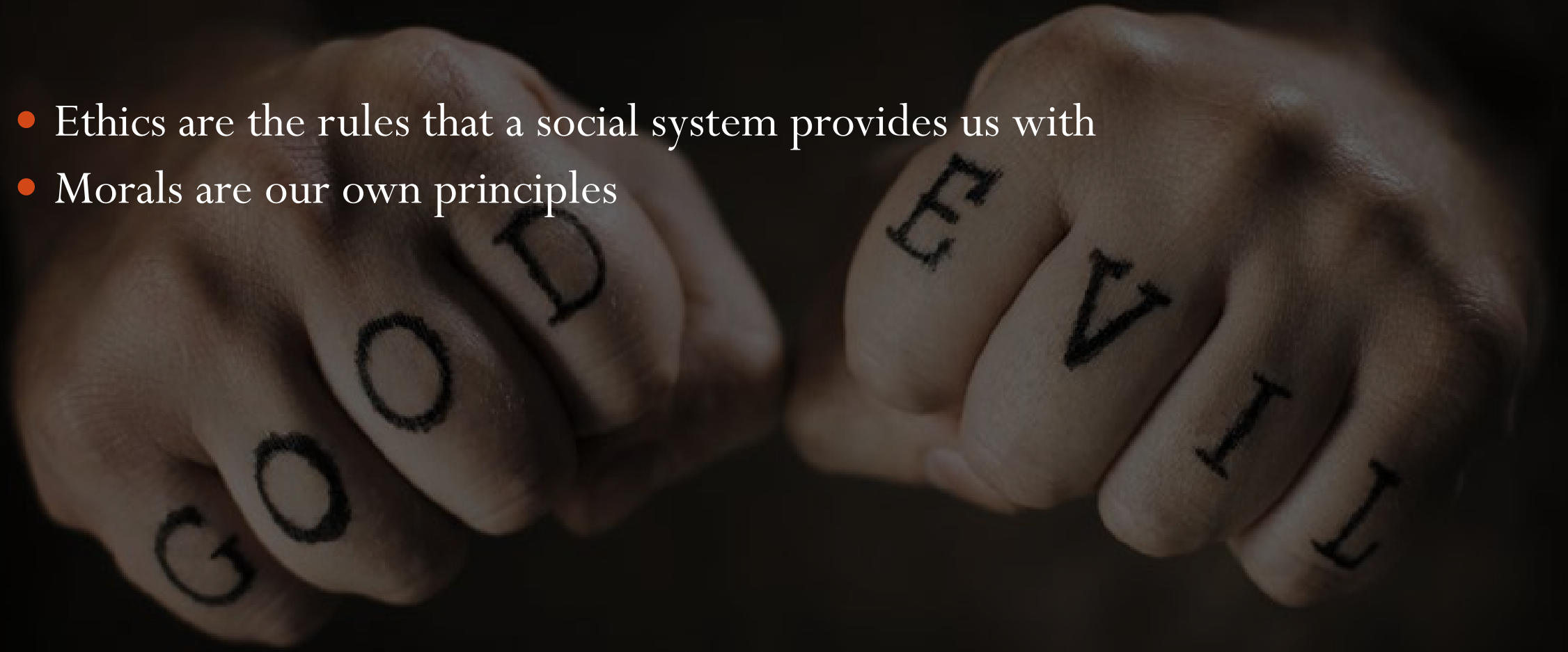
PRACTICES

PRINCIPLES

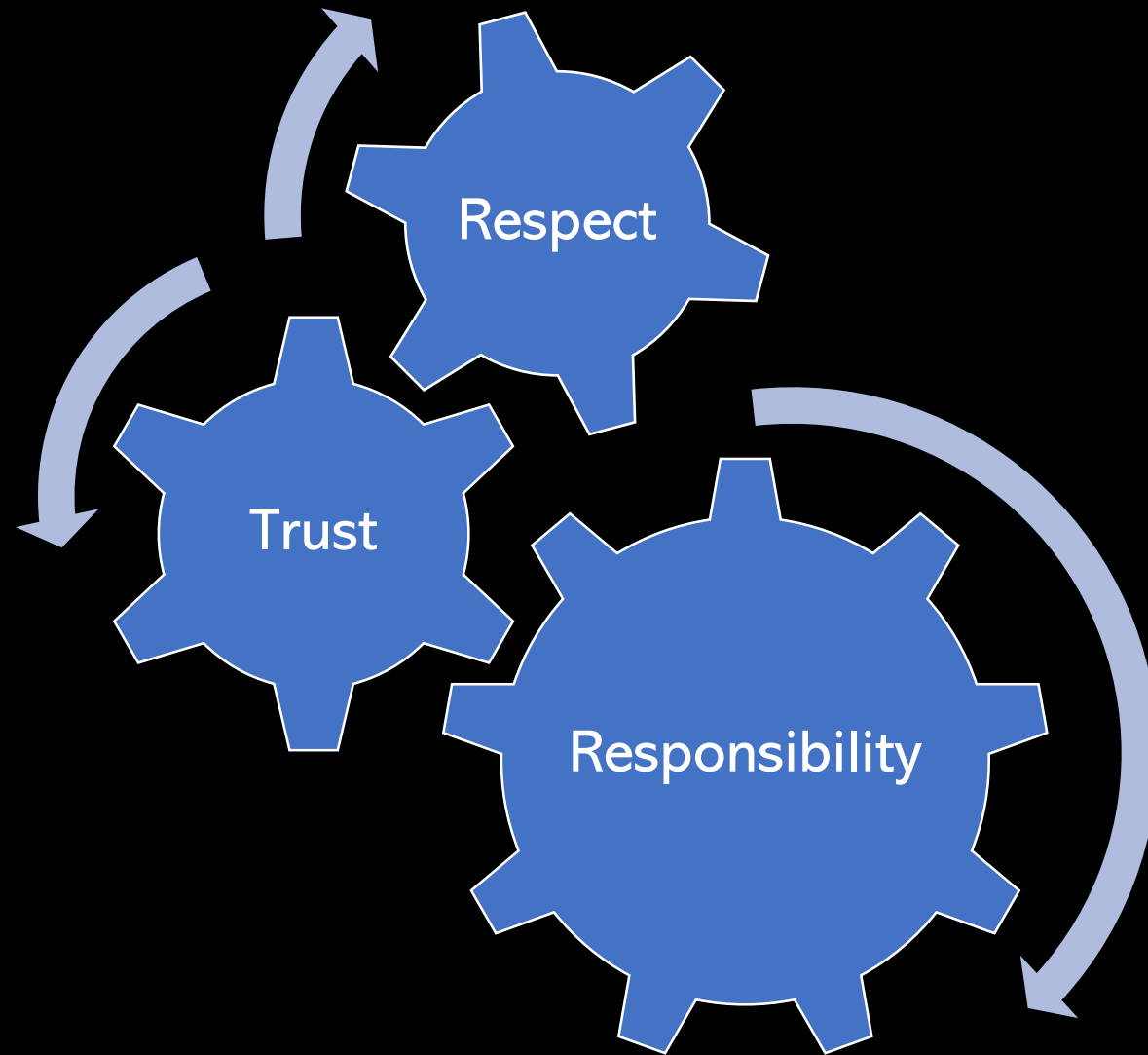
VALUES

Ethics v. Morals

- Ethics are the rules that a social system provides us with
- Morals are our own principles



Basic Core Values



Core Values

- Commitment to Excellence
- Law Abiding
- Honesty
- Respect for others
- Loyalty
- Accountability
- Reputation & Morale
- Leadership
- Fairness
- Concern for others/Empathy
- Integrity
- Promise keeping

Finding Your True North



Some Definitions

Integrity: “Choosing your thoughts and actions based on values vs. personal gain.”





Morality

- “Right” v. “Wrong” decisions
- “From the heart and the brain”
 - Feels like the right thing
 - According to the way I was taught, this IS the right thing

“Morality”

- When an individual is dealing with, or capable of distinguishing between right and wrong
- Morals are principles and values based on what a person or society believes are the right, proper or acceptable ways of behaving

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- Respect: Treat others the way you want to be treated
 - a/k/a “The Golden Rule” and “Reciprocity”

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 - a/k/a “The Golden Rule”
- “The Platinum Rule”: Treat others the way they want to be treated

Code of Ethics



Why have a Code of Ethics?



To define
accepted/unacceptable
behaviors



To promote high
standards of practice



To provide a
benchmark to use for
self-evaluation



To establish a
framework for
professional behavior
and responsibilities



As a vehicle for
professional and
occupational identity



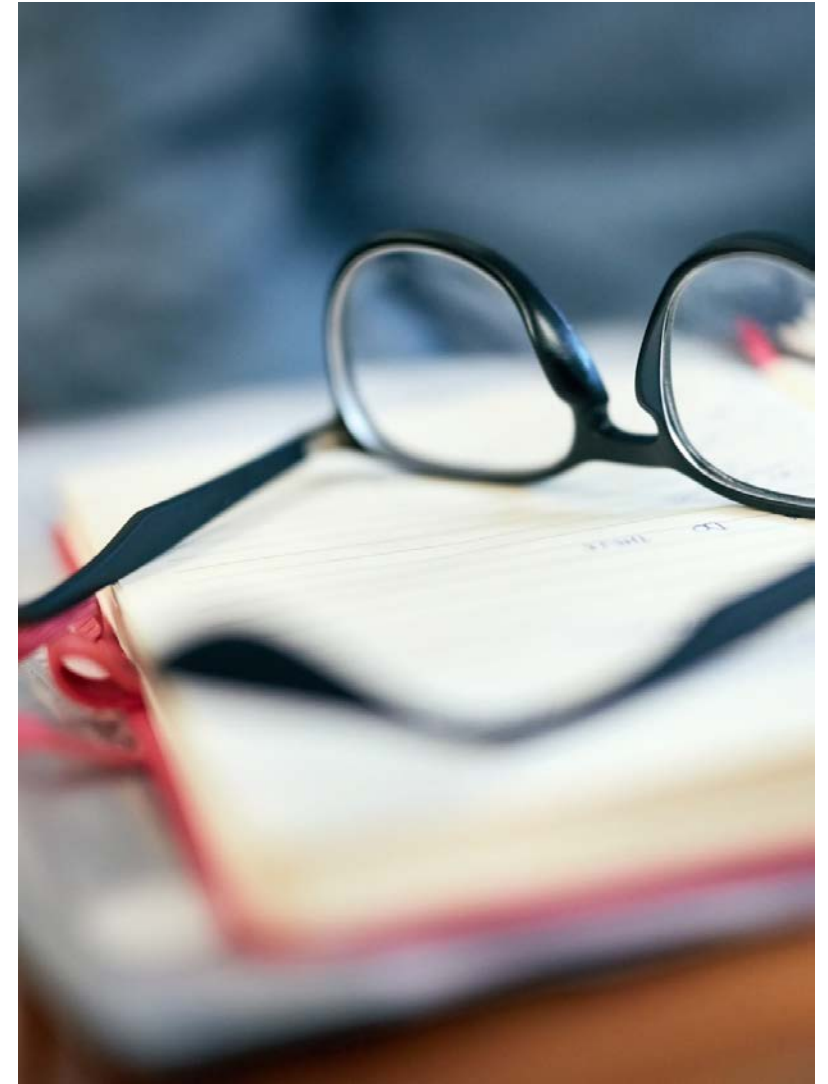
As a mark of
professional and
occupational maturity



To distinguish ourselves
and our companies from
those who do not hold
the same ethical and
moral principles

Some Examples

- The Case of 20 Bags of Mulch
- The Case of the Master Sergeant Underwriter
- The Case of the Ex-Husband's Deposit
- The Case of a Covid-19 Vaccination
- The Case of Stephanie Wallace
- The Case of Student Recognition Sunday





How do you
want to be
remembered?

Ethical Dilemmas

- A choice must be made between 2 courses of action
- Significant consequences are associated with taking either course of action
- Each of the 2 courses of action can be supported by one or more ethical principles
- Ethical principles support the on chosen course of action will be compromised



Ethical Dilemmas — How to Make the Right Decision

- Review the facts, drivers and circumstances to determine the 2 courses of action from which one must choose
- List the factually based reasons supporting each course of action
 - These reasons will often be important consequences
- Identify the ethical principles that support each action given the reasons for support



...but what if both decisions are “OK”?



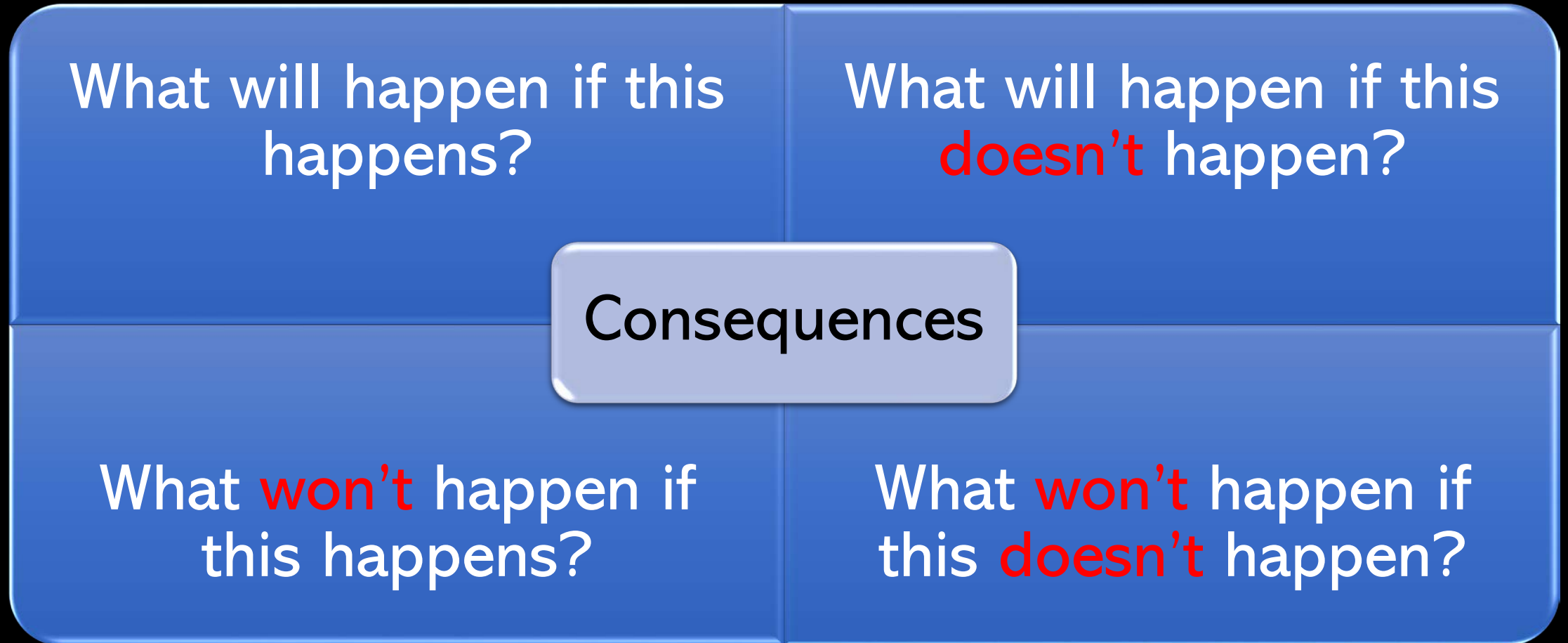
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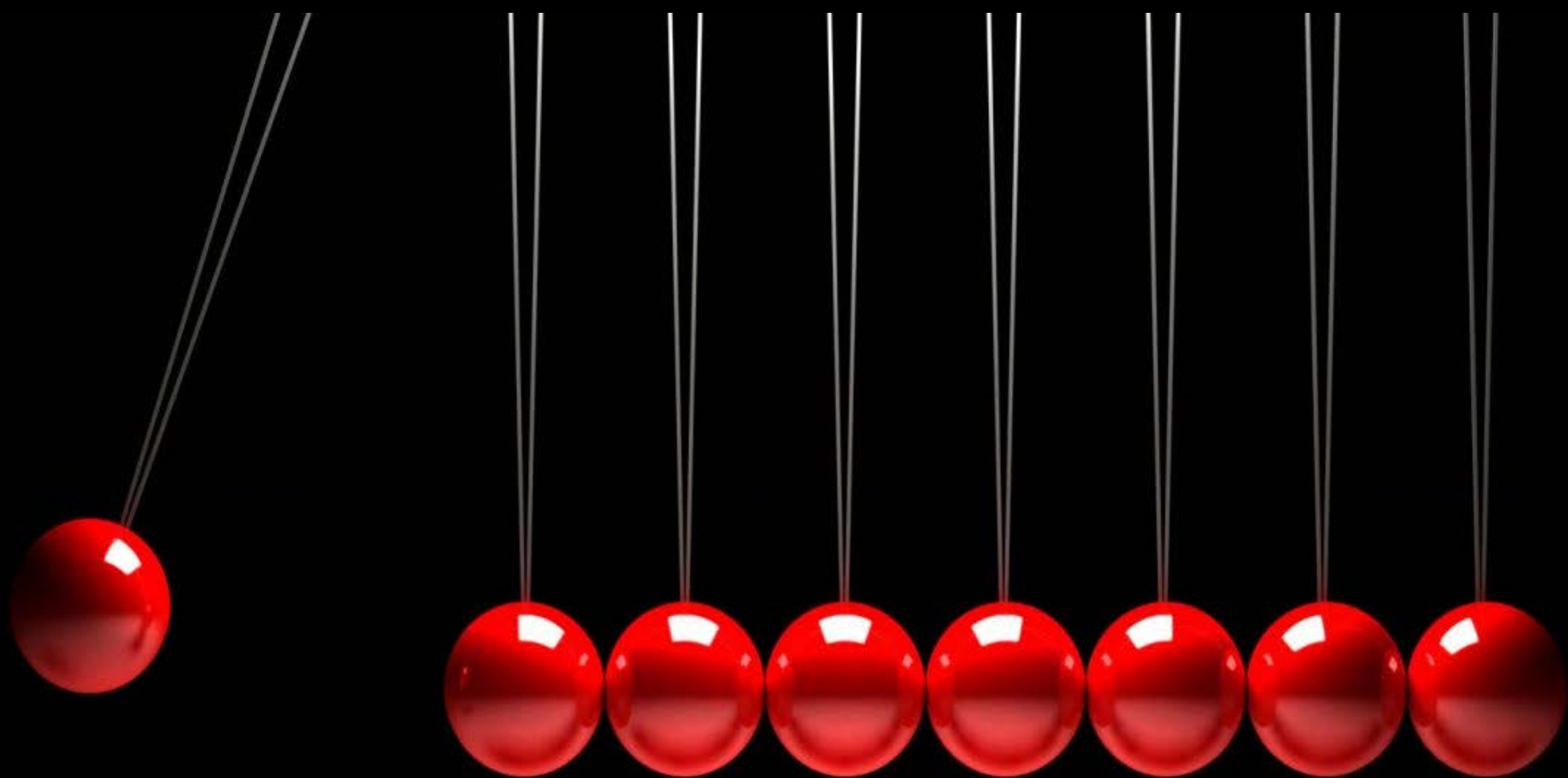


Consequences
Just Ahead

A green rectangular road sign with rounded corners and a white border. The sign is mounted on two wooden posts. The text "Consequences" is written in a large, white, sans-serif font, and "Just Ahead" is written in a smaller, white, sans-serif font below it. The background of the sign is a solid green color. The sign is set against a backdrop of a cloudy sky.

...but what if both decisions are “OK”?





...but what if both decisions are “OK”?

Decisions are the hardest moves to make,
especially when it's a choice between what you want...
and what is right.



12 Questions Toward Making Ethical Decisions

1. Have you defined the problem accurately and unbiased?
2. How would you define the problem if you were standing on the other side of the fence?
3. How did this situation happen in the first place?
4. What were the drivers?
5. Does loyalty factor in?

6. How does this intention compare with the probable result?

7. Who could your decision hurt?

8. Can you discuss the problem with the affected parties to achieve a amicable resolution before making your decision?

9. Are you confident your position will be as valid over a long period of time as it seems now?



12 Questions Toward Making Ethical Decisions

10. Could you disclose - without reservation – your decision or action to your boss, client, head of your organization, colleague, family, mentor or society as a whole?

11. What is the symbolic potential of your decision if understood? If misunderstood? Optics & Clarity.

12. Are there any circumstances where you would allow exceptions to your position? What are they?



12 Questions Toward Making Ethical Decisions



Ethical Decisions


- Clarify
- Evaluate
- Decide
- Implement
- Monitor & Modify

Primum Non Nocere



Still not
sure?

- What would your grandmother do?
- What would you say if a family member came to you and asked “ did you really do _____?”
- What would you do if the decision was on the front page of tomorrow morning’s newspaper?
- Do you shave/put on makeup/brush your teeth?

A dramatic photograph of a lighthouse perched on a rocky outcrop. A colossal, white-capped wave is crashing over the lighthouse, creating a massive spray of water that fills the upper half of the frame. The sky is dark and stormy, with a hint of orange light on the right side, suggesting a sunset or sunrise. The lighthouse is a dark, multi-tiered structure with a lantern room at the top. The overall mood is one of intense power and resilience.

Ethical behavior helps us maintain
a moral course in turbulent times

Once the decision is made...



KNOW
THYSELF

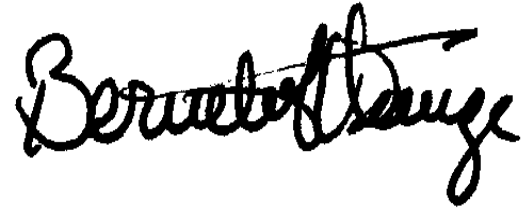
Bottom Line: “Heinze on Ethics”

*Ethics is doing the right
thing...*

*even when nobody else is
looking.*



Thank you

A handwritten signature in black ink, appearing to read "Bernie Dunge". The signature is fluid and cursive, with a horizontal line striking through the middle of the name.

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