



**Code of Conduct  
for Self-employed Sales Agents  
of ERGO Companies**

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The principles set out below are based on the self-imposed obligations of the representative associations of self-employed sales partners making up the tied agents' sales organisations of the ERGO companies (hereinafter also referred to as "ERGO"). By means of these rules of conduct, the sales partners mark their commitment to apply the highest standards to their activity as independent insurance agents. ERGO welcomes their content and hereby agrees with the sales partners in its tied agents' sales organisations that they should be applied as binding rules of conduct.

## **General**

An insurance agent plays an important role for the economy as a whole. Since insurance cover largely requires explanation, insurance companies use qualified insurance agents to sell their products. The insurance agent thus becomes an essential link between an insurance company and its customer.

Customer support is a complex task: the variety of risks, the development of social security systems and the large number of insurance options and forms that result, combined with the need to explain insurance terms as well as potential opportunities and risks, give rise to a need for qualified and competent insurance agents with the requisite expertise. It is his or her task to give the interested party or insured person appropriate and responsible advice on the type and level of individual insurance protection needed and to provide him with appropriate support throughout the term of the contract.

Performing these tasks successfully requires a particular relationship of trust between the insured person and the self-employed insurance agent. However, this can only be achieved in the long term if the insurance agent demonstrates certain qualities and meets certain obligations.

In order for an insurance agent to meet these obligations, it is a prerequisite that ERGO provide the tools they need to offer competent and professional insurance brokerage services. ERGO is conscious of its responsibility in providing services of general interest for the consumer and will thus ensure that it offers the necessary insurance products.

Alongside an appropriate level of qualification, integrity and commitment to the principles of honest trading form the basis of any business relationship. This applies in our relations with our contractual partners as it does vis-à-vis consumers.

These rules, which essentially correspond to the self-imposed obligations of an honest trader, are not only intended to underline our commitment to acting on the brokerage market with integrity and in a manner which sets us apart from our competitors, but also constitute a guideline in putting the ERGO Guiding Principles into practice.

These rules are consistent with the model provided by the Bundesverband deutscher Versicherungskaufleute e.V. (BVK) [Professional Association of Self-employed Insurance Agents in Germany].

The following principles apply to self-employed insurance agents who work on behalf of ERGO (hereinafter referred to as "sales partners"):

## **I. General principles**

1. Sales partners shall promote a high level of qualification within the profession.
2. Sales partners shall meet the requirements of honesty, expertise and financial prudence.
3. All sales partners are obliged to refrain from any actions which undermine the integrity and morals required in commercial dealings or which are inconsistent with the principles of fairness of competition or common practices in the area of insurance brokerage.
4. All sales partners shall be concerned to promote and maintain relations based on trust and partnership. This includes protecting the personal dignity, privacy and personal rights of each individual. Sales partners shall act in an open and tolerant manner.
5. A fundamental principle of collective action is compliance with statute and law. Sales partners and ERGO shall at all times perform their contractual duties and obligations carefully and meticulously.
6. Sales partners shall avoid situations which might lead to a conflict of personal and business interests. This shall include offering, granting or accepting unfair advantages. The appropriateness of gifts and invitations shall be governed by usual business practice. Civil servants, politicians or representatives of other public institutions shall not be afforded any advantages which might call into question their independence or integrity.
7. All sales partners shall observe the "Verhaltenskodex für den Vertrieb von Versicherungsprodukten" [Code of Conduct for the Sale of Insurance Products] of the Gesamtverband der Deutschen Versicherungswirtschaft e. V. [German Insurance Association] and the "Leitbild Neue ERGO" [Guiding Principles of new ERGO] and accept them as guidelines for their own business activities.
8. Sales partners are required to forward the Code of Conduct to their employees and self-employed sub-agents.

## **II. Standards of conduct vis-à-vis insured persons**

1. Respect for the legitimate interests of insured persons, which shall take priority over one's own interests, shall be the most important business principle guiding each sales partner. Sales partners shall at all times endeavour to acquire, earn and keep the trust of their customers.
2. Each sales partner must be clearly identifiable to insured persons as an insurance agent whose function is to broker insurance cover on a commercial basis on behalf of ERGO as his contractual partner. He or she shall not give the impression that he or she is an independent or neutral advisor who has no personal financial interest in the conclusion of an insurance contract. In particular, it shall be deemed a gross infringement of integrity and morals for a sales partner to unduly refer to other institutions where this might lead to the insured person being misled about the sales partner's position or function.

3. When preparing and brokering insurance contracts, sales partners are required to advise the insured person on the insurance cover appropriate to him, set out the nature and scope of risks and to ensure that ERGO, as the contractual partner, provides insurance cover corresponding to the individually determined requirements.
4. Each sales partner shall, provided this falls within the scope of his contractual obligations, provide active support to the insured person throughout the term of insurance contracts and ensure that the insurance protection is adapted to any changed circumstances of which the sales partner becomes aware. Such support shall also include assistance in respect of insured incidents and claims.
5. The conclusion of the insurance contract forms the basis of the rights and obligations of the insured person, the insurance company and the sales partner. An important task of the sales partner shall be to ensure that the rights of all parties are maintained.
6. Insurance cover, which is brokered in a competent and professional manner, is also concerned with the financial security of the insured person. All sales partners shall therefore undertake to continuously expand their specialist knowledge and adapt to changes on the insurance market.
7. In accordance with statutory requirements, all sales partners shall meet the obligations arising out of the law governing brokerage activities. This shall cover the information which an agent is required by statute to initially provide to a customer and the requirement that he notify on an unsolicited basis his status as a tied insurance agent who is contractually bound to or has a licence to operate on behalf of ERGO as the contractual partner.
8. The advisory documentation produced as a result of a prior analysis and assessment of the individual requirements and wishes of the policyholder is an essential component of the activity of a qualified agent, and its importance is specifically defined by the law governing brokerage activities. This documentation shall be drawn up diligently and supplied to the customer after every conclusion of a contract.
9. Any complaints received from prospective customers, insured persons or former customers shall be promptly investigated by the sales partner in an appropriate manner.
10. Any information relating to prospective customers and insured persons shall be treated as confidential. The provisions of the law on data protection shall be complied with.

### **III. Standards of conduct vis-à-vis ERGO**

1. ERGO and the sales partner shall mutually respect each other's business assets, including intellectual property.
2. The sales partner shall specifically endeavour to obtain all the information necessary for an objective and subjective risk assessment in order to prevent ERGO from suffering any damage which might arise as a result of an incorrect risk assessment. After conclusion of an insurance contract, ERGO shall continue to receive any information which appears relevant to the assessment of the insurance relationship.
3. Any insurance premium received by the sales partner shall be properly handled and passed on to ERGO in accordance with the requirements of the contract.

4. In the event of a claim, the sales partner shall forward any information relevant to the determination of the facts to ERGO. He or she may not conceal any circumstances of which he or she becomes aware which are relevant to ERGO's obligation to render benefits. In particular, he may not commit any acts or omissions which might enable any unjustified claims to be enforced.
5. ERGO and its sales partners depend on the trust of their customers, employees, investors and the public. ERGO and its sales partners are aware of their joint responsibility. They shall respect and have regard for the legitimate rights of third parties and shall refrain from discriminatory actions or actions which publicly damage ERGO or its sales partners. The interests of the parent company of ERGO, Munich Re, shall also be respected.
6. Where a sales partner suspects that ERGO is being misused for the purposes of committing economic crimes, money laundering or other illegal acts, he or she shall inform ERGO thereof.

#### **IV. Standards of conduct vis-à-vis colleagues**

1. Relations between the sales partners of all ERGO sales organisations, but also with colleagues of other insurance companies, shall be based on the principles of solidarity, mutual regard and mutual respect. The disparagement of colleagues or competitors or of another competing insurance company shall not be deemed compatible with the principles of honest trading.
2. Observance of the principles of freedom of competition shall be an essential obligation for all sales partners. Sales partners shall ensure that the "Wettbewerbsrichtlinien der Versicherungswirtschaft" [Competition Guidelines for the Insurance Industry], which aim to promote competition on merit and fair business practices and prevent irregularities, shall prevail.
3. Each sales partner shall undertake to comply with the regulations of the Bundesanstalt für Finanzdienstleistungsaufsicht [German Federal Financial Supervisory Authority].

#### **V. Violations of these principles**

1. Violations of these rules of conduct may damage ERGO and its sales partners and lead to state-imposed sanctions (penalty notices, intervention in business operations).
2. With regard to questions relating to the rules of conduct, sales partners may consult their representative association or Compliance Office(r). The Compliance Office(r)<sup>1</sup> is the person or organisational unit responsible for compliance issues affecting ERGO sales units.
3. Where a sales partner gains knowledge of an infringement of the law or serious violation of these rules of conduct, in particular relating to fraud, corruption or other comparable punishable acts which might give rise to consequences under criminal or civil law, he or she shall inform his or her contact person within ERGO or Compliance thereof. In the event of economic crimes or similar legal infringements, sales partners also have the possibility of approaching an external ombudsperson.

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<sup>1</sup> Should such a person or organisational unit be unavailable, ERGO Compliance may be consulted.

This person is

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4. The sales partner shall remain free to report such infringements to the competent state authorities and supervisory bodies.