

Part VIII

Appendix

Codes of Ethics

The following are the codes of ethics of five representative professional groups, all reprinted with permission. The five are:

The Code of Ethics and Professional Responsibility of the Certified Financial Planner Board of Standards, Inc.

The Code of Ethics of the National Association of Fraternal Insurance Counselors

The Code of Ethics of the National Association of Financial Service Professionals (formerly the National Association of Life Underwriters)

The Code of Ethics of the National Association of Personal Financial Advisors, Inc.

The Code of Professional Responsibility of the Society of Financial Service Professionals (formerly the American Society of CLU & ChFC)

CODE OF ETHICS AND PROFESSIONAL RESPONSIBILITY

Certified Financial Planner Board of Standards, Inc.

Principles

Introduction

These *Code of Ethics'* Principles express the profession's recognition of its responsibilities to the public, to clients, to colleagues and to employers. They apply to all CFP Board designees and provide guidance to them in the performance of their professional services.

Principle 1 - Integrity

A CFP Board designee shall offer and provide professional services with integrity.

Principle 2- Objectivity

A CFP Board designee shall be objective in providing professional services to clients.

Principle 3- Competence

A CFP Board designee shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which the CFP Board designee is engaged.

Principle 4- Fairness

A CFP Board designee shall perform professional services in a manner that is fair and reasonable to clients, principals, partners and employers, and shall disclose conflict(s) of interest(s) in providing such services.

Principle 5- Confidentiality

A CFP Board designee shall not disclose any confidential client information without the specific consent of the client unless in response to proper legal process, to defend against charges of wrongdoing by the CFP Board designee or in connection with a civil dispute between the CFP Board designee and client.

Principle 6- Professionalism

A CFP Board designee's conduct in all matters shall reflect credit upon the profession.

Principle 7 - Diligence

A CFP Board designee shall act diligently in providing professional services.

**Code of Ethics
of the Fraternal Insurance Counselor**

Preamble: As a fraternal life underwriter, I will maintain the utmost professional standards toward my members and at the same time maintain a position of trust and loyalty to my Society

I believe it to be my responsibility:

To conduct my fraternal business according to high standards of honesty and fairness and to render that service to my members which, in the same circumstances, I would apply to or demand for myself I will develop my ability and improve my knowledge through regular continuing education.

To provide competent and member-focused sales and service, based on my members' concerns, needs and input. I will present accurately and completely the facts essential to my members' decisions and always place their best interest and welfare above any personal considerations; I will submit complete and accurate applications for membership and insurance on only those persons whom I believe to have the proper requirements that conform with my Society's underwriting rules.

To engage in active and fair competition. I will refuse any person or persons any part of my commissions or earnings as an inducement to purchase an insurance or annuity product. I will follow applicable regulations as well as guidelines developed by my Society whenever a sale involves replacement of insurance. To only use advertising and sales materials approved by my Society and the applicable regulatory authorities.

To respect my members' confidences and hold in trust personal information.

To fairly and expeditiously handle member complaints or disputes.

To cooperate in a system of supervision and review that is designed to achieve compliance with this Code of Ethics and Principles of Ethical Conduct.

As a Fraternal Insurance Counselor, I pledge myself to uphold and maintain these principles and responsibilities.

Code of Ethics

PREAMBLE: Those engaged in life underwriting occupy the unique position of liaison between the purchasers and the suppliers of life and health insurance and closely related financial products. Inherent in this role is the combination of professional duty to the client and to the company, as well. Ethical balance is required to avoid any conflict between these two obligations. Therefore,

I Believe It To Be My Responsibility

To hold my profession in high esteem and strive to enhance its prestige.

To fulfill the needs of my clients to the best of my ability.

To render exemplary service to my clients and their beneficiaries.

To adhere to professional standards of conduct in helping my clients to protect insurable obligations and attain their financial security objectives.

To present accurately and honestly all facts essential to my clients' decisions.

To perfect my skills and increase my knowledge through continuing education.

To conduct my business in such a way that my example might help raise the professional standards of life underwriting.

To keep informed with respect to applicable laws and regulations and to observe them in the practice of my profession.

To cooperate with others whose services are constructively related to meeting the needs of my clients.

National Association of Personal Financial Advisors, Inc.

Code of Ethics

The National Association of Personal Financial Advisors, Inc. (NAPFA) has adopted a Code of Ethics which establishes minimum standards of acceptable professional conduct for members. Adherence to the Code is mandatory for all NAPFA members and its provisions will be strictly enforced by NAPFA.

THE EIGHT PRINCIPALS

Objectivity
Confidentiality
Competence
Fairness and Suitability
Integrity and Honesty
Regulatory compliance
Full Disclosure
Professionalism

OBJECTIVITY: NAPFA members shall strive to be as unbiased as possible in providing advice to clients.

CONFIDENTIALITY: NAPFA members shall keep all client data private unless receiving authorization from the client to share it. The member shall treat all documents with care and take care when disposing of them. Relations with clients shall be kept private.

COMPETENCE: Members shall strive to maintain a high level of knowledge and ability. Members shall attain continuing education at least at the minimum level required by NAPPFA. Members shall not provide advice in areas where they are not capable.

FAIRNESS AND SUITABILITY: Dealings and recommendations with clients will always be in the client's best interests. NAPFA members put their clients first.

INTEGRITY AND HONESTY: A NAPPFA member will endeavor to always take the high road. We must be ever mindful of the potential for misunderstanding that can accrue in normal human interactions. We should be diligent to keep our actions and reactions so far above board that a thinking client, or other professional, would not doubt our intentions. In all actions, we should be mindful that in addition to serving our clients, we are about the business of building a profession and our actions should reflect this.

REGULATORY COMPLIANCE: The NAPFA member will strive to maintain conformity with legal regulations.

FULL DISCLOSURE: Many clients don't see conflicts of interest. Discussing them with the client shows you have their interests in mind.

PROFESSIONALISM: NAPFA members shall conduct themselves in a way that would be a credit to NAPFA at all times. NAPFA membership involves integrity, honest treatment of clients, treating people with respect.

**Code of Professional Responsibility
Of The
Society Of Financial Service Professionals**

Canon 1 - *Fairness*

A member shall perform services in a manner that respects the interests of all those he/she serves, including clients, principals, partners, employees, and employers. A member shall disclose conflicts of interests in providing such services.

Canon 2 – *Competence*

A member shall continually improve his/her professional knowledge, skill, and competence.

Canon 3 – *Confidentiality*

A member shall respect the confidentiality of any information entrusted to, or obtained in the course of, the member's business or professional activities.

Canon 4 – *Integrity*

A member shall provide professional services with integrity and shall place the client's interest above his/her own.

Canon 5 – *Diligence*

A member shall act with patience, timeliness, and consistency in the fulfillment of his/her professional duties.

Canon 6 – *Professionalism*

A member shall assist in raising professional standards in the financial services industry.

Canon 7 – *Self-Regulation*

A member shall assist in maintaining the integrity of the Society's Code of Professional Responsibility and of the professional credentials held by all Society members.