

FINALLY, A **FUN** ETHICS CLASS!

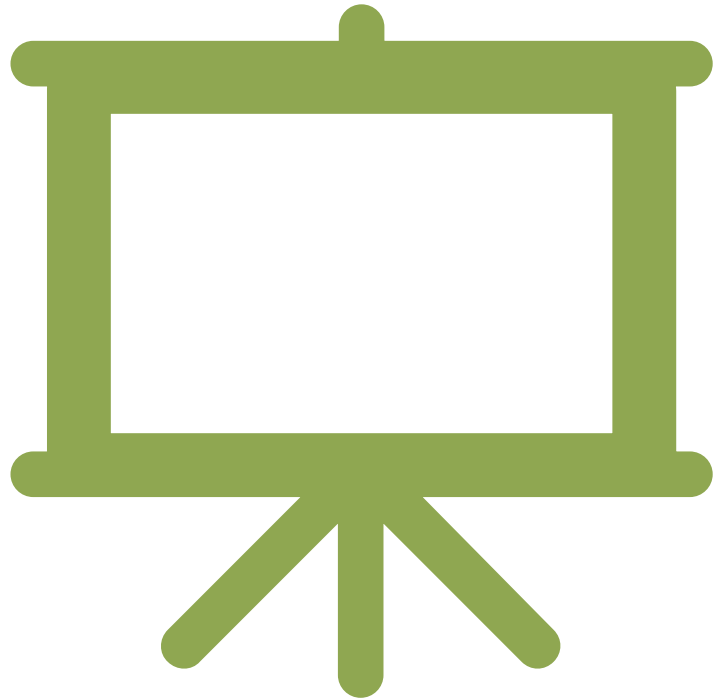
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MAY 13, 2021



HOUSEKEEPING





Classroom CE Credit

- Must attend the entire presentation
- No exam required
- “Visually Monitor Attendance”
- Keep the presentation as the active window on your computer
- Answer attendance checks during the class – this means you need to participate!
- Type your answers into the chat box or email me at eric@comedyce.com.
- One last thing – I’m not funny...



Let's get started.

**WHO
ENJOYS
ETHICS?**



WARM UP



**It is time to elect
the world leader,
and yours is the
deciding vote.
Here are the
facts about the
three leading
candidates:**

Candidate A: He associates with crooked politicians, and consults with astrologers. He's had two mistresses. He also chain smokes and drinks up to ten Martinis a day.

Franklin D Roosevelt

Candidate B: He was ejected from office twice, sleeps until noon, used opium in college and drinks a large amounts of whisky every evening.

Winston Churchill

Candidate C: He is a decorated war hero. He's a vegetarian, doesn't smoke, drinks an occasional beer and hasn't had any extra-marital affairs.

Adolph Hitler

Which of these candidates would be your choice?

The Lesson

01

Be careful about pre-judging people based on limited information.

02

Be willing to change your opinion when you receive new information.

03

Our clients come in all shapes and sizes. Sometimes, the traits we dislike the most might be what makes them successful business owners.

ENDORSEMENTS

As a famous athlete,
you are offered a
\$500,000 endorsement
to promote a product
that you dislike and
would NEVER use.
Do you endorse it?

The Lesson



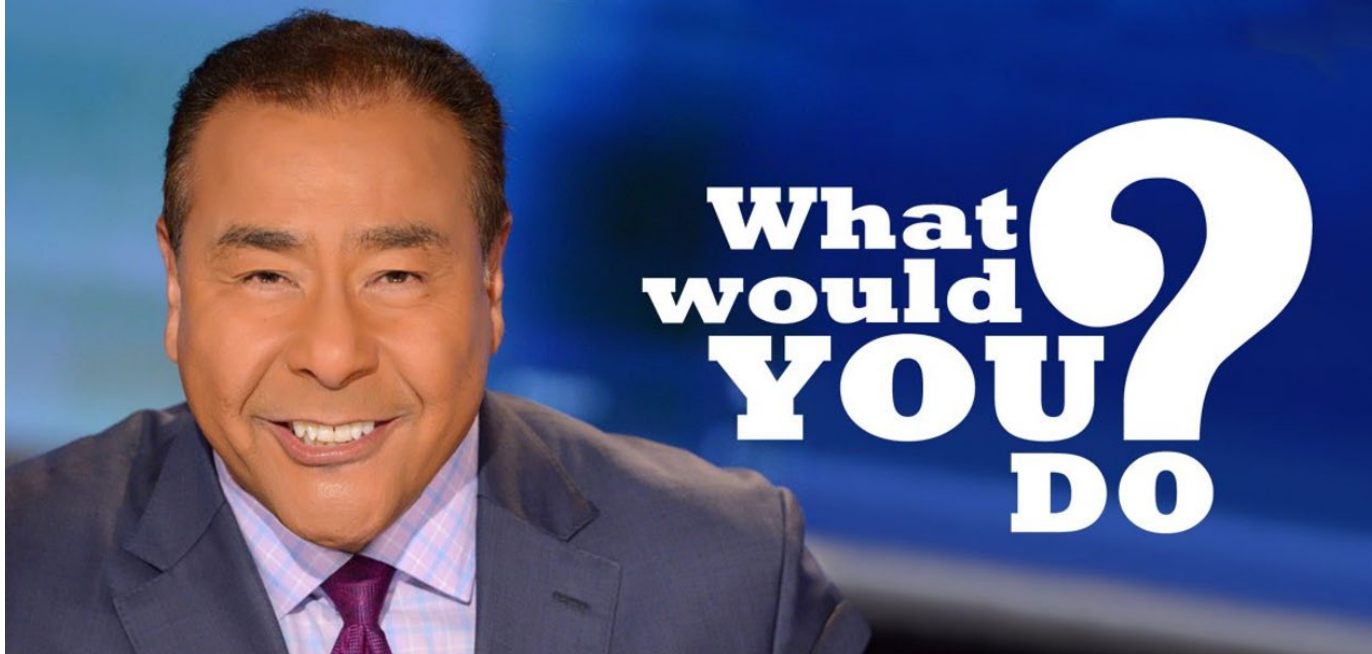
Don't recommend products or solutions that you don't believe in.



At the same time, remember that there is no one-size-fits-all solution, and you need to recommend what's best for the CLIENT, not for you. Don't project.

**EVEN WHEN
NO ONE IS
WATCHING**

You are waiting
at a red light at
4 a.m. There isn't
a car in sight. Do
you run the light?



The Lesson

- If you only do the right thing when people are watching, you're not being ethical.
- Perhaps it's best to assume John Quiñones is watching.

HELPING OTHERS

You hear a woman
screaming in the
parking lot in an
unsafe neighborhood.
Do you try to go
out and help her?

The Lesson

It's easier (and safer) to help someone in financial danger than in physical danger.

Because we're assisting people with their health care, we do, at times, have the power (and responsibility) to help save their lives.

If we don't help, it's very possible that nobody else will.

FESSING UP

You're backing into a tight parking space and you accidentally dent someone's car. Nobody has seen you. Do you leave a note taking responsibility?

THE LESSON

- When you make a mistake, admit it, then fix it. Your clients will respect you for it.
- DON'T throw the carrier or anyone else under the bus for your mistake.
- If you do, then the client's first impression of the carrier you just recommended will be negative (and they'll question your recommendation).



PRIVATE INFO

QUESTION OF SCRUPLES

As a reporter, you agree to interview a prominent politician "off the record." He says something vital to the public welfare. Do you report it?

The Lesson

- Private means private.
- We deal with a lot of PHI, and it's our responsibility to keep that information confidential.
- This can create an ethical dilemma, though, if the client tells you something material to the underwriting process. Not disclosing the information could violate your contract with the carrier – in that case, you must report what you know.

HONEST OPINION

Your friend has a scheme that he/she thinks will make a fortune. You think it will bomb. Are you honest about your feelings?

The Lesson

- As agents, our job isn't to tell clients what they want to hear, it's to tell them what they need to hear.
- Sugar-coating information can be misleading and will usually backfire.
- People can only make informed decisions if they're properly informed.

INTRODUCTION TO ETHICS



SOME DEFINITIONS

Laws

- Law can be defined as a consistent set of universal rules that are widely published, generally accepted, and usually enforced.
- These rules describe the ways in which people are required to act in their relationships with others in a society.
- They are requirements to act in a given way, not just expectations or suggestions to act in that way.
- Since the government establishes law, the government can use police powers to enforce laws.



Laws tend to be:

- **Consistent** – If two requirements contradict each other, both cannot be termed a law, because people cannot obey both.
- **Universal** – The requirements must be applicable to everyone with similar characteristics facing the same set of circumstances.
- **Published** – The requirements have to be published, in written form, so that they are accessible to everyone within the society.
- **Accepted** – The requirements have to be generally obeyed.
- **Enforced** – Members of society must be compelled to obey the law if they do not choose to do so voluntarily.

Ethics

The word ethics is derived from the Greek word *ethos* (character), and from the Latin word *mores* (customs).

Together they combine to define how individuals choose to interact with one another.

In philosophy, ethics defines what is good for the individual and for society and establishes the nature of duties that people owe themselves and one another.

Characteristics of Ethics:

Ethics involves learning what is right and wrong, and then doing the right thing.



Most ethical decisions have:

extended
consequences.

multiple
alternatives.

mixed
outcomes.

uncertain
consequences.

personal
implications.

Ethics vs. Morals

- The difference between ethics and morals can seem somewhat arbitrary to many, but there is a basic, albeit subtle, difference.
- Morals define personal character, while ethics stress a social system in which those morals are applied.
- In other words, ethics point to standards or codes of behavior expected by the group to which the individual belongs. This could be national ethics, social ethics, company ethics, professional ethics, or even family ethics.
- So while a person's moral code is usually unchanging, the ethics he or she practices can be other-dependent.

Ethics vs. Morals

- When considering the difference between ethics and morals, it may be helpful to consider a criminal defense lawyer.
- Though the lawyer's personal moral code likely finds murder immoral and reprehensible, ethics demand the accused client be defended as vigorously as possible, even when the lawyer knows the party is guilty and that a freed defendant would potentially lead to more crime.
- Legal ethics must override personal morals for the greater good of upholding a justice system in which the accused are given a fair trial and the prosecution must prove guilt beyond a reasonable doubt.

Golf vs. Football

- **Golf:** a gentleman's sport
- **Football:** if you're not cheating, you're not trying



“I’m a highly ethical person – ask anybody. But my morals – now that’s a different story.” -Anonymous



Right vs. Right

Ethics is not always a question of right vs. wrong, it's often a question of right vs. right.

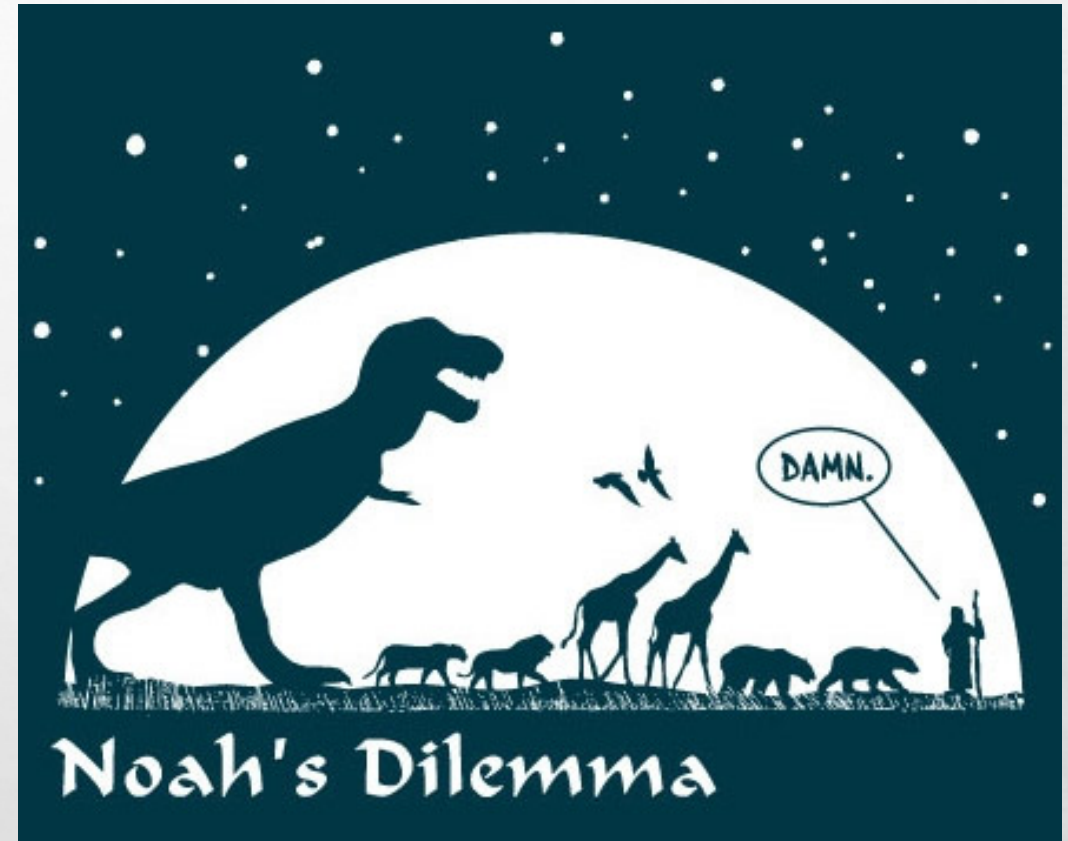
Not Black and White

The ethics debate takes place in the gray area in the middle, not in the black and white areas at the ends of the spectrum.



Ethical Dilemma

- A situation that requires an ethical judgment call. Often, there is more than one right answer and no win-win solution in which we get everything we want.



ETHICS REQUIREMENT



FROM THE DEPARTMENT OF INSURANCE



3

DOI ETHICS REQUIREMENT

3 HOURS OF ETHICS EACH LICENSE RENEWAL PERIOD.
THESE DO COUNT TOWARD YOUR CE REQUIREMENT.



Purpose of the ethics requirement

To ensure that agents are thinking about the ethical implications in their interactions with their clients and in their day-to-day activities

To improve the view of the insurance industry as a whole and insurance agents in particular

Doesn't have to be boring

There's a lot of stuff to choose from, which means that ethics doesn't have to be boring.



Don't think of it as
punishment



COMMON SENSE?



GOALS

- 1.
- 2.
- 3.

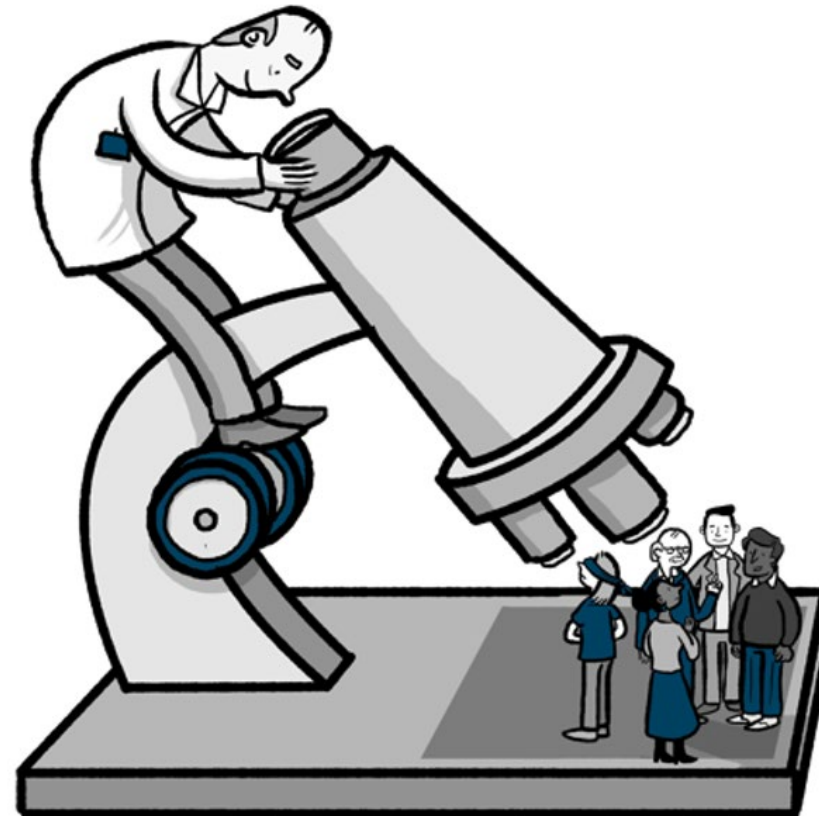
THREE GOALS FOR THIS COURSE



Goals for this course

#1

For attendees to recognize that the insurance industry is under the microscope right now and everyone needs to be on their best and most ethical behavior.



Goals for this course

#2

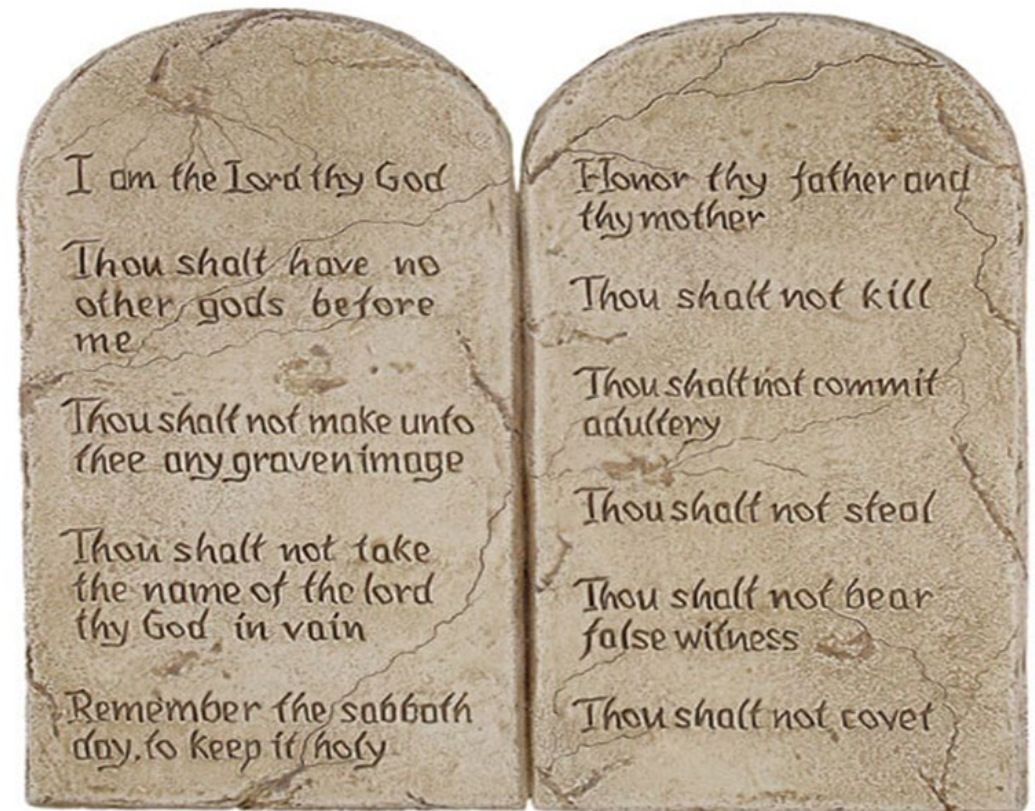
For each attendee to develop our own set of ethical principles for themselves and their agency, if applicable.



Goals for this course

#3

For attendees to think about ethics not because the Department of Insurance requires it, but because humanity requires it. Ethical behavior is also good business.



A little about today's format

(what makes it fun??)



- This is an interactive course! That's more fun than listening to a lecture. And it makes the time go by faster.
- You need to think about these issues and how you feel about them – after all, you're the one who has to make decisions in the “real world”.
- Putting your thoughts in writing will help with recall – important when you find yourself in an ethical dilemma.
- You'll get to hear what your coworkers think as well – it's important to know what type of people you work with. But your answers will be anonymous.
- It's less work for me...



TODAY'S AGENDA



THREE CATEGORIES OF ETHICAL DILEMMAS

Topics of Discussion

- Health Care Providers and Pharmaceutical Companies
- Health Insurance
- Insurance Agents
- Bonus: COVID



HEALTH CARE

MEDICAL PROVIDERS AND BIG PHARMA



MEDICAL PROVIDERS



LIFE SAVING TREATMENT



STEPPED UP DURING COVID

Cost of Care

- Health care in the United States is among the best in the world.
- It is also prohibitively expensive for many people without health insurance.
- And, because insurance premiums are a reflection of health care costs, they too are prohibitively expensive for a lot of people.
- **Is it moral for a medical provider to withhold care from someone solely because he or she cannot afford it?**

An illustration of a man in a dark suit and white shirt, seen from the side, holding a red life preserver with white straps. He is looking down at a person in the water, whose hand is visible above the surface. A speech bubble from the man contains the text "That'll be \$500.". The background is a light blue sky and dark blue water.

**That'll be
\$500.**



**IS IT MORAL TO WITHHOLD A LIFE PRESERVER FROM A
DROWNING PERSON WHO CAN'T AFFORD YOUR FEE?**

Varying Cost of Care

- Is it ethical to charge different patients different amounts for the same procedure?
- Is it even a good idea? Wouldn't charging a single price solve a lot of problems?



Price Transparency

- Is it ethical for health care providers to hide the price from patients until they send them the bill?

Surprise Billing

- Not all surprises are good.
- When the patient has no choice of providers, is it ethical for a provider to balance bill the patient?

PHARMACEUTICAL COMPANIES



LIFE SAVING MEDICATIONS

Proven Value During COVID

- 3 Vaccines approved (and millions of doses provided) in less than a year.
- More vaccines on the way.



Government Involvement

- Should the government regulate pharmaceutical prices?
- Most preferred nation status?
- What about using the power of the government to negotiate prices?





HEALTH INSURANCE

INSURANCE CARRIERS, COVERAGE, AND FINANCING



INSURANCE PREMIUMS



THEY'RE WAY TOO HIGH



Up, Up and Away!

Insurance Premiums

Why are they so high?

What factors should be considered in setting premiums?

Should the rating rules be the same for large and self-insured employers as for individual and small group plans?

Why should some market segments be able to charge more based on age, gender, or medical condition?

Is rating at a group level for these factors acceptable as long as members are charged the same price?

AFFORDABLE CARE ACT



11 YEARS OLD ON

MARCH 23, 2010



Affordable Care Act

The goal was to provide health care and health coverage more equitably.

Was that goal accomplished or did it create new ethical issues?

MEDICARE FOR ALL / SINGLE PAYER



AN IDEA THAT'S GAINING STEAM

Do we as a country have an ethical obligation to provide coverage for those who cannot afford it? To assist?

**Arguments for
Single Payer**

**Arguments
Against Single
Payer**

The urgency of

MEDICARE FOR ALL



**IS THE ARGUMENT FOR A GOVERNMENT SOLUTION
STRENGTHENED DURING A PANDEMIC?**





INSURANCE AGENTS

THE "MIDDLE MAN" BETWEEN THE CARRIER AND THE CONSUMER



THE ROLE OF THE AGENT



WHO DO WE WORK FOR?



Role of the Agent

Fiduciary Responsibility to our Clients

Remember, we also have a responsibility to the carriers we represent

Plans represented and products recommended

Agent of Record Letters

AGENT COMMISSIONS



DOES THE WAY WE'RE PAID CREATE AN ETHICAL DILEMMA?

Agent Commissions

Are commissions a factor in the products you choose to represent and the solutions you recommend?

All other things being equal, can commissions be the tiebreaker?

Is it ethical for carriers to offer bonus programs to incentivize sales? Do these sorts of bonus programs work?

In the absence of a law requiring it, should agents disclose commissions to their clients?

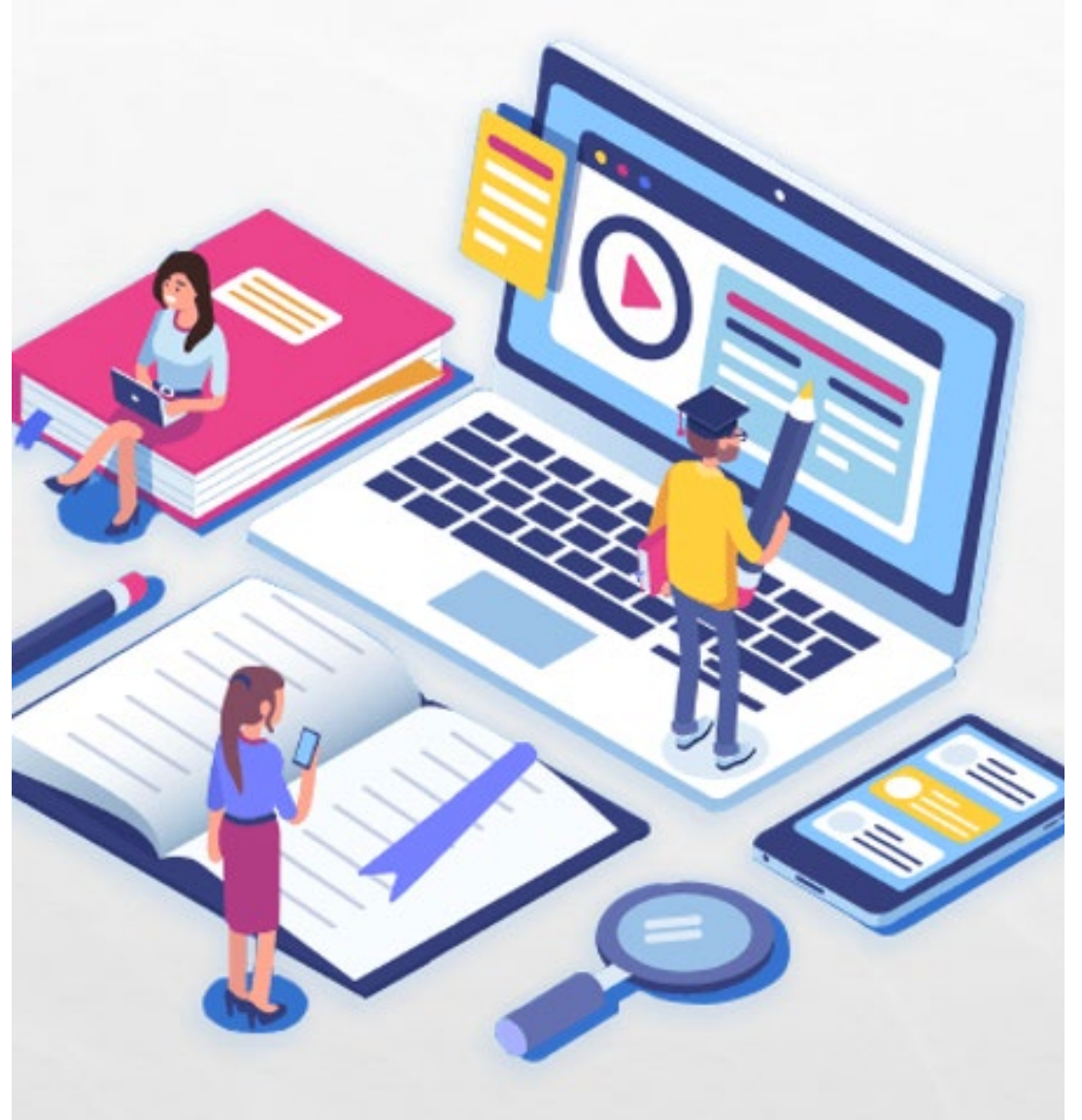


MEDICARE



**DOS AND DON'TS FOR AGENTS WHO SELL MEDICARE-RELATED
PRODUCTS**

LOTS OF CERTIFICATIONS



Dos and Don'ts for agents who sell Medicare-related products

Why are there so many rules?

Do the rules that are meant to protect seniors get in the way of you doing your job? In other words, do they end up hurting the people they're meant to protect?

INDUSTRY ASSOCIATIONS



REALLY??? HOW COULD NAHU MEMBERSHIP BE UNETHICAL?



Every man owes a part of his time and money to the business or industry in which he is engaged. No man has the moral right to withhold his support from an organization that is striving to improve conditions within his sphere.

— Theodore Roosevelt —



Industry Associations

Do agents have an ethical obligation to join? To participate? To serve?

Once an agent agrees to serve, how much of a priority should it be?

Do agents have an obligation to the employer not to spend too much time on “pro bono” industry work?

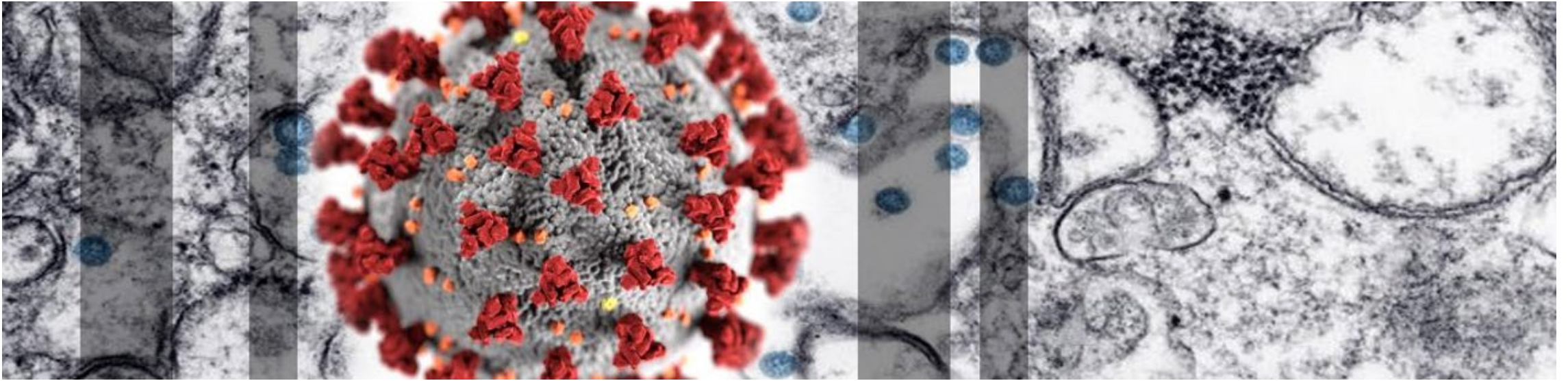
SPEAKING WITH ONE VOICE



Remember, this is a strategy

- It does not mean that all members have the same viewpoints.
- We are a bi-partisan organization with a diverse membership and diverse viewpoints.
- When we do not recognize and respect those other viewpoints, we risk alienating potential members.





COVID-19

RAISING A LOT OF ETHICAL ISSUES



During a pandemic, it is in the public interest for people to get tested, treated, and vaccinated. So should these services be paid...

by the government

by insurance plans

by the individual?



*If the answer isn't
the government,
what should we do
if the individual
does not have
insurance or the
money to pay?*

*What about
Testing?
Treatment?*

Are we really all in this together?

Should mask mandates and other rules be uniform?

What ethical duties do we owe to each other to prevent the spread of the virus?





Closing Time

CLOSING

FINAL THOUGHTS



Summary

- Health care, prescription drugs, and health insurance are all way too expensive. They're big problems we need to solve as a country.
- There are practical considerations when trying to solve this problem: how much will it cost, how effective will it be?
- There are also moral and ethical considerations. How can we, the richest country in the world, just allow people to die because they can't afford it?

Agents face ethical dilemmas every day

- We are the “middle man” between the carrier and the client, and we have an obligation to both.
- We must provide our clients with the best advice possible while remembering that we are an agent of the carrier.
- We must always put the client’s needs before our own and avoid any appearance that we’re making recommendations for our personal benefit.
- We must also be ethical in the way we obtain business. Don’t lie, don’t cheat, and don’t disparage our competitors.
- It’s a good idea to review (and follow) NAHU’s Code of Ethics.

NAHU's Code of Ethics

- To hold the selling, service and administration of health insurance and related products and services as a professional and public trust and do all in my power to maintain its prestige.
- To keep paramount the needs of those whom I serve.
- To respect my clients' trust in me, and to never do anything which would betray their trust or confidence.
- To give all service possible when service is needed.
- To present policies factually and accurately, providing all information necessary for the issuance of sound insurance coverage to the public I serve.

NAHU's Code of Ethics

- To use no advertising which I know may be false or misleading.
- To consider the sale, service and administration of health insurance and related products and services as a career, to know and abide by the laws of any jurisdiction Federal and State in which I practice and seek constantly to increase my knowledge and improve my ability to meet the needs of my clients.
- To be fair and just to my competitors, and to engage in no practices which may reflect unfavorably on myself or my industry.
- To treat prospects, clients and companies fairly by submitting applications which reveal all available information pertinent to underwriting a policy.
- To extend honest and professional conduct to my clients, associates, fellow agents and brokers, and the company or companies whose products I represent.

MY THOUGHTS



Ethics is not common sense – if it were, we'd all agree on all of the answers.



Ethics is, however, very important. Agents encounter ethical dilemmas on a daily basis, and we find ourselves in conversations about ethical issues with our clients, coworkers, fellow agents, and solution providers.



How we answer these ethical questions will determine how others view us and impact the way we do our jobs.



With social media, public shaming, today's cancel culture, ethical lapses may ultimately have more serious consequences than legal infractions.



ANY QUESTIONS?

OR COMMENTS?



!Gracias!

THANK YOU!

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