



If I Could Turn Back Time

The Minefield of Confidential Information

It seemed like a routine day to a customer service representative working in the brokerage where she had been employed for the past 17 years. She strolled to the photocopier to make a copy of a form just as she had done hundreds of times in the past. But something out of the ordinary was about to unfold.

While retrieving her copies, she realized that she had three pages in her hand rather than two. She had also picked up a document belonging to someone else, which may have been left in error in the photocopier tray. The CSR decided to scan the document for a clue as to whom it may belong and then deliver it. But the contents shocked her: It was an agreement for the purchase and sale of the firm.

Her mind racing, the CSR debated what to do. She understood that this was a confidential document, but she could not take her eyes off it. She was confused about her next move: Present it to the brokerage principal, keep it a secret, place it back on the photocopier, shred it, act now or act later.

What is the best course of action? There is no denying that the CSR is now familiar with the substance of the document, but is the reading of it justifiable under the circumstances? Is it okay to go home and recount the situation to her husband, or tell a colleague over lunch because she's curious about whether others already know? How or when would her behaviour become unethical?

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Everyone who works in an office will eventually be exposed to confidential information – be it a document such as the one in this article, an overheard phone conversation, or speculation among others that gets passed along. The gossip train's momentum is often unstoppable.

Ethics is a complicated subject; it is not just about right and wrong but must include in the equation motives and intended goals. To provide a template to work from in making the best ethical decisions, imagine someone else in your role who you feel exhibits exemplary ethical behaviour and work through what you'd believe they'd do in similar circumstances.

The best course of action for the CSR is to take the document to the intended recipient in short order and advise that in trying to

ascertain ownership she became aware of the content – and then duck because there's no guarantee that the document's owner has the same high ethical standards as you.

Reviewing the paper to identify to whom it belongs is appropriate. In fact, it shows common courtesy. However, once the right owner has been determined, the CSR has an ethical obligation to stop reading further. As an aside, the document owner has a role in this too, as content this private should not have been printed and left in a common area.

As for telling a colleague over lunch, this would be a bad idea. If you have been inadvertently exposed to confidential information – whether it is a purchase agreement, someone else's performance review, or a summary of staff salaries – what is important is that it was not intended for your eyes and shouldn't be shared with co-workers.

As for telling a spouse, this is a grey area. For many couples, a discussion of the day's events over dinner helps put issues into context. A second opinion can be valuable on things as serious as viewing confidential information to getting feedback on just how out of line it was that the person in the next cubicle took a second doughnut from the box.

If your spouse is employed in the insurance industry, passing along confidential information is definitely not wise. If it were to come out that you'd shared this information at home you may find that in the future you will not be involved in serious, confidential discussions that may directly or indirectly involve your partner's firm. It also puts pressure on your spouse, as an innocent slip can cause both of you to lose credibility.

Consider, as well, a section of the Code of Ethics of the Insurance Institute of Canada applicable to all elected Fellow Chartered Insurance Professionals (FCIPs), Chartered Insurance Professionals (CIPs),

I Heard It Through the Grapevine

Many people in the p&c sector enjoy getting together with their counterparts from other companies to engage in a little shoptalk. It is also an opportunity to catch up with old friends and make some new contacts. A popular forum for this exchange is industry gatherings and trade shows where you are sure to find an old acquaintance.

Enjoying the give and take, an insurance company relationship manager looked forward to such events. At a recent gathering, however, he found himself cornered by a small group of competitor counterparts quizzing him on recent events at another company. They were interested to know if he'd heard anything juicy or what his opinion might be on the gossip that was circulating.

Although he had been aware of the speculation, the relationship manager was uncomfortable with where the conversation was headed, so he responded that he must have been out of the loop for a while because he hadn't heard anything. He started to rethink the value of the rumour mill.

He wondered about the ethical boundaries of such speculation and informal networking. Is listening to gossip as bad as spreading it? Does it hurt the industry overall or is it simply part of a competitive landscape? If we sincerely care about doing what is right, is it our responsibility to shut down the rumour mill and will this promote healthy competition within the industry? What guiding tips might help?



and Honorary Chartered Insurance Professionals (HCIPs), including all members eligible for election: "Institute graduates shall treat as confidential any information, documents, or papers relating to the business affairs of their employer or client and shall not disclose or produce such information, documents or papers, without the consent of the employer or client concerned, except as required to do so by law."

**BARBARA HAYNES, FCIP, CRM
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Matters of ethics and the correct course of action are rarely black and white, and this particular scenario is no exception. The Institute Code of

Ethics clearly requires graduates to hold the interests of their employer above their own interests in all professional matters, and to keep information and documents relating to the business affairs of their employer confidential.

Similarly, under Codes of Conduct laid out by broker regulatory bodies (such as RIBO), integrity is a fundamental quality demanded of every insurance broker.

This CSR has many years of experience and, therefore, should have a good understanding of the ethics and behaviour required in this instance. Presumably, after 17 years with this brokerage, she also has a strong degree of loyalty to her employer. What makes this situation difficult and

where shades of grey come in, is that she probably also has a sense of allegiance to the team she works with.

The sale of the brokerage is potentially threatening not only to her livelihood and career but also to those of her friends and colleagues. Getting major news like that in this way would be very frightening. At the back of her mind, the CSR is also likely to be angry that any sensible person would leave a document this important in the photocopier tray.

Going back 20 years or so, employer/employee relationships were more paternal and the bond between the two was much stronger. The loyalty this CSR feels to her colleagues will probably influence her to want to share this news with at least one close confidant. We all know that would be wrong, particularly as this one confidant is likely to tell another.

Not only should ethics preclude the CSR from relating this situation to any of her colleagues, but consider that it is unlikely to be helpful to them to know this information without any of the accompanying facts (for example, the new purchaser may want to continue employment for all, and better opportunities may exist with the new employer).

There are two options at this point: Shred the document and pretend she has never seen it, or take it to the brokerage principal and explain how she came by it. If she is a shareholder in the brokerage or in the purchaser, the situation becomes more black and white. She may have a fiduciary responsibility and she should not even consider sharing the material with her colleagues. On the other hand, as a shareholder, she may feel even more strongly that she wants to approach the boss.

At the end of the day, speaking to the brokerage principal would probably be the best course – this could influence him or her to start thinking hard about the impact of a sale on employees and what the communications plan should be.

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First, it would be my true hope that whoever found such a document would bring it to me, allowing me to provide some explanation and context. This individual would not be admonished because it is natural to have noticed it on the photocopier – after all, it may be a document important to a client file.

Also, while I would wish that the CSR wouldn't share the information, I have to be realistic and assume that she may have told others – not necessarily from a cynical motivation, but perhaps to ask a colleague how to proceed.

Finding a document as sensitive as a purchase agreement would naturally be shocking, likely to conjure up fears of lost jobs and raise questions about the future and the stability of the organization. It's these kinds of fears that would compel someone to share the information, which, as we all know from the "telephone game," gets blown out of proportion by the time it reaches the third person and beyond.

I'm not convinced that anyone could simply pretend that he or she hadn't seen the document because this is an explosive find. What is damaging, however, is when that person doesn't get a suitable explanation – and, in these circumstances, I believe the CSR would be entitled to

one – and then spreads the news.

Any speculation about poor management, the type of business portfolio currently handled, lack of staff expertise, etc., may be true or may be totally off the mark. But such conjecture threatens morale and productivity (because this is all that people are speaking of), and jeopardizes future opportunities

When a brokerage considers a sale or acquisition, it is typically from a business perspective of "strength" – either trying to build more strength, or because of an inherent strength already in the core business operations. For instance, a purchase may be to acquire a different expertise in a class of business or to strengthen an existing operation and obtain growth.

These business strategies usually offer greater opportunity to staff – perhaps not in the same department or exact same function, but an employee usually stands to further personal and professional development by learning new skills or training other colleagues, for example.

Also, from a management perspective, the adage that a business's strength is its people is usually true. Management typically prefers to keep staff on to help in the transition after an acquisition or sale. If there are roles that are subject to duplication, then opportunities often exist for an employee to explore other possibilities. And there are almost always opportunities available. ☺

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