

Ethics & Professionalism

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Agenda

- ▶ What is Ethics
- ▶ Meaning of Ethics at Work
- ▶ What is Professional Conduct
- ▶ Why Ethics & Professionalism?
- ▶ Way Forward

Meaning of Ethics at Work

- ▶ Set of standards of expected behaviour between the employer, employee and stakeholders.
- ▶ Set of values that are morally acceptable when conducting business.
- ▶ Business practices that is acceptable to society, a group or the community inherently forms part of the code of conduct
- ▶ Developing a moral compass to use in decision making.

What is Professional Conduct

- ▶ Professional Conduct Standards
- ▶ IRDAI (Appointed Actuary) Regulations

- ▶ What drives ethics & professionalism?
 - The implicit norms that guide behavior in the absence of Regulations or Rules
 - Is my act in the best interest of ALL stakeholders

Why Ethics & Professionalism

- SEBI imposes Rs.5 lakh fine on Satyam's compliance officer
- Yes-bank-its-compliance-officer-pay-rs-66-lakh-to-settle-case-with-sebi
- SEBI fines ICICI Bank, compliance officer Rs 12 lakh for disclosure lapses
- SEBI fines RIL and its Compliance Officers for 66 Lakhs

Shift to personal Accountability?

Insurance product approvals made
easy

- *Steps towards ease of doing business*

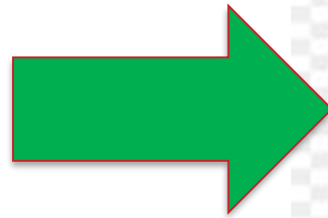
Shift to Self Regulation?
Higher Responsibility?

Way Forward



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Tick-box on Rules &
Regulations



Doing Things Right

Thank You

Duties of Appointed Actuary



- Conducting Actuarial advice to Management of insurance company particularly in areas of product design and pricing, investments, reinsurance, EOM, ALM and risk management
- Identifying & monitoring risks associated with insurer's ability to maintain solvency, and its reporting to Board in case of any material concern
- Ensuring 'adequacy of reinsurance arrangement', 'fairness in premium rates', and 'aligning of pricing policy with underwriting and claims management policy'
- Certification of various Regulatory Reports like "Actuarial report and abstract", "Solvency Margin", etc
- Ensuring appropriateness of methodologies and underlying models used, as well as assumptions made in mathematical reserves calculation
- Appointed Actuaries to pay due regard to generally accepted actuarial principles and practices
- valuation of liabilities and assets of insurance company