

## *Members of*

### **THE MILLION DOLLAR ROUND TABLE**

SHOULD BE EVER MINDFUL THAT  
COMPLETE COMPLIANCE WITH AND  
OBSERVANCE OF THE CODE OF ETHICS OF  
THE MILLION DOLLAR ROUND TABLE  
SHALL SERVE TO PROMOTE THE  
HIGHEST QUALITY STANDARDS  
OF MEMBERSHIP.

THESE STANDARDS WILL BE  
BENEFICIAL TO THE PUBLIC AND  
THE INSURANCE AND FINANCIAL  
SERVICES PROFESSION.



## **MDRT**

The Premier Association  
of Financial Professionals®

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## CODE OF *ethics*



## **MDRT®**

INNOVATIVE IDEAS  
EMPOWERED GROWTH™



## **1. Always place the best interests of your clients above your own direct or indirect interests.**

- a. Conduct a thorough and appropriate fact finding.
- b. Strive to achieve the client's personal and financial goals.
- c. Recommend only the insurance and investment product and features best suited to your client's needs.
- d. Do not select the product with an eye to the compensation earned.
- e. Recommend no more premium than the client is reasonably able to pay or no more financial risk than a client can take based on a complete fact finding.
- f. When the recommended product is part of an overall business or personal plan, persist to ensure implementation and completion of the plan.

## **2. Maintain the highest standards of professional competence and give the best possible advice to clients by seeking to maintain and improve professional knowledge, skills and competence.**

- a. Be mindful that quality is a process, not an achievement.
- b. Pursue continuing education both formally and through private study.
- c. Know all of the features of the products you recommend.
- d. Comment on competitors' products only if well versed in those products.
- e. Learn to listen and communicate effectively.
- f. Keep your promises. Deliver what you promise in a timely manner.
- g. Prepare applications and new account forms honestly and completely.
- h. Be aware of issues, trends and standards within the profession.
- i. Be aware of pending legislation and its possible effects on the products you recommend and your clients' financial plans.
- j. Be aware of tax and legal issues affecting the products you recommend.

## **3. Hold in strictest confidence, and consider as privileged, all business and personal information pertaining to your clients' affairs.**

- a. Never reveal a client's name or a personal situation without permission from the client.
- b. Protect client files and client records with regard to confidentiality.
- c. Ensure that your staff maintains client confidentiality.

## **4. Make full and adequate disclosure of all facts necessary to enable clients to make informed decisions.**

- a. Complete a thorough and appropriate fact finding.
- b. When making recommendations, explain the reasons for the recommendations and avoid the extremes of exaggeration or oversimplification.
- c. Provide prospects with the facts about the products and strategies available to them so they can make an informed decision. Clients must always have full understanding of recommendations. Simple disclosure is not enough.
- d. Make every effort to determine the prospect's risk tolerance and tailor your recommendations accordingly.
- e. Make every effort to communicate to the prospect the potential for loss, as well as the potential for gain, in any product or strategy employed.
- f. Disclose and explain the footnotes and explanations on all illustration materials. Only use materials that are understandable and meet compliance regulations.
- g. Keep your client informed of changing circumstances that bear upon the product or plan.

## **5. Maintain personal conduct which will reflect favorably on the insurance and financial services profession and the Million Dollar Round Table.**

- a. Speak only the truth regarding persons, products or companies. If you can't say something positive, say nothing.
- b. Avoid criticism of other companies and agents/advisors.
- c. Do not engage in illegal or unethical behavior inside or outside of the business practice.
- d. Avoid the appearance of impropriety.
- e. Avoid adverse publicity.
- f. Do not attack a person's character.

## **6. Determine that any replacement of an insurance or financial product must be beneficial for the client.**

- a. Conduct a thorough and appropriate fact finding.
- b. Be mindful that a "beneficial" replacement is more than equal.
- c. Make a complete comparison between the to-be replaced product and the proposed product.
- d. Adequately disclose the existence and effect of any charges and expenses as required by your company or country's regulators, such as, contingent, deferred and back-end loads.
- e. Compare guarantees with the client.
- f. Never cancel the original policy until the new policy is issued and accepted.
- g. Inform the client of the significance of the suicide and incontestability clauses.
- h. Always consider the client's need for additional, as opposed to replacement, coverage.
- i. Consider all alternatives to policy replacement.
- j. Central to ethical replacement is thorough disclosure and client understanding of the nature of the transaction and the reasons for it.
- k. Comply scrupulously with disclosure and filing requirements of all jurisdictions.
- l. Know and comply with the laws and regulations of all applicable jurisdictions regarding replacement.
- m. Consider the effect of replacement on the client's overall business or personal financial and estate plan.

## **7. Abide by and conform to all provisions of the laws and regulations in the jurisdictions in which you do business.**

