



World Federation of Insurance Intermediaries

## WFII PRINCIPLES

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### Transparency in Insurance

March 2005

**WFII, the World Federation of Insurance Intermediaries**

represents insurance agents and brokers from over 100 national associations (in over 80 countries) across the world. WFII was formally launched in January 1999, in Washington D.C. and represents over 400,000 professional intermediaries who handle the vast majority of insurance placements globally. WFII represents the interests of intermediaries with international institutions and works to deepen the understanding of the role played by insurance brokers and agents in global commerce.

A WFII Principles paper outlines the overriding principals of WFII on a certain issue and represents WFII's highest aspirations in a particular field.

According to WFII and its members, WFII's principles are fundamental to the development of the sound and efficient functioning of the insurance intermediation market at all levels.

WFII invites all parties who participate in the development and in the shaping of the current and future regulatory and market environment for insurance intermediation activities to adopt these principles.

### **Transparency in insurance**

Insurance intermediaries play a valuable role in the insurance process and the overall economic development of a country. To allow intermediaries to continue to provide needed insurance products and services to customers and the market, WFII believes that regulation should be aimed at encouraging a competitive market.

The foundation of any insurance relationship is trust. In the insurance transaction, insurance intermediaries have responsibilities and obligations to both the insurance customer and the insurer.

Managing those relationships in an open and transparent manner ensures that trust and upholds the integrity of the insurance business and the value intermediaries provide to customers and society.

WFII encourages insurance intermediaries to provide insurance buyers with sufficient information to make informed decisions about the purchase of insurance products and services and communicate information to them in a way which is clear, fair and not misleading.

Trust may be enhanced when there is a clear understanding between the intermediary and the client of the services being provided. To help build that relationship there are numerous approaches firms can use in communicating with clients.

WFII encourages national associations to consider creating awareness with their members about the possible importance of having the relationships (and other aspects of their services) stated and explained in a clear manner and in accordance with national laws and regulations.

Such explanations can take various forms, and WFII encourages national associations to develop tools in this respect.