

VDVM Code of Conduct Rules of Competition

Any VDVM broker shall be committed to promoting the reputation of the insurance broker's profession in public. He shall omit any action which breaches the decency in business transactions or does not comply with the principles of fair competition or the practice of the insurance (broker) business.

1. Fair competition

The competition in the whole insurance business and of VDVM brokers shall be based on the efficiency principle and may only be performed in an objective manner and with honest and decent means (compare Art. 3 No. 1 Sec. 4 of the VDVM articles).

2. Ensuring confidence in the insurance market and protecting decent business customs

Since the insurance business and in particular the insurance broker depend on confidence, everything should be avoided in the competition that might disturb this confidence. Due to his special tasks the insurance broker shall contribute to a functioning of the whole insurance market (compare Ar. 3 No. 1 Sec. 3 VDVM articles).

Insurance brokers, insurance companies and insurance agents shall ensure among themselves and towards third parties, especially towards customers, that the decent business customs and the reputation of the whole insurance business and of the individual professional partner are protected.

3. Prohibition of Slander

Untrue or degrading statements of direct or indirect kind about other participants in the market such as insurance brokers and their services or about products of competitors shall be omitted.

4. General requirements for advertising material

Advertising material, especially leaflets and advertisement or other advertising media shall be clearly comprehensible and truthful; Exaggerations should be avoided. It shall not be allowed to highlight something, which is common in the insurance business, as a speciality of a company.

This shall also apply to details of the insurance broker on their personal and professional situation, above all on their authorized competences.

5. Advertising with one's own performance, comparing advertising and performance comparisons

Advertising shall be restricted to highlighting one's own achievements in an objective and positive way.

Moreover comparing advertising shall only be allowed within the limits set by the general competition law. It shall be truthful, objective and complete, may not conceal material facts for the comparison and shall present differences in benefits and remuneration in an objective form and design by means of reviewable facts.

These rules shall also apply to quotations of insurance brokers which include a comparison of insurance products.

6. Granting and Accepting Benefits

Insurance brokers and their employees shall not be allowed to offer, promise or grant benefits, presents or other advantages to other persons or third parties that are likely to influence business decisions in a dishonest way.

Insurance brokers and their employees shall not be allowed to demand or accept benefits, presents or other advantages for themselves or third parties that are likely to influence business decisions in a dishonest way.

7. The Remuneration of the Insurance Broker

The insurance broker shall be entitled to receive a fair remuneration for all parts of his activity.

Usually the benefits for the placement and the ongoing service of the insurance broker shall be remunerated by the insurance companies in form of commission payment. In this context the so-called VDVM transparency guidelines as part of the Code of Conduct shall apply. A service based on fee payment, especially an insurance advice according to Art. 34 d Sec. 1 Clause 4 Trade Law, shall be clearly communicated to the policyholder/client before rendering this service.

The professional image of an insurance broker and the quality and trust required for the services of a VDVM broker shall not comply with the continuous dumping of his services.

In case of a change in the intermediary – unless members of the association have made an individual abnormal agreement – the existing usage of the insurance business shall apply.

8. Inadmissibility of Poaching, Entering Customer Bases of Third Parties

It shall be inadmissible to enter in a dishonest way customer bases of insurance companies. It shall be especially dishonest, if in breach of the criminal provisions of sections 17-19 Act Against Unfair Practices business secrets of third parties are unlawfully entered and used or insurance brokers or rather their employees are misled to breach contracts.

9. Poaching of Managing Directors and Employees of an Insurance Broker

It shall be inadmissible to poach managing directors and/or employees of an insurance broker in a dishonest way. Dishonest means:

- planned poaching with the purpose of causing sustained damage to a competitor or foreseeing and disregarding a threat to the existence of the competitor;
- degradation of a competitor, his services or his competitive products with the purpose of poaching;
- poaching with false statements

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