



The demographic challenge in the European insurance sector

Joint Statement by the European social partners in the insurance sector

Introduction

With its ageing and declining population, the European Union is facing unprecedented challenges in its demographic future.

Baby boomers are starting to retire from the labour market and will do so increasingly within the next decade. Simultaneously, as a result of low birth rates, the younger generation entering the labour market is dramatically shrinking and will not compensate for the growing portion of the workforce in retirement. The EU is faced with an ever-increasing number of retired citizens and too few workers to adequately fund welfare state programmes.

These demographic changes affect European insurance undertakings and intermediaries both in their capacity as product providers (of life, pension, health and long-term care insurance, for example) and as employers.

Insurance undertakings and intermediaries as product providers

The sector is aware of the perception that the public in general, and customers in particular, have of the various players providing insurance products and services. Significant work is underway to improve that perception and, we believe, progress is being made.

Insurance undertakings and intermediaries as employers

This joint statement therefore focuses on players in the insurance sector in their capacity as employers.

The average age of employees in the insurance sector is increasing. Many workers are also approaching retirement age. Dealing with the consequences of an ageing workforce will be challenging. Firstly, we need to allow experienced and motivated older staff to continue with their careers beyond the traditional retirement age if they wish to do so. Secondly, we need to attract the new talent into the sector necessary for a sustainable, skilled and diverse workforce.

The insurance sector is aware of the need to intensify efforts to attract qualified and highly trained employees. It is especially necessary for the insurance sector to be seen as an attractive industry with interesting career options, particularly when compared with the banking sector.

As a result, many players in the insurance sector have started to rethink their whole employment strategy and operating model to attract and retain talent.

The role of the European social partners

The European insurance sector social partners believe they have an important role to play in supporting the sector's efforts to address these challenges. In 2008, they agreed on the need to develop constructive responses and strategies at European level and, to this end, decided to include the issue of demography in the work programme of the Insurance Sectoral Social Dialogue Committee (ISSDC) for 2008 and 2009.

In the course of their work, the social partners identified attractiveness and employability as two key issues for the insurance sector. They therefore decided to focus their activities on 1) work/life balance, 2) maintaining employability and developing careers and 3) health and safety at work.

This joint statement is a product of the social partners' discussions and exchanges of views on these issues over the last two years. The tools and instruments identified by the social partners to deal with the demographic changes are already applied to some extent in the insurance sector. The fact that these tools and instruments are mentioned in this document does not imply that companies do not already use them.

The European insurance sector social partners call upon their members, as well as all interested parties in the insurance sector, to consider and review their own practices in light of the following joint statement.

Follow-up and next steps

Promotion of the joint statement

The social partners commit to informing, through all available means, trade unions, associations and employers in the insurance sector and beyond about this joint statement. They will encourage the relevant social partners at national level to promote and address this joint statement together. This could, for instance, take the form of holding joint meetings on its contents, making joint presentations to national governments and other relevant players, undertaking joint studies or research activities or addressing it as a theme in collective bargaining. Where possible, the joint statement will also be translated into other official EU languages.

Monitoring of the joint statement

As a follow-up to the joint statement, the social partners will launch monitoring initiatives. The objective will be to determine the progress made in the fields identified as challenges and to assess the impact of the joint statement in practice. This could be done, for instance, by sending questionnaires to the members of the European social partners or to players in the insurance sector.

Publication of a booklet

The social partners intend to follow up the adoption of the joint statement by publishing a booklet highlighting good practice approaches to the above-mentioned topics by different players in the insurance sector and EU member states.

Promotion of the booklet

The social partners plan to distribute the booklet among their members. Social partners and their members will promote the booklet as efficiently as possible, using all existing means at their disposal (eg extranet, website, internal and external newsletters, etc.) to make the booklet known and available to trade unions, associations and employers in the insurance sector and beyond.

Updating the booklet

The social partners intend to update the booklet on a regular basis to take account of new developments both in demographic changes affecting the European insurance sector and in new practices initiated and implemented by stakeholders. The social partners expect to conclude the first phase of this work by organising a conference dedicated to the above-mentioned topics, focusing on the exchange of good practice, the analysis of trends and plans for future action.

1. Work/life balance

The European insurance sector social partners recognise the importance of ensuring a good work/life balance. The balance between life and work is a complex issue that affects all employees. Each employee has his or her own perception of what constitutes a good work/life balance. To maximise the sector's attractiveness, employers should be able to offer a wide range of work-pattern options consistent with the need to operate efficiently and effectively.

The social partners also recognise that work/life balance issues are particularly crucial for women. They can often feel they have to adjust their career ambitions to take account of family needs such as caring for children or elderly relatives. To enable all, regardless of gender, to enter the workforce or return to work after an absence, practices such as flexible hours, part-time work schemes, return to work initiatives, the opportunity to work from home and technology-enabled flexible working (such as telecommuting and teleworking) are useful tools. These initiatives contribute to the desirability of employment in the sector and help to attract and retain talent. Good practices already in place among insurance companies and insurance intermediary companies should be emulated elsewhere.

Flexibility is also essential throughout the course of employees' working life. Policies that encourage older staff members to remain in the company by offering alternative and less demanding work arrangements are effective tools that are tried and tested in some insurance and intermediary companies. These can include reductions in working hours, increased flexibility in working hours and individual arrangements that address the particular needs of older individuals, etc.

The development and expansion of childcare facilities and the provision of various forms of childcare assistance (such as childcare vouchers) allow parents to adopt work patterns that suit them, whether part-time or full-time. The social partners believe that EU member states have a key role to play in the provision of adequate childcare facilities. They welcome the Barcelona objectives concerning childcare facilities for pre-school-age children (SEC (2008)2597) as a positive step.

2. Qualifications & lifelong learning

The social partners believe lifelong learning is a major contributor to long-term employability. Developed in a framework of mutual responsibility, lifelong learning can be a win-win that creates added value for both the employer and the employee. Lifelong learning is to the benefit of the employee, the employer and the state, and investment in training and education is therefore the joint responsibility of all three parties.

A continuous updating of skills is essential for a full life of work. Individual career development and improvement of skills is decisive in keeping staff motivated and capable of performing satisfactorily. Continuous training of older staff is particularly important to retain them as an asset to the company, which can thereby profit from their experience and knowledge. This implies the willingness of older staff to be trained.

Every employee has the right to receive the training necessary to fulfill the job he/she is doing. The skills of employees should be updated in line with changes in the industry, and employees should be encouraged to participate in training programmes and take responsibility for their individual careers.

It is also in the interest of employees to take responsibility for their own learning and qualifications in order to perform and maintain their own employability. Employers play a key role in providing for the development of the competences of their workforce. Each employee should be helped, through training where appropriate, to perform his or her job effectively. Employers should encourage their employees to develop and improve the skills and competence they need to carry out their work effectively, as well as their general employment qualifications. For their part, employees have to be willing to become part of the lifelong-learning process and ultimately to take responsibility for their own employability.

3. Health and safety at work

Employers and employees have a common responsibility for creating a sound working environment with working conditions that are conducive to a full life of work and that support the physical and mental health of the employee.

The social partners believe that both employers and employees have a role to play in promoting health and safety at work. Employers can help by creating environments and introducing policies that support the health of their employees. To this end, occupational healthcare-management systems can assist through such initiatives as exercise, nutrition and stress management advice, employee assistance hotlines and medical check-ups or screenings. However, employers are not responsible for employees' private lifestyles and, therefore, the ultimate success of these measures will depend on each individual's willingness to take full use of them.

Effective policies on health and safety at work are at the heart of ensuring a safe working environment. Employers should take the necessary actions in the workplace to ensure a safe and healthy working environment. Employees, for their part, also play a role in contributing to a good and healthy working environment.

The 2004 inter-sectoral framework agreement on work-related stress suggests that stress can potentially affect any workplace and any worker, irrespective of the size of the company, field of activity or form of employment contract or relationship. The social partners in the insurance sector support the agreement and agree that tackling stress at work can lead to greater efficiency and improved occupational health and safety, with consequent economic and social benefits for companies, workers and society as a whole. The social partners call on employers and employees in the insurance sector to take action to identify the causes of unhelpful levels of work-related stress and to take positive action to prevent, eliminate or reduce them, where possible. It is for each employer to decide what measures it believes to be appropriate to deal with potential issues of stress at work. Where possible, these measures will be carried out with the participation and collaboration of workers and/or their representatives.

Conclusion

The European social partners encourage their members to contribute to addressing the demographic challenges. Demography is a complex topic that needs to be tackled with a variety of approaches at all levels of a social system. The demographic changes affect all divisions of a company. Employers and employees in insurance companies and intermediaries should therefore seek ways in which they can work together to address these issues.

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