

Written evidence submitted by the Association of British Insurers (ABI)

The Association of British Insurers is the voice of the UK's world-leading insurance and long-term savings industry. A productive and inclusive sector, our industry supports towns and cities across Britain in building back a balanced and innovative economy, employing over 310,000 individuals in high-skilled roles, two-thirds of which are outside of London.

The UK insurance industry manages investments of over £1.6 trillion, pays nearly £16 billion in taxes to the Government and supports communities across the UK by enabling trade, risk-taking, investment and innovation. We are also a global success story, the largest in Europe and the fourth largest in the world.

The ABI represents over 200 member companies, including most household names and specialist providers, giving peace of mind to customers across the UK.

In responding to this inquiry, the ABI is only seeking to address the question regarding the Women in Finance Charter.

Following the previous Treasury Committee's Report on Women in Finance, what has been the impact of the crisis on women in financial services, and what progress needs to be made?

The insurance and long-term savings industry has been no different to other sectors, with a shift to working from home and an increase in demand for flexible working over the course of the Covid-19 pandemic. The world of work is changing and it's important that our sector responds to this. It is too soon to assess the full impact of the pandemic on women in our sector, but we are encouraged by the ABI's [latest data](#) which indicates that women now hold 29% of Board roles in our sector, up from 25% in 2019. However, despite more women than men joining our sector at entry level (58%), they continue to be under-represented in the board room (29%) and at executive level (24%). And, when you delve a little deeper into the figures, you find a startling range of performance across individual firms. For example, in around a sixth of firms, fewer than one in ten executive team members are women.

The ABI's own research shows that, to reduce this gender seniority gap, the industry needs to make it easier for part-time or formerly part-time employees to advance rather than for their careers to stagnate as is currently often the case.

That is why the ABI launched the [Making Flexible Work Campaign and Charter](#) earlier this year, with the ABI and 27 members signing up and committing to publish their flexible working policy, make the majority of their roles open to flexible working – including part-time working and job sharing – and put in place the processes and guidance that will make these commitments happen within their firms, and to implement them in practice within a year. This is the first such Charter of its type in the financial services sector, and we believe we are the first trade association to launch such a commitment.

Increasing flexible working, will help employers attract and retain the best and most diverse talent and over time it will reduce the gender seniority gap. Job sharing in particular is one area where there is a need for greater understanding of how it can benefit employees and employers. 87% of those who work part time in our sector are women – and increasing job sharing will support all those who want to work part time to

progress in their career. It will also benefit all employees and unlock career opportunities for disabled people.

Evidence shows that organisations that are more diverse are more profitable and innovative and now is the time for businesses and employees to find the flexible working that works for them, for the benefit of everyone. Research also shows that firms can secure double the number of applicants by advertising all jobs with 'part-time, job share or flexible working options' in the role title. Advertising roles as open to flexible working increases the number of women securing senior positions and increasing job sharing and other forms of flexible working will help reduce the gender seniority gap.

This campaign will help to make workplaces more inclusive, but there is a need to broaden the conversation to issues beyond diversity, to look more closely at ethnic diversity and socio-economic diversity. To this end, we are the ABI and many of our members have signed up to the Race at Work Charter, as well as joining the 10000 Blackinterns project. We have also joined the City of London's Social Mobility Taskforce, supported the kickstart scheme, and also offer summer internships through the Social Mobility Foundation.

Women in Finance Charter

The ABI along with 43 of our members are signatories to the [Women in Finance Charter](#), and the ABI was proud to have achieved our 45% target by the first reporting period in September 2017 and to broadly maintained this over the following 2 years (48.57% in 2018, 44.45% in 2019). The ABI's target now has expired, and we have taken this opportunity review and refocus this, increasing the target itself and redefining our internal definition of senior management so that this now includes our Executive Team and 1 level below this within our structure. We believe this is a more ambitious and stretching target for us, in particular due to the smaller number of colleagues which fall within the new definition. The ABI is now aiming to achieve a 50/50 female to male split across the senior management population of the ABI by 31 December 2022, and at September 2020, female representation is at 47.36% at senior management using this new definition.

Parental leave transparency

Transparency on pay and parental leave is a key element of ensuring workplaces are inclusive and welcoming to working parents. ABI members have [committed](#) to making information on parental pay policies transparent and easily accessible on their public websites. This voluntary initiative demonstrates our industry's commitment to supporting and welcoming working parents and championing inclusion. The initiative accounts for around 3/4 of the insurance market since the campaign launched in 2019, with 33 of the ABI's members signed up.

Specifically, the ABI member firms have committed to publish:

- The contractual pay and leave offered to new mothers/new fathers/primary adopters/other parents
- The contractual pay and leave offered for those wishing to take parental leave or Shared Parental Leave
- Any qualifying period for contractual leave and pay offered to new parents
- Any repayment conditions if the parent does not return to work.

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We are proud to see many ABI member firms further supporting working parents by equalising the pay offered for maternity and shared parental leave, supporting people returning from parental leave with a phased part-time return at full pay and offering paid time off or flexible working arrangements to support those undergoing fertility treatment.

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