



EUROPEAN COMMISSION
Employment, Social Affairs and Inclusion DG

Employment and Social Legislation, Social Dialogue
Social Dialogue, Industrial Relations

Brussels, 13/05/2011
EMPL/FST D(2011)

European sectoral social dialogue committee

Insurance

Working group

6 May 2011

Minutes

1. Adoption of the agenda

The meeting is chaired by Mr Jörg Reinbrecht (Verdi).

BIPAR informed the committee that Ms Elaine Maher (Irish Broker Association) could not attend the meeting as planned and will therefore not be able to make the planned presentation under agenda point 3. The ISSDC social partners' secretariats have instead organised a presentation on the Belgian COMPAS ('Compétences en assurances') project. by Mr Marc De Tienne, Learning Advisor, (FOPAS, Belgium). The revised agenda was adopted.

2. Approval of the minutes of the plenary meeting of 26 November 2010

The draft minutes were adopted without changes.

3. Demographic challenge in the insurance sector

An update on the booklet and collection of good practice examples (covering various areas such as training, work-life balance, health and safety, stress, etc.) was provided (see overview slides attached for further detail). Mr Vidonja (CEA) reported on the progress made with regard to the ISSDC demography project, indicating that the CEA is aiming at submitting an application to the EC budget heading 04.03.03.01 by 31 August 2011, in cooperation with the other ISSDC social partners. Concerning the good practices collected for the booklet, Mr Vidonja noted the absence of good practices from new Member States and stressed that the project will thus make an important contribution to raising awareness and promoting good practices notably in Central and Eastern European markets. He further informed the committee that the NGO Age Platform Europe has expressed interest in the outcome and follow-up of the project/declaration, in particular in relation to the European Year 2012 on active ageing. Ms Owens (UNI Europa) further suggested including a joint mission statement to the booklet.

Social partner representatives from Germany and Italy further provided information concerning recent developments and follow-up activities at national level. Issues raised in this context included: scope for statements on demography and follow-up at national level; uptake of demographic challenges and other topics (health and safety; work-related stress; etc.) in collective bargaining.

Ms Almberg (BIPAR) gives a summary overview of their Irish members' project and suggested that Ms Maher give her presentation on the 'Young IBA initiative' at the next SSDC meeting.

Mr De Tienne (FOPAS, Belgium) made a detailed and very well received presentation on the Belgian COMPAS ('Compétences en assurances') project (for further detail see presentation attached; see also <http://www.fopas.be>). Issues raised in the subsequent discussion included: the measurement of long-term impacts and benefits of training; the available budget; the practical organisation of training (during or outside working hours); the decision-making on the training content; levels of participation in training.

4. Representativeness study in insurance

Mr Siebern-Thomas (DG EMPL, EC) informed the committee that Eurofound has not yet received the draft overview report from the contractor and could therefore not make the requested presentation at the meeting; he confirms that social partners will be fully involved in the evaluation and that they will be invited to an evaluation meeting later this year (most likely 22-23 September 2011). NB Since this meeting the evaluation meeting has now been confirmed for 15th December,

Mr Vidonja confirmed complaints from national members (eg France and Italy) who showed strong concerns as to the quality of the underlying national reports. Information submitted to the national EIRO correspondents has not been included in the national reports which, partly as a consequence, contain manifold omissions or factual errors. Mr Siebern-Thomas suggested that Eurofound and the relevant EIRO correspondent gets in direct contact with the CEA members to review the problems and try to solve them before the evaluation meeting. Mr Siebern-Thomas encouraged the social partners to submit their observations and complaints to both Eurofound and the Commission and informed the committee that the Commission is interested in gaining an insight on diverging views, including through specific references in the representativeness study report where relevant.

It was agreed that the EC and Eurofund will invite the ISSDC social partners to participate in the evaluation meeting mentioned above. It was also agreed that the EC will invite Eurofound to present the outcomes of the representativeness study at the plenary meeting of 25 November 2011.

5. Current trends in the insurance sector

Participants has an exchange views on the Insurance Mediation Directive (IMD) and its link to employment and social policy. Mr Höpfner (CEA) and Mr Vidonja further inquired about the foundations of the UNI Europa statement on the issue, and notably on disclosure (incl. remuneration, ie commissions and fees) and their explicit call for 'net quoting'.

While UNI Europa confirmed this view, employer representatives stressed that remuneration is a business issue and that remuneration systems (commission-based vs. fee-based) vary widely across member states, in line with very different market and distribution structures and different consumer needs in the various countries, and that the Mr De Maesschalck (BIPAR) in particular highlights that there are indications of increasing insurance prices in systems in which you have net price quotes. They agree on the need for transparency and a level-playing field but ask UNI Europa to take into account objective research findings in the area.

BIPAR referred to its answer to the consultation on IMD II and explained that it believes that all insurance intermediaries have the right to be treated equally in terms of the structure of their remuneration. Opposing this key principle would lead to ignoring the value of the service provided by an insurance intermediary in any transaction. Insurance intermediaries and their employees, render services to both the client and the insurer.

For example, the intermediary:

- Clearly acts for the client in recommending the type of coverage and in assisting the client in selecting suitable insurers.
- Explains complex insurance issues to the client.
- Sometimes collects and passes the premium between the insurer and insured
- Drafts, in some complex cases, the policy wording.
- Arranges surveys prior to the acceptance of a risk by insurers.
- Transmits instructions, in some cases, from insurers to adjusters or solicitors in the event of a claim.
- Assists the client in case of claims. This is a key aspect of the activity of intermediation.

These activities carried out also in the interest of the insurer make the market more efficient and reduce costs while protecting the insured's interests.

It was Bipar's opinion that limiting the remuneration (in terms of possible nature) of the intermediary would limit choice and restrict insurance intermediaries in the development of their business models. They believe that in a free market, clients, insurers, and intermediaries (or entrepreneurs in general) should have the opportunity to agree on the terms of their relationship and services in an open and transparent way.

Mr Vidonja explains that any future regulation on IMD should recognise the diversity of insurance distribution markets, as the existing differences in distribution structures across member states are to the benefit of consumers. In contrast, any EU-wide "one-size-fits-all" legislation would not capture the differences between distribution structures. He also stresses the need for any future regulation to take a proportionate approach. He further outlines the six high-level principles that the CEA proposes on selling practices for insurance and the key information checklist (KIC) for unit-linked life insurance developed by the CEA to ensure that consumers are able to take informed decision across the EU. Mr Vidonja expressed concerns over using investment legislation (eg MiFID) as benchmark to draft future IMD. Mr Höpfner further warns that, by disclosing information on commissions one implicitly discloses salary information which, according to him, should not be in the interest of trade unions. UNI Europa reaffirmed their position that internal operating procedures and practices should be transparent. In particular, the way employees are motivated and constrained in performing their jobs must be clear (remuneration, incentives, skills, and working conditions). Remuneration should not be linked to the sale of particular financial products.

The employer representatives stated that their comments are meant to be a suggestion to the trade union side to take into account the expertise and viewpoint of the employers

and to engage in an early exchange between employers and trade unions in similar cases in the future. Mr Reinbrecht notes the different views on the efficiency of provision-based systems and the request for more discussions on these issues between social partners in the future. Ms Owens adds that there is also a large degree of similarities in the social partner positions and recalls that the further debate on sales pressure is a key priority for UNI Europa.

6. AOB

Mr Vidonja expressed concerns of insurers with the ECJ decision regarding the use of gender in insurance pricing, which invalidates the derogation currently in place of Art. 5(2) of the 2004 Gender directive, with effect as from 21 December 2012. This judgement is of concern since it relates to the fundamentals of private insurance functioning and pricing; since it will lead to increased premiums and hence have a significant social impact; and since it could pre-empt future decisions in relation to the similarly structured directive related to age and disability. Mr Reinbrecht noted with interest the intervention of CEA and stated that this issue has so far not been addressed in European social dialogue.

Given recent experiences with late transmission of invitations to the European secretariats, social partners call upon the Commission to ensure a more timely and efficient preparation of the committee meetings.

Mr Siebern-Thomas informed the social partners that Mr Vladimir ZUBEREC will replace Ms Dlouchy as of 1st June 2011 as secretary in charge of the sectoral social dialogue committee insurance. He suggested that the secretariats meet at an early stage with Mr Zuberec to ensure an efficient and timely preparation of upcoming meetings and initiatives.

Mr Jörg Reinbrecht (Verdi) informed the committee that he will take up a new function at regional level and thus no longer participate in the committee meetings. He thanks participants for their cooperation and support. Participants thank Mr Reinbrecht for his commitment and skilful chairmanship and convey their best wishes for his professional and personal future. It was announced that Ms Elke Maes (Belgium) will replace him as UNI Europa chair of the committee for 2012.

Next meeting: plenary meeting on 25 November 2011

Annexes (accessible on the European social dialogue CIRCA website)

- invitation, agenda and work programme proposal;
- presentations given at the meeting;

List of participants

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Employers

1. Ms Gabriella ALMBERG (BIPAR)
2. Mr Serge DEMARREE (CEA - BE)
3. Ms Samuela CARAMANICA (CEA)
4. Mr Nic DE MAESSCHALCK (BIPAR)
5. Mr Arthur HILLIARD (CEA)
6. Ms Catherine HOCK (AMICE)
7. Mr Sebastian HÖPFNER (CEA - DE)
8. Ms Simone MEYER (CEA - DE)
9. Mr Andrew MOFFAT (CEA - UK)
10. Mr Didier PISSOORT (BIPAR)
11. Mr Zdenek SIMEK (CEA - CZ)
12. Mr William VIDONJA (CEA)

Workers

1. Mr Arvid AHRIN-LARSSON (NFU SE)
2. Ms Bianca CUCINIELLO (UILCA IT)
3. Ms Elke MAES (LBC-NVK BE)
4. Mr Jörg REINRBECHT (VERDI DE)
5. Ms Rachel Owens (UNI EUROPA)

Other parties; experts / contractors:

Mr Marc De Tienne (FOPAS, BE); Ms Elaine MAHER (IE) - excused

European Commission:

Ms Monica CERCADILLO SANZ, Mr Frank SIEBERN-THOMAS (EMPL)