



Brussels, 4 February 2016

**SECTORAL SOCIAL DIALOGUE
COMMITTEE
INSURANCE**

**Minutes of the plenary group meeting
4 February 2016**

The meeting was chaired by Mr. Sebastian Hopfner (Chairman of Insurance Europe's Social Dialogue Platform and Deputy General Manager-AGV).

1. Adoption of the agenda and approval of the minutes of the ISSDC WG meeting on 5 October 2015

The agenda and the draft minutes of the previous working group meeting (5 October 2015) were adopted, following a minor change proposed earlier by Bipar and agreed by the other social partners.

4. Digitalisation

Mr. Christophe Degryse from ETUI presented the conclusions of a recent study on what is often called the 4th industrial revolution. He referred to the characteristics of digitalisation, to the collaborative economy, to "smart" processes which lead for example to new capabilities of self-production of goods. He highlighted that digitalisation questions the role of the legislator and carries a risk of non-compliance with regulatory requirements i.e. on data protection. Sharing within a community is nowadays managed by someone who wants to make profit as it is the case with airbnb and Uber. He also spoke about the social impact of digitalisation, mentioning a study that foresees that 47% of jobs will be lost to computers and machines in the next years. National borders are becoming blurred, and a polarisation of society is predicted by some scholars. He also referred to the more intense nature of digitalised work, which is likely to result in more stress and burnout cases. Aside from training, LLL and qualification, he sees gender and generational challenges linked to digitalisation. Furthermore, he mentioned that research shows that only 5 countries have set-up discussion platforms on how to address digitalisation. This is the very beginning of a long process. In response to a question on what impact digitalisation will have on the insurance sector in particular, Mr. Degryse said that unfortunately they did not look into specific sectors in this particular research work. A UniEuropa paper is available on the impact of automation on the industry sector. A full analysis of the impact of digitalisation on insurance would be welcome. The full study is available on Etui's website.

Mr. Hopfner pointed out that the Commission's digital single market package will not provide solutions to all the challenges of digitalisation; it needs to be complemented by social dialogue.

Mr. Alexander Riedl (European Commission, DG Connect), gave a presentation on the Digital Single Market. He emphasized the issue of the right skills to respond to the challenges of the digitalised world. He referred to a report by McKinsey that states that 25% of all jobs in the insurance sector will be lost. All sectors of the economy are becoming digital, yet, 40% of the population has insufficient digital skills, and 22% has none at all. The issue of demand-supply gap also has to be addressed. On VET, he underlined the important role of social partners. A wider dialogue on the Digital Single Market is necessary. The Commission is in listening mode. Finally, he presented the three pillars of the Commissions Digital Single Market Strategy: better access for consumers and businesses; innovative services and advanced digital networks; enhancing the growth potential of the digital economy.

In the follow-up discussion, Mr. Hopfner agreed that digitalisation is a subject without borders. In response to a statement on the need to identify the growth potential and the competitive advantages of Europe as measured against the US and China (are there comparable figures?), Mr. Riedl responded that the up-skilling of the workforce is top on the agenda of the Commission, and that EU resources can be used to this end. The objective is to achieve a critical mass, in a market comprising 500 million consumers, 22 million companies and 28 diverse legal frameworks.

The Commission Strategy is focused on those areas where EU action can be taken and be most effective.

The chair, Mr. Hopfner thanked all the presenters.

During the afternoon discussion, Mr. Hopfner explained the employer's viewpoint: digitalisation in the insurance sector will bring about job losses, but it is also an opportunity for the sector. Technology can offer various business opportunities. It is a process that needs steering. Social dialogue must focus on the social aspects of digitalisation. The follow-up approach includes two steps: a) a short framework declaration of all the social partners, and a medium-term in-depth look into the impact of digitalisation on the sector. From the employer's side, the draft declaration has not been completely agreed upon; it will be circulated to UniEuropa at minimum a fortnight before the next WG meeting. Mr. Hopfner presented the key themes to be included in the declaration from the employer's perspective: the applicability of labour law: protection should continue to exist in the digital world as it does in the traditional labour market; further training is key to adjusting the capacity to be employed; flexibilisation of working time and location; leadership in the digital age and the new requirements on managers, the responsibilities of workers in the new digital work environment; co-determination.

Ms. Saller presented the UniEuropa position, based on a draft text circulated for discussion in advance of the meeting. The draft text would be finalised and adopted by the executive committee. Digitalisation brings about job losses, and workers in digitalised labour markets risk falling out of the traditional protection of collective agreements. Social dialogue is needed at all levels, to address the challenges faced. Information and consultation rights of the workers must be respected, and traditional collective bargaining has to be ensured. The strength of the insurance sector is the direct contact with consumers; therefore services to consumers should not be forced to go fully digital. Another theme to be covered is that of employment and employability, as well as the digitalisation dividend: part of the profit made by companies should be used to support the persons who lose their jobs. Furthermore, the insurance sector employs a high percentage of women: a shift to more ICT could also mean a

shift to more male employment. It is therefore important to work on bringing more women into the IT sector. She referred to the new management style that is needed, the new mobility and its link to telework (opening up doors to relocation processes), as well as to safety aspects, namely to assure customers that their data is safe. Employees themselves should not be liable for the misuse of data. She also raised the question of surveillance of workers: the new working relationship should be one of trust. Finally, she mentioned the possible impact on climate change; big digital solutions should not have a negative impact on the environment.

Ms. Maes concluded that she sees a lot of convergence between the two positions. She underlined the responsibility to help persons who lose their job. The human side of digitalisation should be promoted.

Mr. Hopfner pushed further with the discussion by stating that in the future, processes that are simple will be done by machines, and only the more complex processes will be left to humans. Advising a customer cannot be done by a machine. Digitalisation will require human support.

In conclusion, he stated that what is important is to reach a commitment. Digitalisation isn't understood in the same way across Europe. The orientation paper will provide the lines of action. It may contain annexes. It is too early to say how abstract or detailed it can be.

The Nordic unions agreed that consultation is very important. Skills and education are important.

The Dutch representative said that digitalisation will bring with it new competitors. You have the big actors, but you also have smaller actors. In his view, the business model should not be restrained. As for training, focus should not only be on skills, but also competencies. The adaptability (or resilience) of employees is key.

The chair concluded the item by stating that the social aspects of digitalisation are not developed in the Commission's communication on the Digital Single Market (2015) but there is a clear role for social partners in addressing the social impact of digitalisation. Discussion on the topic will continue, notably at the next meeting planned for the 29th of April.

2. The demographic challenge in the insurance sector

Mr Hopfner started the discussion by underlining the importance of demographics- the first presentation of the meeting had links to all items on the agenda.

Ms. Gabriella Sterndorff of W&W presented the example of a flexible work arrangement used in her organisation, "the ad-hoc mobile working". W&W employs 7000 office-based staff, and 6000 sales workers. A pilot project was introduced in 2011 with the objective of achieving better work-life balance as well as making the W&W group a more attractive employer. At the end of 2014, the project was rolled-out to all companies in the Group, as it was deemed successful. It provided employees a degree of flexibility in organising their work and private-life appointments. Mobile working is different than telework, as it runs on an ad-hoc basis, and is thus, in Ms. Sterndorff's view, less bureaucratic. Ms. Sterndorff underlined that proper technical facilities are a prerequisite for the success of the scheme. She mentioned that working time legislation in Germany does not allow for ample working-time flexibility.

In response to a question on how conflict resolution was addressed, Ms. Sterndorff mentioned that as the measure was introduced gradually, no important challenges were encountered.

In the ensuing discussion, Ms. Claudia Saller (UniEuropa Finance) referred to an article that argues that the flexibilisation of working time carried a heavier burden for women, because of the role of primary career that some women carry. Ms. Sterndorff mentioned that in her experience mobile working was not an issue particular to women.

Mr. Hopfner referred to the two ongoing initiatives: the finalisation of the 2nd version of the booklet on selected initiatives on combating demographic challenge in the insurance sector, and the planned dissemination conference in Bucharest on 11-13 May. Ms Saller updated the committee further: this will be an electronic version of the booklet. The selection of initiatives is almost finalised, with not so many examples from Central and Easter European countries. Commissioner for Employment, Mrs. Thyssen has agreed to provide a foreword for the booklet, a clear indication of the Commission's backing of this initiative.

With regard to the conference, interpretation will be available in EN, FR, DE, ES, RO, CZ (CZ practices will be included in the booklet). Mr Hopfner further mentioned that the Romanian insurance market faces particular challenges, with one of the biggest players falling into insolvency last year. It is important to explicate the importance of social dialogue. He inquired whether any members objected to the communication of examples on Health & Safety to OSHA, the European Agency for Safety and Health at work located in Bilbao. Agreement will be sought from members and selected initiatives will be sent to Ms O-Brian for publication on the OSHA website.

3. Telework

Mr. Hopfner referred to the joint declaration on telework: the declaration has been translated in many languages of the EU; FR is pending, IT is underway. There is no feedback from the RO and EL members yet.

With regard to the follow-up process foreseen in the declaration, dissemination efforts were underway. Mr. Hopfner referred to the implementation in Germany, and asked the members of the committee to update on the situation in their respective countries. Discussions between the two sides are on-going. A first draft for a joint declaration on telework by the German employers' insurance association will be provided in mid-March, for discussion in April-May at German level.

The Dutch member explained that the NL translation is available and has been disseminated to all employers' members, and placed onto the health and safety website. Telework was discussed with the trade unions as part of the social agenda 2014-2018.

The Finish employer's member explained that in Finland, digitalisation and telework are addressed jointly. Videos have been published and the issue has been covered widely in social media.

The chair urged all social partners to distribute further and discuss with all social partner counterparts.

5. Regulatory issues

Ms Kadar (DG FISMA, Insurance and Pensions unit) presented to the SSDC current initiatives of DG FISMA. On the Green paper on retail financial services, public consultation will be open until March 18 2016. A social media campaign is also on-going. A public hearing is planned for March 2 (before the end of the public consultation on the Green paper). It will include a session on pan-European insurance products. An action plan on retail financial services will be developed in the summer. The Commission has consulted EIOPA on pan-European personal pensions. On Capital Markets Union call for evidence, there has been significant interest with some 300 replies. Solvency II has entered into force on 1st January 2016. The Commission is monitoring its implementation. On occupational pensions, a proposal was tabled in March 2014 for the revision of the directive in force. The objective in developing occupational pensions remains that of ensuring adequate pensions for retirees. A political agreement ('trilogue') is expected in the next few months.

On pan-European personal pensions (3rd pillar), there is a commitment to deliver a policy assessment. Research is on-going but the literature is underdeveloped. Developments should be expected by the end of the year but their shape and form is yet to be decided. EIOPA presented its advice to the Commission, and this is currently being analysed.

In response to a question from the chair, Ms. Kadar replied that no EU-level harmonisation is proposed as regards the solvency requirements for IORPs.

The chair thanked Ms. Kadar for her presentation. It is important to remain informed as regulation can have an impact on products and on employment.

6. Any other business

Mr. Hopfner confirmed the planning of next two ISSDC meetings for 2016: 29 April and 12 October. He thanked the interpreters for their good work.

List of participants – 04.02.2016	
<u>Employers (6♂, 10♀)</u>	<u>Workers (13♂, 9♀)</u>
Mr. Hopfner	Ms. Maes
Mr. Simek (CZ)	Ms. Saller
Ms. Sheppard (EU)	Mr. Currun (UK)
Ms. Yasharova (EU)	Mr. Genre (IT)
Mr. Lestanguet (EU)	Mr. Coppi (IT)
Ms. Amisse (FR)	Mr. Attard Biancardi (MT)
Mrs. Bauby (FR)	Ms. Cuciniello (IT)
Ms. Middelboe (DK)	Ms. Bellucci (IT)
Mr. Lange (NO)	Mr. Budolfsen (DK)
Mrs. Kallonen (FI)	Mr. Hellman Pål (NO)
Mr. Blijlevens (NL)	Mr. Schmidt (DE)
Ms. Schikora (DE)	Mr. Degryse (ETUI)
Ms. Römelt (DE)	Mr. Sanz Gonzalez (ES)
Ms. Sternsdorff (DE)	Ms. De la Puente (ES)
Ms. Castaner (ES)	Ms. Darmanin (MT)
Mr. Vidonja (EU)	Ms. Stenström (SE)
	Ms. Halme (FIN)
	Mr. Kubasek (CZ)
	Mr. Toth (HU)
	Mr. Clausen (BE)
	Mr. Bernard (FR)
	Ms. Bos (Insurance Europe)
<u>European Commission</u> Mrs. Hadjiantoni (DG EMPL) Mr. Riedl (DG CNECT) Ms. Kadar (DG FISMA)	