Introduction to the Chartered Insurance Institute (CII)

The Chartered Insurance Institute is the largest professional body for the Insurance and Financial Planning professions, with more than 125,000 members in over 150 countries. Our Royal Charter remit is to secure and justify the confidence of the public in our united profession.

Reason for submitting evidence

The CII exists to increase public trust in insurance. The more remote the sector appears to the public, the harder this becomes. That’s why the data related to the gender pay gap is so important – these are solid facts about who we are and how we work. The disclosure will contribute to the public’s perception of us, and critically the level of trust they have in us to do the right thing.

We believe the insurance sector should reflect wider society in its diversity so we can better understand and meet the needs of our customers. The profession also needs to attract, develop and retain the best talent available from all walks of life. Ensuring that the contributions and potential of female employees are fully recognised, valued, developed and rewarded will be essential if we are to build a profession which is more representative of the public we serve.

Introduction

1. To prove to the public that the CII takes this opportunity to show that we serve the whole of society seriously, we have considered it our responsibility to lead the sector by example. The CII became one of the first insurance bodies to publish its gender pay gap data - five months in advance of the April 2018 deadline - despite having a headcount lower than the threshold required by the rules.

2. The CII’s decision to go public with its own gender pay gap numbers coincided with the publication of the ‘Mind the gap' briefing paper which outlined the causes of ‘the gap’, providing guidance and best practice to CII members on how to measure their own gender pay gap, as well as assistance on how to implement a strategic and transparent programme to accelerate its reduction. The CII has pledged to reduce its own gender pay gap by 10 percentage points in a 12-month period.

3. To accompany the publication of the paper, the CII issued a call to action to the insurance profession to publish their data openly, even if their business had less than 250 members of staff. We have been clear that in future CII members should expect increased scrutiny of their pay gap data, in addition to an expectation from the public and employees to see evidence of a positive, transparent and joined-up approach to addressing it.
Evidence submitted by the Chartered Insurance Institute (CII)

1. As referred to in the *Mind the gap* paper referenced above, the CII considers the information required by UK Government as sufficient at present, subject to organisations putting a strategy in place to tackle the gap in their organisation. We welcome the culture of transparency that disclosure has encouraged. Beyond the gender pay gap data, the CII has recommended that firms consider their strategic approach to diversity beyond their strictly legal requirement.

2. The CII contends that it would be of more value to focus on the platform for public debate that gender pay gap reporting has provided, and the difficult conversations it has kick started - helping firms to evaluate the root causes of imbalances, the implicit barriers that prevent employees from reaching their full potential in any role regardless of their gender (or indeed for any other diversity characteristic), why those barriers continue to exist, and why addressing them matters - rather than the methodology behind calculating the data.

3. The CII will be in a better position to comment on the appropriateness of new requirements, the extent of compliance and the effectiveness of sanctions when the full picture of disclosure becomes clearer, and crucially - when sufficient time has been allowed for the full implementation of strategies to narrow the gap. Recruitment, talent and succession plans run in cycles and will require several years in many cases before impact can be measured. This will depend on a number of factors, including an organisation’s median and mean pay rates, the composition of the workforce concerned and what is already in place to address some of these issues. Only then will we be able to reflect on why some market participants have responded positively to the disclosure requirements and why others haven’t across our sector, and how this opportunity for firms to run their business more effectively has been converted into action.

4. We would like to emphasise that non-disclosure of gender pay gap statistics, as well as the persistence of the gap itself in most cases will not be the result of inadequate threats or forms of punishment. We see also see a significant gap in the guidance available to firms over the effective use of data, and a gap in the support on offer for putting a practical action plan in place to narrow their gap. The Mind the gap paper is an attempt to plug this extra ‘gap’ that the CII has identified in order to help firms view the data as a tool to attract the best employees to their business - who increasingly seek evidence of prospective employers’ attitudes to diversity and equality - and to understand how to get the most out of their workforce.

5. The CII believes greater attention should be given to the organisations that have behaved in the spirit of the disclosure requirements by putting plans in place to address their gender pay gap which they will be held accountable for, and most importantly have committed to make change - irrespective of the present picture the data illustrates. This is only the start. The opportunity lies in focussing on action to narrow that gap, rather than dwell on the data alone or shy from the results. At the CII we are committed to helping our members demonstrate to the public how we serve the whole of society.

10 April 2018