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Transforming EDI practices in UK insurance

**Browne
Jacobson**



INFINITY





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Foreword

As someone who has worked in the UK insurance market for many years, and who is keen to see the market continue to thrive, I am delighted to introduce this report on equality, diversity and inclusion (EDI) in the market. The report is a key output from the study conducted by the University of Nottingham, working with Browne Jacobson LLP.

There are a number of current initiatives for improving the lived experience and EDI for those working in the market – in particular to encourage diversity of talent, and the inclusiveness and equity of treatment by employers, colleagues and peers.

Like a number of market stakeholder bodies, BIBA has developed its own initiatives on EDI. The University's study is entirely independent, but BIBA and other bodies have recognised its significance and have actively supported the survey, including by promoting voluntary participation in it. This foreword is a further example of that support.

In order for the market to achieve its ultimate aims for EDI in the workplace, it's incredibly important that it wholeheartedly and without fear benchmarks its progress: how far have we come and what has been achieved?

The University's study represents a milestone for initiatives on EDI. The report constructively sets out findings made in accordance with the highest of academic standards. Moreover the report pinpoints ways

in which the market can tackle the factors which have been identified as holding it back in achieving its aims in EDI. Market participants can accordingly adjust and improve their organisational culture, workplace practices, attitudes, and receptiveness to difference, and can pragmatically find ways to enhance their focus on better outcomes for all.

To me personally, this report is about hope for the future. It's about looking back on a lengthy career involving many aspects of EDI: from experiencing and dealing with discrimination, to being thankful to the support of my male mentors and colleagues. My experiences inform my view that we need to be able to find safe ground to discuss and analyse our achievements and our failures without blame, criticism or fear, but to boldly accept where things have gone wrong, and to play our own part in making the change happen for all.

I feel sure that the extensive work, commitment and endeavour of the University of Nottingham and Browne Jacobson provide both that safe ground and a litmus test of our current positioning. With the market taking on board the report's findings and recommendations, I have no doubt that together we can achieve great things for a fairer future for all.



Catherine Bell
Advisory Board
Member BIBA
(British Insurance
Brokers Association)

Introduction



This independent research has been conducted by the University of Nottingham. It provides a comprehensive exploration of participants' lived experiences of Equality (Equity) Diversity & Inclusion (EDI) within workplaces in the UK insurance industry.

To our knowledge, this is the first study of its kind to be conducted by an organisation which is not itself a business, representative body or other direct stakeholder in the insurance market. This brings an objective perspective, informed by rigorous academic research principles. The research data provides an industry-wide benchmark by which firms can assess where they currently stand in relation to EDI, and this report summarises practical means for firms to move forward.

As the full report below shows, the research findings and recommendations involve important nuances and interlinkages, including between regulatory requirements and employment and anti-discrimination law, and the practical outcomes from these factors.

The first section presents an Executive Summary including headlines for transformative change and employment law recommendations. It also outlines the motivations for this research and its key findings and recommendations.

This includes how firms' HR units (even where outsourced by smaller firms) can deploy current statute and case law, plus best practice guidance and thought leadership, to manage the practical considerations raised by EDI issues.

The report then details the research in depth and concludes with how firms, including smaller firms which do not yet have well-developed EDI programmes, can make key advances with EDI. Quotes are from research participants unless stated otherwise.

Executive Summary

Headlines

1

EDI programmes

Participants report mixed views on the effectiveness of firms' EDI programmes and strategies. A significant portion had reservations about the strength of organisational commitment to EDI initiatives.

Transformative changes

A more comprehensive approach to the collection and analysis of EDI data is needed to design and assess effective EDI programmes.

EDI programmes will be more effective where they are more closely aligned to regulatory perspectives and purposes.

Legal considerations

General positive action by an employer in relation to an employee or group of employees is lawful if based on reasonable belief and is proportionate as to the outcomes of: reducing employees' disadvantages in the workplace; meeting the different needs which employees might have; and increasing their participation in relation to their employment.

2

Flexible working

75% of participants consider flexible working to be advantageous to EDI. However, participants also note issues around access to opportunities which require careful consideration.

Transformative changes

Firms need to assess the potential contribution of flexible working patterns for increasing diversity and inclusion within the workforce, and in turn enhancing diversity of thought for improved decision-making and execution.

Firms need to develop strategies to ensure that inclusive working patterns do not result in operational, social or cultural exclusion of individuals.

Legal considerations

The Employment Relations (Flexible Working) Act 2023 will make notable changes to flexible working rights. The Act makes provision for the potential future introduction of the right for employees to be able to seek a flexible working arrangement from 'day one' of their employment.

3

Career progression

More than half of women participants and participants from UK ethnic minority¹ backgrounds other than white report that their career progression has been held back because of their gender or race, respectively. The proportion is highest for women participants from UK ethnic minority backgrounds.

Transformative changes

Firms should critically review their recruitment, retention, remuneration and promotion practices and processes to ensure that everybody is treated fairly. Steps should be taken to assess and eliminate affinity biases in decision-making and in opportunities for career development. For more free resources on this [click here](#) for the University of Nottingham's Recruitment Toolkits.

Legal considerations

As the Equality and Human Rights Commission's Equality Act 2010 Code of Practice (the "Code") makes clear: "...nothing in the Equality Act 2010 prevents an employer from hiring the best person for the job, [but] it is unlawful for an employer to discriminate in any of the arrangements made to fill a vacancy, in [the] terms of employment that are offered or in any decision to refuse someone a job..."

4

Discriminatory language

37% of participants have seen or heard discriminatory language in the workplace.

Transformative changes

Training should address discriminatory language and the consequences of this. Senior role models should challenge the use of such language by anyone so others feel safe and protected to call out inappropriate language.

Organisational values should promote inclusive communication. Leaders must be willing to challenge the use of such language by anyone. Where leaders are willing to openly take a stand on this, others will join them.

Legal considerations

Per the Code: "Inappropriate or derogatory language in the workplace could amount to harassment if it is related to a [statutorily] protected characteristic [for example, race, sex, or sexual orientation]..."

¹ Note on terminology: we use UK ethnic minority to refer to all backgrounds other than white British.

5

Alcohol

Excessive alcohol consumption as part of workplace social or other activities is a major factor in adverse behaviour (actions or language) which excludes or 'others' people from marginalised groups.

Transformative changes

Leaders need to drive a cultural change to show that excessive alcohol consumption is not acceptable in any work-related activity or event.

There needs to be a focus on teambuilding, client engagement and work-related socialising in locations other than pubs and bars.

Legal considerations

Per the Code: "...employers should consider...drafting disciplinary and equality policies that refer to acceptable behaviour outside the office... and making it clear to workers what is required of them to comply with [these]..."

6

Reporting

72% of participants would be comfortable reporting adverse behaviour. However, only 14% of participants who had actually reported such conduct perceived a satisfactory outcome.

Transformative changes

Robust and consistent internal reporting mechanisms are vital for addressing complaints and grievances. They are also integral for advancing and sustaining EDI programmes as they hold adverse behaviour to account.

Those who raise concerns need to see that a firm has subsequently taken concrete steps to investigate, address and eliminate adverse behaviour.

Legal considerations

Per the Code: "It is important to encourage good communication between workers and managers in order to understand the underlying reasons for potential conflicts. Employers should have effective procedures in place for dealing with grievances if informal methods of resolving the issue fail."

7

Training

Participants view better training on EDI as the best way forward. Training must be evaluated to ensure palpable improvements for EDI, and reductions in adverse behaviour.

Transformative changes

Training is not a one-off panacea. It needs to be integrated with other processes and procedures (see items 1-6 above) to bring about cultural transformation.

Legal considerations

Per the Code: "It is important to encourage good communication between workers and managers in order to understand the underlying reasons for potential conflicts. Employers should have effective procedures in place for dealing with grievances if informal methods of resolving the issue fail."

Key employment law considerations



1

EDI programmes

Positive discrimination is unlawful, but positive action, including general positive action (not to be confused with positive discrimination in recruitment and promotion), is lawful. It can demonstrate authenticity in an employer's approach to EDI and be transformative for the EDI profile of an organisation. It is however largely misunderstood or ignored.

- Positive action allows additional help to be provided for groups of people who share a statutorily protected characteristic (for example, race, sex, or sexual orientation) in order to 'level the playing field'.
- An employer can take proportionate action that aims to reduce disadvantage, meet different needs and increase participation.
- General positive action can be taken when an employer reasonably believes that any one or more of the following conditions applies:

- Enabling or encouraging people who share the protected characteristic to overcome or minimise a disadvantage connected to that characteristic.
- Meeting that group's needs that are different from the needs of people who do not share that characteristic.
- Enabling or encouraging people who share the protected characteristic to participate in an activity where they are disproportionately underrepresented.

EDI and/or recruitment or promotion policies and procedures should be adhered to, not least for internal promotions, to guard against claims of discrimination and nepotism or cronyism.

The Equality and Human Rights Commission's Equality Act 2010 Code of Practice gives guidance on planning, implementing and monitoring equality policies.

2

Flexible working

The Employment Relations (Flexible Working) Act 2023 is expected to take effect in mid-2024, putting the following rights in place in relation to employment contracts from (subject to secondary legislation) their commencement:

- When making a request, an employee will no longer have to explain what effect, if any, the employee thinks their requested change would have on the employer and how any such effect might be dealt with.
- An employee will be entitled to make two requests in any 12-month period rather than one as is currently the case.
- An employer will not be permitted to refuse a request unless the employee has been consulted about such refusal.
- The time for an employer to make a decision will be two months.

3

Career progression

The Equality and Human Rights Commission's Equality Act 2010 Code of Practice can be used in evidence in discrimination claims brought under the Act. Tribunals and courts must take into account any part of the Code that appears to them relevant to any questions arising in a claim.

The Code notes that the inclusion of requirements in a job description or person specification which are unnecessary or seldom used is likely to lead to indirect discrimination. It states that employers who use job descriptions and person specifications should therefore review them each time they decide to fill a post.

Tasks and duties and working hours or working patterns set out in the job description should be objectively justifiable as being necessary to that post.

Similarly, the job description should not overstate a duty which is only an occasional or marginal one.

This is especially important for tasks and duties which some people may not be able to fulfil or would be less likely to be able to fulfil, because of a protected characteristic.

Similar issues or considerations and risks arise in respect of promotion and career progression.

The Code gives an example:

“A job description for a manager states that the job is full-time. The employer has stated this because all managers are currently full-time and he has not considered whether this is an actual requirement for the role. The requirement to work full-time could put women at a disadvantage compared to men because more women than men work part-time or job share in order to accommodate

childcare responsibilities. This requirement could amount to discrimination unless it can be objectively justified.”

It is unlawful for employers to discriminate against, victimise or harass workers in the way they make opportunities for promotion or career progression available or by refusing or deliberately failing to make them available.

Failure to inform workers of opportunities for promotion may be discriminatory.

If an employer has an EDI policy and/or recruitment policy and procedures these policies should be adhered to including when internal promotions are taking place to guard against claims of discrimination and nepotism or cronyism.



4

Discriminatory language

Per the Code:

“Inappropriate or derogatory language in the workplace could amount to harassment if it is related to a protected characteristic and is sufficiently serious. Workplace policies – if the employer has these in place – should emphasise that workers should not make inappropriate comments, jokes or use derogatory terms related to a protected characteristic...”

5

Alcohol

Per the Code:

“To avoid liability for discrimination and harassment outside the workplace, employers should consider taking steps such as: drafting disciplinary and equality policies that refer to acceptable behaviour outside the office; checking dietary requirements to ensure that all workers have appropriate food and drink during work-related events; and making it clear to workers what is required of them to comply with acceptable standards of behaviour. Employers should also consider whether they need to make any reasonable adjustments to accommodate the needs of disabled workers...”

...Example: A worker aged 17 has a job in a [call centre team]... On Friday nights her team colleagues go to a local club to socialise. During this time they talk mainly about work-related issues. The team manager also buys drinks for the team member who has achieved the most sales that week. The worker cannot attend these events as the club has a strict ‘over-18s only’ policy; she feels excluded and undervalued. This treatment could amount to unjustifiable age discrimination. The manager should consider organising team social events somewhere that accepts under-18s.”

6

Reporting

Per the Code:

“Employers will sometimes have to deal with complaints about prohibited conduct that arise between members of staff. They can avoid potential conflicts by noticing problems at an early stage and attempting to deal with them by, for example, talking to the people involved in a non-confrontational way. It is important to encourage good communication between workers and managers in order to understand the underlying reasons for potential conflicts. Employers should have effective procedures in place for dealing with grievances if informal methods of resolving the issue fail.”

7

Training

Per the Code:

“Training on the equality policy may include the following:

- an outline of the law covering all the protected characteristics and prohibited conduct;
- why the policy has been introduced and how it will be put into practice;
- what is and is not acceptable conduct in the workplace;
- the risk of condoning or seeming to approve inappropriate behaviour and personal liability;
- how prejudice can affect the way an employer functions and the impact that generalisations, stereotypes, bias or inappropriate language in day-to-day operations can have on people’s chances of obtaining work, promotion, recognition and respect;

- the equality monitoring process...

[Equality monitoring is the process that employers use to collect, store and analyse data about the protected characteristics of job applicants and workers...]

...monitoring may reveal that:

- applicants with a particular religion or belief are not selected for promotion;
- women are concentrated in certain jobs or departments;
- people from a particular ethnic group do not apply for employment or fewer apply than expected;
- older workers are not selected for training and development opportunities...”

Motivations for the research

In the UK, EDI issues in workplaces in general are addressed through employment and anti-discrimination legislation, including the Equality Act 2010. The UK financial services (“FS”) sector as a whole is under increasing scrutiny from its regulators as to EDI. Many firms recognise both the ethical and practical cases for effective EDI, and its ability to deliver both social and business value. Even if these cases are disputed or rejected, it is at the very least prudent that firms are able to consider where they stand in relation to regulatory and wider scrutiny on the issue. Both Browne Jacobson and the University of Nottingham are keen to help their respective clients and contacts in the insurance and other FS industries address their needs and interests in relation to EDI.

The regulatory challenge is not limited to the representation of diverse groups within an organisation’s workforce. The point is more whether such employees are properly included, treated equitably and given equal, non-discriminatory status within firms’ decision-making and operations. The Financial Conduct Authority’s (“FCA”) approach to EDI can be discerned from statements it has made on its website about itself:

“Our employees are the key to our success... We aim to promote a culture that enables people to speak openly... so we can:

- build capability
- enable our people to act decisively
- continuously improve how we operate

... We believe [a diverse and inclusive workplace culture and environment] empowers our people to fulfil their potential and results in better decision making...”²

Similarly, Sir John Cunliffe, Deputy Governor for Financial Stability at the Bank of England has stated that:

“Groupthink and overconfidence are often at the root of financial crises. Enabling a diversity of thought and allowing for an array of perspectives to coexist supports a resilient, safe and effective financial system.”³

Regulators expect FS firms to absorb and deploy concepts as above. However, according to the FCA:

“there is much more that needs to be done to create truly diverse and inclusive organisations that meet the diverse needs of those we serve... Diversity and inclusion are critical to our work on culture and governance, particularly for boards and senior management... [and] will also be based in... work on the treatment of consumers, including [customer] vulnerability and the... Consumer Duty.”⁴

For both the FCA and Prudential Regulation Authority (“PRA”), there is a clear link between EDI, especially at the senior level, and adherence to appropriate standards of policyholder protection and treatment. As such, EDI is an identifiable factor in firms’ compliance with both conduct and prudential regulation requirements. Organisations, whether or not they are regulated by the PRA and/or FCA, can benefit from regulatory (and other third party) guidance, insights and statements.

Various recent developments in the insurance industry reflect broader societal, workplace and FS industry issues in relation to EDI⁵. Responses from some participants in the study indicate that the insurance industry is certainly not isolated from more general issues, and that methodologies for improving EDI in insurance could benefit from fresh perspectives, including on longstanding cultural practices.

² FCA (2016). ‘Diversity, Equity and Inclusion’. Updated 21 July 2023.

³ FCA (2021). ‘FCA, PRA and Bank of England set out plan to improve diversity and inclusion in regulated firms’.

⁴ FCA (2021). ‘DP 21/2: Diversity and inclusion in the financial sector – working together to drive change’. Updated 4 January 2023.

⁵ See for instance the 2022 decision in the discrimination case: [Sommer vs Swiss Re Corporate Solutions Services Limited.pdf \(publishing.service.gov.uk\)](#); see also the results of the surveys by Lloyd’s of London at its [Culture Dashboard \(lloyds.com\)](#)

Research overview

The study involved 125 participants sharing their experiences via an online survey or through an in-depth, one-to-one interview with a researcher from the University.

The participants came from multiple sectors of the insurance industry – in particular, practitioners involved in the underwriting and placement of commercial (general) insurance – during 2023. Participants were either working at the time in the insurance sector, or had been working in it at any point in the 12 months prior to participation. All participation was and remains anonymous, and all research findings are underpinned by the University's strict research ethics policies.

This research has been funded by the University's INFINITY Hub, dedicated to researching and improving inclusive financial services, and Innovate UK's Knowledge Transfer Partnership. The University has conducted this research in collaboration with Browne Jacobson LLP, who are members of the University's INFINITY Hub.

Whilst recent EDI advances have been made in FS, in 2022, the FCA observed how “very few firms seemed to have understood diversity and inclusion as a fundamental culture issue”.⁶ Its 2022 report stresses the need to focus beyond EDI demographic metrics and instead focus on building inclusive cultures.

The FCA comments that the focus is currently on gender representation, with ethnicity starting to receive some attention, whilst other demographic characteristics lag further behind. As is the case in any industry, bringing about inclusive cultures is a long-term process which will not simply happen overnight.

The University's study provides evidence that most insurance organisations are now engaging with EDI initiatives. However, bringing about long-lasting cultural change requires more direct and sustained intervention.

⁶ Financial Conduct Authority, 'Understanding approaches to D&I in financial services', December 2022.

Key findings

69%

of participants reported their organisation has an EDI statement or charter.

75%

of participants think that flexible working benefits EDI.

1

Whilst 69% of participants reported their organisation has an EDI statement or charter many organisations are not engaging in meaningful initiatives which further EDI to ensure that everybody feels valued and safe in the workplace.

Participants negatively evaluated EDI initiatives as merely “lip service” or “tick box” exercises.

- EDI data collection and data-informed actions were very limited.
- Employees working in all sizes of insurance organisation, from small businesses through to large organisations, reported negative EDI experiences, particularly women and people from minoritised backgrounds.

2

75% of participants reported that flexible working benefits EDI, emphasising its value to parents and carers, people with disabilities and people from ethnic minoritised backgrounds.

Several respondents noted that working from home felt “safer” for some people who felt excluded or minoritised in the workplace. However, participants also identified:

- I. The risk that people working from home were potentially less “visible” and miss out on career progression opportunities, potentially compounding their disadvantage.
- II. Negative attitudes to working from home and part-time working which hinder career progression.
- III. Strong resistance to flexible working from some organisations.

51%

of women think their career progression has been limited by their gender.

14%

of those who had reported an EDI issue in their organisation felt that the outcome had been satisfactory.

3

Participants reported concerns that their gender and/or race had an adverse impact on their career progression.

- 51% of women think their career progression has been limited by their gender.
- 55% of people from ethnic groups other than white believe that their career progression has been affected by their race.
- 68% of women from ethnic groups other than white report that gender and race combined have adversely affect their career progression.
- Participants reported:
 - I. experiencing discrimination, prejudice and “microaggressions” based on race, gender stereotypes and child rearing.

Discrimination is often intersectional, and includes age, disability, pregnancy and maternity.

- II. women feeling “overlooked” and “not heard” in favour of white men.
 - III. advantages being conferred on people, particularly men, who were personal contacts of senior people in the organisation. They often share socio-economic backgrounds and interests, including cricket, golf, football and rugby.
- Several participants reported leaving or planning to leave workplaces where they felt undervalued or excluded. They actively seek out more inclusive workplace cultures where they felt they could progress their careers.

4

37% of participants have seen/heard discriminatory language and behaviour including language that is misogynistic, sexualised, racist homophobic, ableist and ageist.

5

Excessive alcohol consumption at client events and after work socials caused exclusion for some groups and is a contributing factor in multiple incidents of sexism, racism and unwanted sexualised behaviour.



6

While 72% of people reported they would feel comfortable reporting an EDI issue in their organisation, only 14% of those who had reported felt that the outcome had been satisfactory.

After reporting EDI issues, respondents reported a negative impact on career progression, including social exclusion.

A barrier to reporting EDI issues was fear that complaints would not be taken seriously, either because of the high status of the perpetrator or a lack of confidence in the objectivity of HR.

7

Participants recommended EDI training to educate people about acceptable language and behaviour in the workplace.

To improve EDI in their organisation, 60% of participants advocated for unconscious bias training, 59% for EDI awareness and 57% for bystander training to challenge unacceptable behaviours.

However, several respondents reported feeling “cynical” about training as the quality of training was often not evaluated and its completion was not consistently taken seriously. Some commented that no further interventions were required due to the small size of the organisation or the perception that there were no EDI issues in their workplace.

Recommendations

Insurance firms need to transform their culture to be more inclusive of everyone and to encourage more people to envisage fulfilling long-term careers in the sector.

The message that EDI is not just about compliance with regulation needs to gain prominence. Large-scale research by McKinsey and Company (2020) has consistently found that 'the most diverse companies are now more likely than ever to outperform non-diverse companies on profitability'⁷. Genuine diversity and inclusion increases economic productivity, staff well-being and reduces attrition.

Whilst improving the representation of women and people from minoritised backgrounds is crucial, this is just one part of the picture and needs to be accompanied by meaningful changes to embed inclusive workplace communication and practices.

The following recommendations will help organisations to realise this transformation and lead the way in improving EDI in insurance.



⁷ McKinsey and Company. Diversity Wins: How inclusion matters 2020.



1

Change the narrative around EDI. Whilst EDI data is important, EDI is not just about metrics in terms of the demographic make-up of firms. It is about having an inclusive culture, regardless of your company's size. Even if you have good diversity in terms of numbers, you still need the inclusive company culture to go along with this, otherwise staff from diverse backgrounds will leave.

- Challenge the myth that EDI is just a tick box exercise of political correctness.
- Dispel the stereotype that EDI is just about gender. EDI is for the benefit of everybody.
- Collect EDI data to measure diversity and set targets, but just use this as one measure. This includes collecting data about all aspects of people's backgrounds, including socioeconomic status, gender, ethnicity, age, marriage and civil partnership, gender reassignment, disability, nationality, pregnancy/maternity, religion or belief and sexual orientation.
- Collect such data during recruitment and over the course of everybody's employment. Monitor whether there are patterns in who is applying for which roles, who is succeeding in promotion, whether there are patterns in retention or attrition, and whether people from all backgrounds have equal access to, and uptake of, training and development opportunities. Data must be examined intersectionally to address instances where multiple aspects of identity or background result in disadvantage, for example gender, race and age.
- No matter how small or welcoming leaders believe their workplace to be, our study indicates that some minoritised people feel excluded in businesses of all sizes.
- Organisations should develop a strategy that they share with employees to set clear values and behavioural expectations.
- Employers should build channels to listen to employees' experiences to understand what it is like for people from a variety of backgrounds to work within their organisation. To be most effective, organisations should consider separating this from HR, so it is seen as more independent.

2

Flexible working brings significant benefits to insurance workplaces and generally enhances EDI. Leaders must challenge negative attitudes towards part-time working and flexible working, maximise the benefit of times when the whole team is together in-person and consider how to ensure that people who routinely work from home do not miss out on the advantages of being visible in the workplace.

- Ensure that organisations comply with their statutory obligations in relation to flexible working requests. This includes training managers and HR teams in how to deal with requests.
- Maintain regular communications with all team members, wherever they work so that nobody feels isolated. Make sure the most appropriate and effective form of communication is used and agreed – decide on when to use Teams messaging, email, phone calls etc.
- Employers should be open to the benefits of flexible working arrangements, including enabling them to access to a more diverse talent pool, reducing turnover of people who might otherwise need to leave the business/industry.

This includes supporting the careers of those with disabilities or caring responsibilities. Flexible working can also benefit clients who need to reach your business outside typical working hours by varying people's working patterns to meet demand.

- Maximise the value of the times when teams are together in person. Consider implementing 'anchor days' when the whole team is present and collaborating. Think back to the team-building activities that many organisations implemented during the pandemic and bring back the best of them, whether virtual coffee breaks, online social activities or remote/hybrid team meetings.
- Ensure that there are clear mechanisms for people who work part-time to progress and challenge assumptions that people who work part-time lack ambition for promotion.



3

Make sure your recruitment, promotions and career progression opportunities are fair and transparent. Critically review your job adverts, role descriptions and promotions and rewards criteria. Are they equally applicable to people from all backgrounds and with different identity characteristics? Are you giving people the opportunity to showcase the transferable skills they have gained in other sectors or other aspects of their lives? Perceptions of nepotism are damaging to morale and harmful to the principles of EDI. Equality of opportunity is key to attracting and retaining diverse talent.

- Reflect on recruitment strategies and processes to ensure they are fair, transparent and inclusive of people from diverse backgrounds who have acquired the necessary skills in non-traditional roles. Challenge unconscious bias in recruitment of women and people from UK ethnic minority backgrounds. (See the [University of Nottingham's research report on transforming diverse recruitment](#), including a communications toolkit and further resources for a transformative approach to EDI in recruitment.)
- Consider recruiting from beyond the sector to harness transferable experience and skillsets that might be underrepresented in the insurance talent pipeline.
- All people working in the sector must be confident that their career will progress based on merit. Any tendency for recruitment or progression to be based on affinity bias (where people favour those who are most like them) and/or personal contacts must be displaced. This can be achieved with transparent and consistent policies and practices around career progression and promotion.

4

Build your commitment to a culture of collective responsibility for future workplace communication and behaviour. Workplace values and reporting channels should foster inclusive communities which share responsibility for challenging any unacceptable behaviour.

- Promote the message that EDI is everybody's responsibility and benefits everyone. Organisations should establish expected behaviours and key shared values which permeate their approach to all aspects of working life.
- Leaders and other allies need to share the burden carried by people who experience discrimination by taking the initiative to report and challenge language and behaviours that they consider to be unacceptable themselves.

5

Re-evaluate team and client activities that centre around the consumption of alcohol, particularly to excess. Find ways to socialise and build client relationships which don't require excessive drinking.

- Our study indicates a strong link between alcohol and sexism, racism and harassment. Alcohol-related activities exclude many people with caring responsibilities who need to leave at the end of the working day, and those who do not drink for religious, personal or other cultural reasons. Leaders need to drive a cultural change to show that excessive alcohol consumption is not acceptable in any work-related activity or event. Alternative ways of socialising that are more inclusive should also be established.
- There needs to be a focus on teambuilding, client engagement and work-related socialising in locations other than pubs and bars.

6

Develop and signpost robust and consistent approaches to dealing with complaints.

- As the PRA has stated: "A well-run financial institution will seek to foster a culture that welcomes discussion and challenge. Employees should feel comfortable having an open dialogue in the workplace and should have appropriately confidential channels available to them should they wish to raise concerns."⁸ Similarly, the FCA notes in relation to internal reporting procedures that: "Individuals working for financial institutions may be reluctant to speak out about wrongdoing for fear of suffering personally as a consequence. Mechanisms within firms to encourage people to voice concerns – by, for example, offering confidentiality to those speaking up – can provide comfort to whistleblowers. It is, however, important that individuals also have the confidence to approach their employers."⁹
- Reporting procedures and complaints policies should be developed and made available to employees so that they understand the process that will be followed and can hold others to account. Employees need to feel confident that any reports of negative language and behaviours will be taken seriously and objectively investigated.
- There should be no space for favouritism and leaders must model dealing with complaints professionally, including ensuring that the complainant does not feel excluded or isolated.

⁸ See the written notice issued by the PRA to the Society of Lloyd's on 23 December 2019

⁹ See the FCA's webpage at: [FCA introduces new rules on whistleblowing | FCA](#).

7

Implement unconscious bias, awareness and bystander training as part of the network of interventions required to improve EDI. Keep all training under review and adapt it according to feedback.

- Take training seriously by implementing appropriate education and awareness initiatives and following them up with evaluation and reflection on their effectiveness. Ensure that it is not treated as a 'tick box' exercise used to discharge organisations' responsibilities.
- Complement training with other interventions including mentoring, reporting systems, internal consultations and surveys, leaders modelling expected behaviours and inclusive recruitment/retention initiatives, which all drive inclusion.



Research report in depth

The University of Nottingham research team and Browne Jacobson LLP circulated calls for survey and interview participants via industry mailing lists and social media. Participants were invited to complete a detailed online survey and participate in interviews with a member of the University's research team.

A total of 125 people volunteered to participate. 111 participants completed the survey and 14 participated in detailed interviews. This study represents an in-depth exploration of people's lived experiences across the different levels of the UK insurance industry in 2023.

61.5% of the survey respondents were assigned female at birth and 36.7% were assigned male as shown in **Figure 1**.

97% of respondents reported that their gender identity matched the sex assigned at birth.

Sex assigned at birth (%)

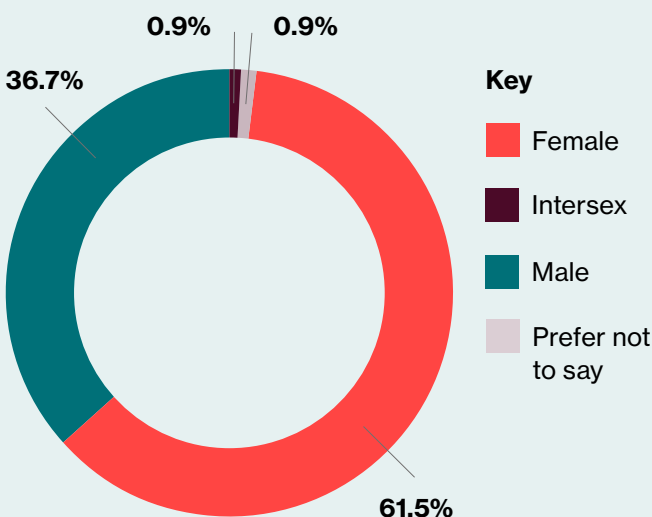


Figure 1. Respondents' sex assigned at birth

In total, 71.5% of participants reported their ethnic group as white and 55% reported that their ethnic group was white British (English, Welsh, Scottish, Northern Irish or British). As shown in **Figure 2**, 9.1% described their ethnic group as mixed or multiple, including White and Asian (6.5%), White and Black African (1.8%). 6.4% identified as Asian or British Asian – Indian. 6.5% identified as Black, Black British, Caribbean, African-Caribbean and 3.7% identified as Black, Black British, Caribbean, African. 3.7% identified as other ethnic or racial groups.

Ethnic group of respondents (%)

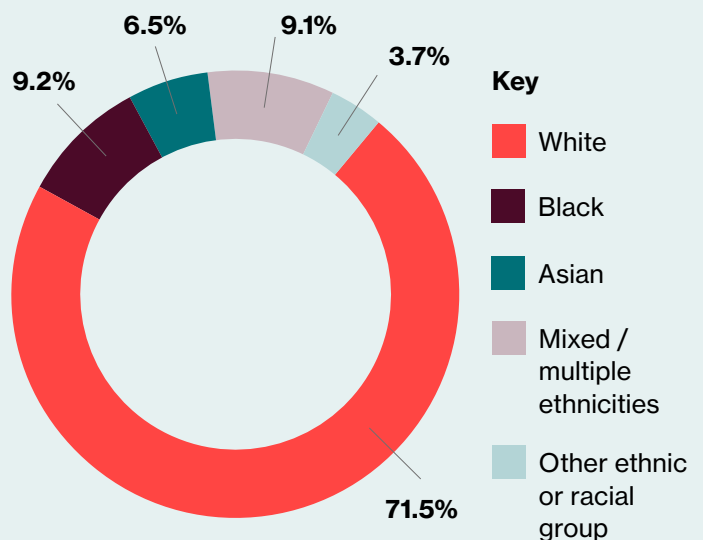


Figure 2. Ethnic group of respondents

People between the ages of 50–59 and 40–49 were most likely to respond to the survey and those between 70–79, 20–29 and 60–69 were least likely to respond, as shown in **Figure 3**.

Age bands of respondents (%)

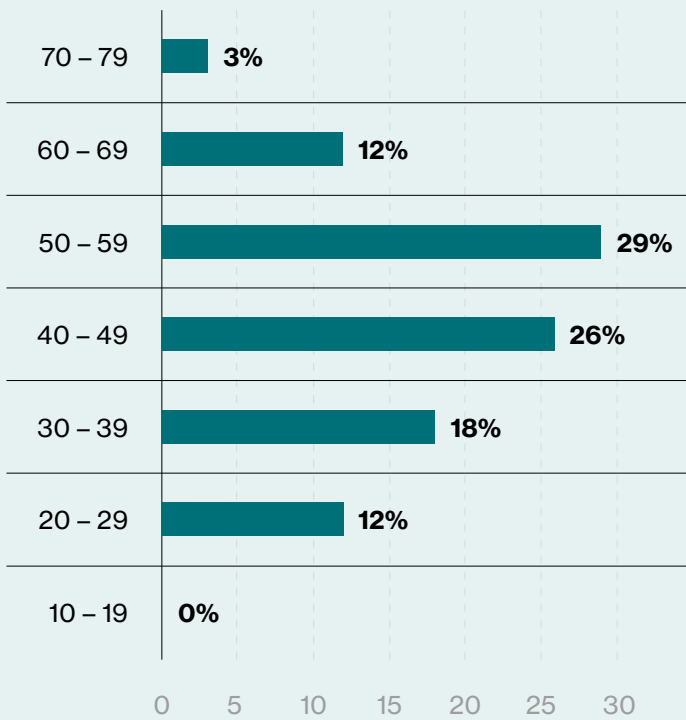


Figure 3. Age bands of respondents

82%

of respondents lived in London.

86%

identified as heterosexual.

16%

reported that they have a physical or mental condition or illness lasting, or expecting to last 12 months or more.

31%

worked for insurance companies

24%

worked as Managing General Agents

23%

worked as insurance/reinsurance brokers

1. Change the narrative around EDI



54%

report that their organisation has a strategic plan for delivering diversity and inclusion.

40%

report that initiatives have been effective.

Whilst EDI data is important, EDI is not just about metrics in terms of the demographic make-up of firms. It is about having an inclusive culture, regardless of your company's size. Even if you have good diversity in terms of numbers, you still need the inclusive company culture to go along with this, otherwise staff from diverse backgrounds will leave.

While 69% of survey respondents state that their organisation has a statement or charter to address EDI which they can read or access, 13% say their organisation does not, and 18% do not know whether such a statement or charter exists.

54% report that their organisation has a strategic plan for delivering diversity and inclusion. 40% report that initiatives have been effective.

Respondents reported three key issues in relation to their organisations' EDI initiatives.

First, that the organisation pays "lip service" to EDI without a genuine commitment.

Participants commented:

"The initiatives that are done tend to be as uncontroversial as possible and nothing ever actually happens from them."

"I do not believe they drive concerted action, we just say nice things and partner with nice organisations."

"It feels as if they don't want to change anything, but have to/obliged to demonstrate they are doing something to tick the box."

"...the more we encourage these different initiatives and DEI initiatives, then people start to make decisions only in light of initiatives and what badge can we have on our website or which internship program we support and which charters – we also do charters – but still they start to make decisions in that light instead

of thinking what kind of a culture do we have, what kind of strategy do we have, what kind of purpose do we have and what kind of people are actually gonna bring about this?”

Others agreed that initiatives were “a tick box exercise” and “only surface deep”. This was the most prominent theme in over a third of comments.

Second, participants reported a lack of rigour which made it impossible to track progress in EDI. One person commented that, “there are no ways to measure the impact of the initiatives” and it is “unclear how EDI interventions are driving change”. Another person identified a need to collect EDI data from employees to link up with EDI initiatives. However, even when data was collected, if no further action was taken on the basis of findings, this was a source of frustration:

“We recently had an employee survey and we collected all of this data on how people are feeling. And then we did nothing about it because the managers were not on-board and they didn’t have time and they didn’t know how to do it. And that’s the most discouraging thing you can do to an employee. You ask them how they feel and then you do nothing about the results.”

Third, participants reported that the size of the organisation was a limiting factor in determining approaches to EDI. Several respondents explained their organisations were small and either did not need an EDI strategy because the culture was very inclusive or that it is “challenging to be impactful” with such small numbers. Some pointed to an informal understanding of building a friendly culture instead of a formal strategy:

“As for the majority of small businesses, we do not have initiatives – but a mutual understanding and awareness, which we look to deliver on.”

“We are a small company, with under 20 staff, from a number of different nationalities, ethnicities, religions and backgrounds. All are welcome



and made welcome, and our working environment is friendly and happy, as can be evidenced by our minimal staff turnover...”

Several respondents reported that there have been positive impacts from efforts that their organisation had made to embed EDI:

“We have a clear strategy on EDI with an active working group to deliver this, made up of all parts of the business with Exec level support.”

“There has been an effort to recruit more women and more people from ethnic groups other than white. This has been fairly successful.”

A participant commented on the value of having leaders in EDI, but that male dominance remained as issue:

“It is still very much driven by males who are white from a certain type of background as well. And I think what they’ve done a good job of is obviously creating the last 10–20 years more diversity-driven kind of managerial roles. So it’s like you have individuals who are then being paid to focus on that diversity side of it, which is obviously important. At the end of the day, you need to hire someone who’s in charge of that, to really push that. But obviously there’s always room for improvement and

I went to an insurance conference last summer, there was a panel of six guys ... four of them were Caucasian and then the other two were from Asia and maybe Latin America and the speech they were giving was about women’s experiences in the marketplace. So it’s mental because there’s six guys who were giving this view of how women’s experiences in the marketplace were. That was one a year ago so that shows the fact there’s still ignorance.”

Others remarked that their organisation had active diversity and inclusion groups and had made encouraging steps. However, several participants noted that although initiatives were “good at building awareness”, “there has been little change in policy to encourage change”. Despite “positive intent”, “action across the global offices is slow” and it takes “a long time for the initiatives to deliver change”. Another person commented:

“It’s going in the right direction and it’s just like with anything in insurance, everything is so slow and annoying, but it’s better to be slow than to not be doing it at all.”

2. Flexible working



75%

of respondents agree that flexible working helps to advance EDI in their organisation.

Flexible working brings significant benefits to insurance workplaces and generally enhances EDI. Leaders must challenge negative attitudes towards part-time working and flexible working, maximise the benefit of times when the whole team is together in-person and consider how to ensure that people who routinely work from home do not miss out on the advantages of being visible in the workplace.

Respondents widely cited benefits for working parents and carers, particularly women and people from minoritised backgrounds.

Several participants commented that flexible working helps parents “in relation to childcare issues” and “mitigates the impact caused by childcare”, as well as offering “an ability to reach management positions without having to make career choices between family/ carer responsibilities and one’s job”. Respondents felt this was beneficial to “single parents”, people with “commitments to aging parents”, and “employees with dependants”.

Several respondents believe flexible working benefits women, particularly after returning to work from parental leave:

“It is essential to start to level the playing field in terms of gender issues/caring responsibilities.”

“Studies show women benefit greatly from part-time working and I think flexible working offers an alternative to part-time that doesn’t lead to less income.”

“The likelihood is if you tell someone that they can work from home and they’re starting at 9:00 and they don’t have that big, long commute – who’s that commute for? I get that there’s benefits to collaboration and there’s some things that benefit when you work in an office... But that flexibility and what it does for work-life balance and what it does for engagement and someone being loyal to you, if you just give them like a tiny bit of flexibility, do a world of good for the organisation.”

Others remarked upon benefits to people with disabilities or illnesses as it “allows people with disabilities to do work more easily” and is useful for “those recovering from illness/injury”. Another person commented:

“Many of the barriers to work for disabled people, people with mental health challenges, neurodivergent

people, women with dependents etc are solved or significantly eased with working from home and flexibility around hours. It's a no-brainer."

Some respondents also commented that flexible working, particularly working remotely, was beneficial to people who did not feel fully included in the workplace:

"Working full-time from home if you are ethnically diverse provides the safety" and "everyone is more equal on screen and via distance".

"Truly flexible working is a huge draw for some marginalised people so that needs to be a cornerstone of any strategy."

"Those from an ethnic minority can feel more comfortable with working from home."

Flexible working was not available to everybody and some respondents reported having requested it and being denied or not receiving an answer, particularly if they did not have children.

Also, even amongst those who expressed support for flexible working, there were concerns that working away from the office had drawbacks, including a lack of visibility and difficulties with integration and in building team relationships. Participants commented that, "it's the social occasions which help and being in the office and seen" and that flexible working impacts "learning and development" and "leading a team" which makes career development more difficult:

"While flexible/hybrid working is beneficial for certain groups, for example working mothers, there are advantages of people communing together in the office. There is a risk, perhaps, that in time there becomes a further prejudice between those who come into the office frequently and those who do not. This will need to be monitored."

Another participant echoed this divide in career development between people who opted to work more from home versus those who chose to work more from the office:

"...typically we ask our people now to be in the office three days a week... when the office is buzzing. The rest of the time it's dead. Our entire business from day one was focused on technology. Everyone's got laptops, everyone's got the kit that they need at home. But you can identify the younger people who really want to get on because they're very keen to be in the office and work in that environment. Not necessarily where they're being specifically trained, but where they're overhearing conversations, they're getting involved in things and they're absorbing those particular situations and therefore adding to their own knowledge. And it's quite interesting that it's almost self-selecting then at that point, between those who are just in it for the job and those who are in it as a career."

Another commented that the remote working culture proved problematic because they were neurodivergent and they benefited from working in an office:

"I went into a working world where everything was remote. I did go to the office maybe once a week or so, and I was not able to get into the culture of the team because how are you gonna get into the culture? And these people had already been working remotely now for like half a year or whatever. And they already have their ways of working and they had no interest in getting me into the team or whatever. They already knew each other. I felt like such an outsider. And I got so under-stimulated, from a disability perspective when you think of neurodivergence or disability or whatever I don't think organisations have thought this through."

Several respondents had encountered negative attitudes to flexible working, including board-level

and senior management resistance, as one respondent emphasised how EDI benefits come from "flexible working PLUS people's changed attitudes to it". Another commented that their manager refers to "working mothers" working from home as, "shirking from home".

Another commented: "Covid was great for introducing flexible working to companies that were previously strongly opposed to the idea. But sadly there now seems to be a shift back to full time in the office – it is disappointing."

Several respondents commented that part-time working was viewed particularly negatively. Somebody reported that an HR director had expressed reluctance to employ women with children as they would "want to leave early to do school pickups/want part time hours".

Another commented: "if you wanted to work part-time after having a child you were regarded as having given up on a career or not committed because you didn't hang around after work."

Another observed that it was "very difficult to get promoted while working part-time".

Flexible working is a powerful initiative to improve opportunities for parents and other people who are marginalised in insurance sector workplaces. Participants felt that it played a key role in helping people to stay in work, work full-time and to have a better work-life balance. However, as well as developing flexible working policies, organisations should ensure that people continue to progress in their careers and have opportunities to collaborate and work as a team. This can be via anchor days or similar, where everybody is in the office on the same day(s), along with other team building and networking opportunities to build a workplace culture where all feel included and valued.

3. The glass ceiling: gender and ethnicity



Make sure your recruitment, promotions and career progression opportunities are fair and transparent. Critically review your job adverts, role descriptions and promotions and rewards criteria. Are they equally applicable to people from all backgrounds and with different identity characteristics? Are you giving people the opportunity to showcase the transferable skills they have gained in other sectors or other aspects of their lives? Perceptions of nepotism are damaging to morale and harmful to the principles of EDI. Equality of opportunity is key to attracting and retaining diverse talent.

Employers with 250+ employees must now report gender pay gap data. CIPD (2023) reports that the median gender pay gap in financial and insurance activities was 22.2% in 2022–2023, meaning that women's average earnings are this much less than men's¹⁰.

This is higher than the reported National Average for all employees (full-time and part-time), as revealed by the Office for National Statistics, of 14.9% in April 2022¹¹.

Some insurers reported bigger gaps. For example, Aviva reported a 25.1% median gap in 2022, although the gap had narrowed over five consecutive years¹². The FCA (2022) also notes that the gender pay gap is bigger for bonuses than for hourly pay.

The ABI (2018) also reported on the 'gender seniority gap', where there are fewer women in senior roles in the industry, noting "a major impact on earnings for women with children, but not men with children"¹³. These industry reports outline the continued barriers to achieving gender equality.

¹⁰ CIPD. [Gender pay gap reporting: where's the story?](#) 27 April 2023.

¹¹ Office for National Statistics. [Gender Pay Gap in the UK: 2022](#).

¹² Aviva. [UK Pay Gap Report, 2022](#).

¹³ ABI. [Tackling the Gender Seniority Gap: what works for the insurance and long-term savings industry?](#) 2018.

Gender

A number of women highlighted concerns that they were not taken as seriously as men, had to work harder to be 'seen' and promoted and that their roles were restricted by gender stereotypes and gendered expectations:

"Women – especially those at the beginning of their careers in finance – are not taken as being as credible as men."

Several women reported that they had greater experience than men who were paid more and promoted ahead of them:

"I've accidentally seen my male colleague's pay slip earning double with considerably less experience."

"I had a male teammate, younger than me and with no qualifications whom I had trained, and this manager promoted him above me and increased his pay – he sent an email wherein he acknowledged that I would be left dealing with the work of three people on my own but we needed to foster the male colleague's career and 'allow him to thrive'."

They reported having to "push" to make progress in situations where men "get opportunities I have never been afforded", particularly those who were "straight, white, drinker[s]..." and "white, privately educated men":

"Compare my CV of experience and the material I produce compared to the mediocrity of those ahead of me – straight white males. It's almost impossible to believe it."

Women reported that they had to work harder to prove themselves capable, and that being heard and taken seriously in the workplace is "an uphill battle at times". One participant noted that despite being "more committed, more educated, with published strategies" she found it hard to be heard over "the straight white male with a loud voice". She described this as an "impossible challenge" and "just depressing".



The same struggle to make headway was echoed by another participant:

"I have to be much more vocal than my male counterparts to be heard in meetings, or for my points of view to be taken into account."

Participants reported a pervasive bias towards assigning men to leadership or senior roles and women to relational, organisational and menial roles, which drew on outdated gender stereotypes. For example:

"I've been director of this business since the business began. And at the beginning, I didn't feel the need that to say 'I am actually a director on this business' except for the fact that because I was the Head of HR then everybody thought that I was just the admin resource. Everyone else, everyone in the team, including even the most junior person in the team was way more important or relevant, or had better things to say than me. So in meetings it would show, it would show in external meetings as well, and how people would address you or would not bother listening to what you had to say. So that's why, when I start meetings, I have to make it very clear that I'm here. I am a director. So then people somehow think okay, there is somehow this lady who seems to have some relevance in this business. It's gender-related,

78%

of women report a gender pay gap at their organisation

51%

of women respondents agree that their career progression has been adversely affected by their gender.

absolutely. At times I've been the only female in a room, including with the external firm. And it was just like I was invisible."

"I am the most senior HR professional in my organisation but I have no team and no admin support. I know that if I was a man I would at least have a secretary to help me. In my previous two roles I was replaced by a male on a higher salary who immediately had approval to recruit a bigger team! Same job – same grade."

"It is assumed in larger group meetings that a male or older colleague is the more senior person, references to how (e.g. buying gifts for departing colleagues, supporting colleagues who are upset etc) someone is expected to behave based on gender or sexual orientation, being asked to undertake certain tasks because of my gender."

"...there was for example a board meeting happening in the afternoon. And we have all these people coming into work and I'm thinking at some point we'll have to eat. So should I just go ahead and order some food? Anybody else could have thought about it, except they don't. And when you do, which to me is a plus, right? Because you see not only that I care for you, I'm thinking about you, I'm doing all these things on top of everything else that I am doing. So that to me really is a positive. But the way that this is translated then for example the following month after I did that... We were having a discussion around pay and obviously I'm the Head of {department name}. I should know what I'm talking about. So I'm talking about pay and my opinion and whatever with the CEO and also one of our Non-Executive Directors and as we go to close the call and the Non-Executive Director comments saying, 'Oh, {first name} are you gonna order some sandwiches for tomorrow?' I exploded. I was thinking this is absolutely outrageous. 'Right. Let me tell you about sexism and bias in the workplace. You can do it yourself because nobody's preventing you from ordering the sandwiches. I'm not a Starbucks. Right? And certainly I'm not the cook of the business.'"

Women also reported that, whether or not they decided to have children, they were impacted by assumptions that as a woman, "child rearing will be a factor". Several respondents reported experiencing demotion or lack of promotion whilst on maternity leave or working part-time:

"Always paid less in my career – rubbish reasons – he's more experienced etc. treated like the little girl who's being given a chance – and they're expecting you to leave to have children."

"Being out of the market for maternity does impact your chances of progression. You are out of sight out of mind to the organisation."

Of those women participants who had become pregnant or had children, several reported the implications for their career:

"My choice to start a family hindered my career for some time."

"It is hard as being a female naturally you have different responsibilities as a mum, having a child etc. Society means that you are the one that organises, supports etc and sometimes children just want their mum. Also being out on maternity leave impacts your career."

"I was advised I hadn't been sent on a training course that I had been promised on several occasions as I was due to go on maternity leave later that year."

Some of the exclusion that participants experienced was indirect. One woman explained the following in relation to client activities:

"I mean no one saying it's like 'men's golf', no one saying it's 'men's football', is what I was told. So I made it a point to go and play football with them. Just to prove a point but, they were like, 'We're not leaving you out of it. You just don't want to do it.'"

Another participant reported that an external recruiter actively sought to discourage her from applying for underwriting roles and was told: "at this stage in your life where you are looking to start a family, underwriting does not always fit with your lifestyle". From that, the participant understood that "what she was trying to say is that because I'm a woman of child-bearing age that I probably would not be well fit for an underwriting position". These experiences indicate the persistence of a range of gender-related barriers to women's progression in insurance.



Race and ethnicity

Ethnicity pay gap reporting is currently voluntary; only 3 of 19 FS businesses in FTSE100 were reporting their ethnicity pay gap in 2020.¹⁴

68% of women who identify as having ethnic identities other than white, report that gender and race have combined to adversely affect their career progression. Several respondents from such backgrounds commented that they felt their race had limited their career prospects:

“I believe my race had a part to play in limiting my ascension to senior management in a previous company.”

“You definitely have to work harder than the men and than other white women... to be honest, there’s definitely the feeling that you’re a second-class citizen and that comes across through opportunities, through how you’re treated.”

A participant who identified as having a white non-British ethnic background commented that “my accent has hindered my career progression”. Another participant observed the following:

“It’s also down to the accent. If I don’t open my mouth then of course, I’m white, so nobody would say ‘oh you know’, and of course in (home country) I had never experienced discrimination that way. But when I am here in the UK it’s all the time. Except that now I have learned because I’m much older than when I started. So now I, have a bit more of a thick skin. But the {non-British} accent, as soon as I say something people are almost like – you can see them rolling their eyes, like, ‘whatever you’re going say about anything isn’t important.’”

One participant reported that they had a negative experience communicating with their organisation over visa requirements and associated costs as they were from a non-UK background:

I felt that my career progression has been adversely affected by my race (%)

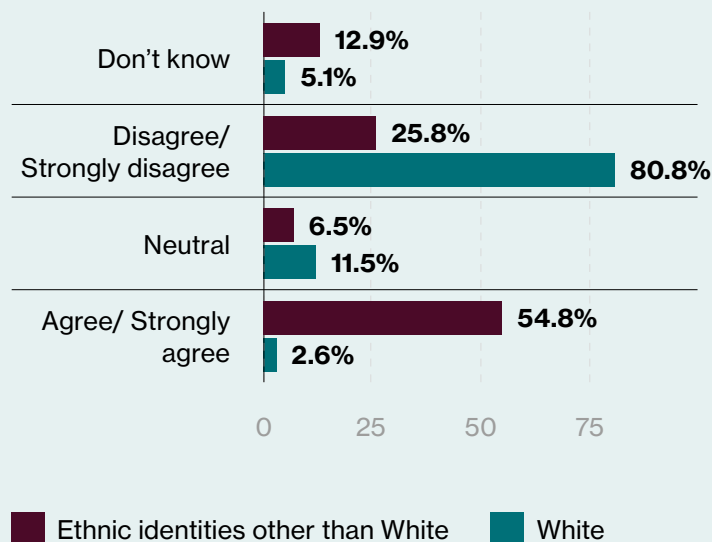


Figure 4. Impact of race on career progression

“They told me on the phone ‘usually we only cover visas for people that have been with us for a longer time’. And again, I was wondering, what does this mean? Am I gonna be less appreciated because I haven’t been here for long enough? It’s very demoralizing. You’re literally putting more value into another employee. And then they said that they would do it... the whole process very stressful. They told me ‘we’re gonna look into this. We’re gonna look at the costs’. Whatever. They simply didn’t have enough knowledge in-house. Eventually they did cover the cost of my visa... But it was just how they communicated it to me, where it felt like it was my fault that I’m not from the UK and I think this is just a very special kind of problem that the UK will have now.”

In this instance, coming from a non-UK background not only resulted in additional legal issues, but also made the participant feel undervalued in the organisation as a result of poor internal communication.

55%

of people who do not identify as having a white ethnic background believe that their career progression has been adversely affected by their race.

68%

of women who identify as having ethnic identities other than white, report that gender and race have combined to adversely affect their career progression.

¹⁴ Reboot (2021). Race to Equality: UK Financial Services Report.



“I have had to work harder than my counterparts to achieve the same levels.”

Other participants from UK ethnic minorities commented that they had to do more to achieve equivalent outcomes with their colleagues:

“I have had to work harder than my counterparts to achieve the same levels.”

“...having to overly demonstrate more than your counterparts as to why you deserve the next level.”

Participants also reported experiencing barriers to career progression linked to the combination of age, mental health and heteronormativity:

“I feel now at 58 that the company are waiting for me to retire and that I do not have the opportunity to develop or progress my career.”

“At my previous employer (a large multi-national insurance broker) I was passed over for promotion because ‘the Board were looking for someone younger’, this was a direct quote from a Board Director to me.”

“At different levels in my career I have suffered from different forms of discrimination, too young, too old, possibility of becoming pregnant, mental health condition, or for being a woman in a male-dominated environment.”

“The industry adheres to strict ‘professionalism’, but the issue with this is that professionalism is dictated by the ideals of the rich, white, straight men that set precedent. A lot of LGBTQIA+ community focuses on expression, but prehistoric dress codes and shunning things like tattoos, piercings, hair colours really feels like I’m forced to either dull myself or face snubbing.”

Several participants observed a tendency for insurance companies to recruit and promote those with whom they share common characteristics, backgrounds or personal connections:

“I’m white and there is definitely an element of white privilege in insurance.”

“I am white, and as such I have never experienced discrimination on the basis of race. In fact, I believe I have access to opportunities others would not – people were more willing to ‘take a risk’ on me even when I was not necessarily experienced in the role.”

“I think there’s definitely an affinity bias, where people are more likely to have a rapport at interview stage with somebody who’s from a similar background, who supports their football team, all those kind of things.”

“So much of an emphasis in broker roles and in some underwriting roles is based on your relationships. And then again that puts people at disadvantage that can’t hold those conversations because they weren’t in those spaces in the first place.”

“At my previous employer (a large multi-national insurance broker) I was passed over for promotion because ‘the Board were looking for someone younger’, this was a direct quote from a Board Director to me.”

“Maybe it’s just a coincidence that there’s not been any other people of ethnic minorities being employed in the last six months that I’ve been here. Also, this kind of raises the question like, surely there are other people of ethnic minorities that are qualified to do this job? Because I mean, they have been employing school leavers and recent graduates. So you can’t tell me that there’s only one demographic or person applying for these jobs.”

“Nepotism definitely exists in the industry. A number of the younger people we’ve taken on, they have family members, close family members who work in the industry. It’s not because we know them that we’re offering their offspring jobs. It just so happens that their close family members work in the industry. So I think they’re able to break down some of the perceptions about what insurance is and how insurance works and therefore the candidates are more amenable to look for jobs in that industry.”

Another participant reported that, in their small organisation, two privileged roles were occupied by personal contacts of the CEO. One of these, in a similar role to the participant, was perceived as having “been given more opportunities, he gets to go to the meetings, he gets to be involved in a lot more things”.

The participant, a woman from a UK ethnic minority group, had made requests for equal access to the opportunities, which had not resulted in any change. Indeed, she reported having applied for a training trip and been unsuccessful, whereas the favoured person had gained a place despite not even formally applying.

Additionally:

“I started looking at photos of previous candidates on previous trips where I’d noticed that women and especially women of ethnic minority were largely under-represented.”

A leader from a smaller business commented that:

“We’d love to recruit more diversely, but we struggle so much for people that we will take whoever meets the criteria, whoever walks through the door. So it kind of steps back from being able to choose candidates to really fishing in a very small pool.”

The same person commented that their organisation was having particular problems recruiting school leavers. They felt that a career in insurance was “just not something that appeals” to younger people from diverse backgrounds. They commented that potential candidates were reluctant to work in an office, didn’t want to come “to work when wearing a shirt” and commented that “a lot of our work still is telephone based and people, younger people are extraordinarily reluctant to use the telephone as a method of verbal communication”.

Whilst there are clear arguments in favour of upskilling more young people to meet the expectations of workplaces, the insurance sector should consider reaching out more to help younger people and those from diverse backgrounds envisage careers in insurance. This will inevitably involve adapting some of the working practices that they find off-putting and exclusive.

Two participants reported that their progression was not limited by their race or gender:

“I don’t think I have been held back by my race or gender – I have always had the support of those who have recognised by ability and potential and opened doors for me.”

“There is a level of nepotism, but I think if it came down to choosing a man or choosing a woman for a certain role, I don’t think that that would have a lot of impact. ... I don’t think that gender is a massive part of it.”

Or other aspects of identity:

“I honestly don’t believe that any of the EDI characteristics presented above have had an adverse affect on my career progression, even my sexual orientation.”



Attrition and mobility

Some participants commented that they had left workplaces where they felt excluded or not valued for all that they bring to the workplace, indicating that this is contributing to attrition in organisations. Participants noted the following:

“We have a high attrition rate with black colleagues leaving within two to three years.”

“My accent has hindered my career progression in most organisations. In order to keep progressing, I had to leave to access promotion opportunities.”

“For many years I was employed by large organisations in the City, but felt my career was not progressing at the same pace as my peers so I left and set up my own consultancy.”

“I used to work as a London market broker but decided to move to insurance consulting because I could foresee the challenges in my career

due to my gender and race and did not want to be limited by the ‘market culture and traditions’.”

Other participants reported having made successful moves to progress their careers.

One person who recently moved from a “toxic” environment, commented that her new prospective employer: “...assured me they’d be supportive [of my EDI work] and I, in my mind, I was like, I would monitor and see how this really goes. And so far, I’ve had no issues. They’ve actually been supportive both from a financial standpoint and freeing me up to do these things.”

Another participant commented that “by and large, I feel way more comfortable here than I did in my last organisation”. Organisations which are inclusive and welcoming seem to be more likely to retain diverse talent.

“I used to work as a London market broker but decided to move to insurance consulting because I could foresee the challenges in my career due to my gender and race and did not want to be limited by the ‘market culture and traditions’.”

4. Discrimination

Build your commitment to a culture of collective responsibility for future workplace communication and behaviour. Workplace values and reporting channels should foster inclusive communities which share responsibility for challenging any unacceptable behaviour.

37% of respondents reported experiencing prejudice or discrimination at work on the basis of a Protected Characteristic (age, gender reassignment, being married or in a civil partnership, being pregnant or on maternity leave, disability, race including colour, nationality, ethnic or national origin, religion or belief, sex, sexual orientation).¹⁵ Those who reported experiencing prejudice or discrimination identified the basis/bases as shown in **Figure 5**.

The proportion of women from ethnic backgrounds other than white who have experienced prejudice or discrimination was far higher, at 59%. They reported most commonly experiencing discrimination on the basis of race (92%), sex (85%) and age (46%). Additionally, 41% of this group reported that they or their colleagues had experienced bullying or harassment at work on the basis of a Protected Characteristic.

37%

of respondents reported experiencing prejudice or discrimination at work on the basis of a Protected Characteristic.¹⁵

Basis of discrimination (%)

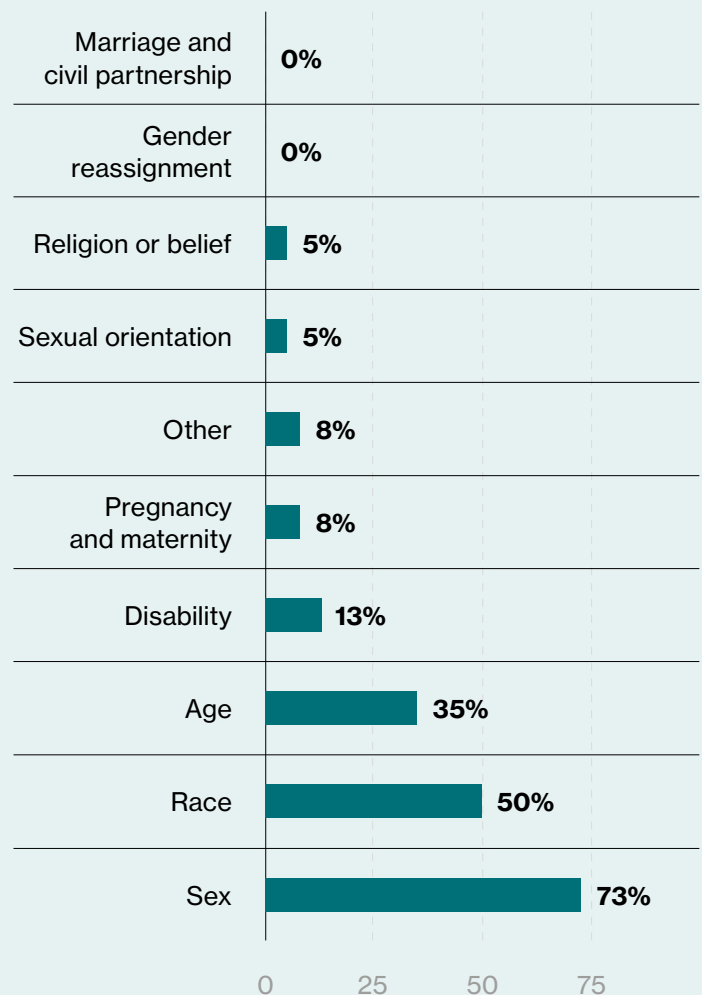


Figure 5. Which characteristic(s) has the prejudice and discrimination related to? (%)

¹⁵ Equality Act 2010, section 4.

A very small number of participants expressed views that men, particularly white men, were discriminated against. One commented that:

“I think it has come to a point now when the male is being discriminated against. Mostly seen during compensation time (higher rates for females) and during recruitment when recruitment is ‘forced’ to consider female candidates who may or may not be suitable for a position.”

Another commented: “Indigenous, heterosexual, men, are discriminated against every day, EDI ensures this” adding that “it is men who are disadvantaged, toxic feminism and misandry is rampant. Incompetent women are recruited and promoted over men regularly.” It is important

for organisations to be aware of such attitudes and perceptions and to address these in their strategies and communications.

However, others felt that as white men, in particular, they occupied a privileged position in the industry:

“I’m a white male with a name that is straightforward to pronounce. I assume that, sadly, this has benefitted my career progression, due [to] inbuilt cultural/racial biases.”

“I am a white male so a beneficiary.”

This awareness of privilege is an important indication that there are allies in the sector who recognise the potential for bias and are therefore in a position to address it.

59%

of women from ethnic backgrounds other than white reported that they have experienced prejudice or discrimination.



Language and behaviour

37% of respondents reported that they had seen, heard, or learnt of the use of language or gestures in their organisation which they, or one of their colleagues, found offensive or inappropriate on EDI grounds.

Several people reported that the comments were made under the guise of humour, but that they were experienced as offensive and discriminatory:

“Comments were flippant and meant to be funny but were inappropriate and caused offence.”

“It is fairly constant when groups of men are together that they giggle at words that can be related to sex such as spit, penetration etc which makes me feel really uncomfortable and denigrated.”

“Comments are very often made masked by “banter or jokes” which are offensive to those in marginalised groups.”

Another respondent commented on the pervasiveness of the problem of offensive humour:

“If I, as a white highly educated person feel sometimes like a complete outsider just because of like these stupid jokes that are going around and questions like very ignorant probably not ill-meaning but ignorant comments about my accent then how we someone who maybe has felt literally like generations worth of discrimination. How are they gonna thrive? That is the biggest challenge.”

These comments indicate that there is a need for education about how humour can be experienced in the workplace and consideration of the boundaries of acceptable workplace language.

Examples of prejudicial and discriminatory language and behaviour experienced by participants included the following:



Sexism and misogyny

“Several comments made by older men in the organisation that were quite misogynistic, generally in reference to their wives.”

“Unfavourable comments about women in senior management.”

“On an all-employee call our menopause policy was mentioned and a colleague turned to the nearest woman over 40 and said, ‘that’s for you that is’.”

“In another meeting, again not that long ago, I was leading the meeting and I had a guy, one of my team members with me and a guy from another firm ... and we were talking about pay. And so this guy, my colleague, goes ahead and he directs his comment to the guy he says, ‘well, you know how it is, right? You get your pay cheque and then you get your wife to come in, take the pay cheque and go shopping with it’. And I was absolutely horrified. I just can’t believe that you just said that in my meeting that I was chairing. I went to the CEO and the CEO didn’t see much wrong with the comment. So I thought, okay, maybe it’s me, I’m way too sensitive to this stuff. But I don’t think so. Again it’s a sign that there is a lot of language bias. I felt offended. You know, I thought, it’s not okay to

put all women in that category, to portray women like we are money grabbers, because you always get this narrative.”

Sexualised language and conduct

“In an external meeting with my firm someone recently made a reference to baseball like going to the next base or whatever to someone from another company and I saw the guy making a comment, when you go into the next phase you have sex with someone, it’s an innuendo, right. And I was amazed that you can still go ahead and say this. Wow. And I was there thinking this is really out of order. I was the only female. He was not directing it at me. Clearly he was talking to his colleague, but I thought it was horrific”.

A respondent reported that recently on a work evening out, a senior colleague “was sexist to the highest degree, refused to call me my name all night”. He deliberately corrupted her name repeatedly throughout the night, eventually referring to her as “Sixty-Nine”. She reported: “I was just trying to get through the night. I was new in the company, so it was just like I didn’t really know how to handle it”.

“I had a manager who openly favoured male colleagues and was abrasive towards women in the company. In a team-wide meeting he told a female colleague her pregnancy morning sickness was ‘psychological’.”

Pregnancy and maternity

“I have had inappropriate comments made to me about my pregnancy and have been sexually harassed in the workplace.”

“I had a manager who openly favoured male colleagues and was abrasive towards women in the company. In a team-wide meeting he told a female colleague her pregnancy morning sickness was ‘psychological.’”

Racism

“Someone referred to [my hair] as rope... the worst one, and this was a very senior member of staff, we’d gone out to drinks and I would limit how often I’d go out to drinks because that’s when the comments would start and that’s when people felt a bit more freer to say what was really on their mind... There was a cocktail that had tree bark in it like as the garnish. He said that that reminded him of my hair.”

“Racist language and attitudes and anecdotes is the norm.”

“Only yesterday someone said ‘chocolate person’ in the office.”

“Direct inappropriate racial discrimination comments within the team.”

“Before, I’d just have a very like palatable hairstyle that I felt like everyone could get behind. When I would go to [country] and come back and like wear braids, I’d literally have to take a pause at the door before walking in. Because I knew what was coming in and it never disappointed. Like people wanted to touch my hair, people wanting to feel it.”

Homophobia

“I also often hear people use “gay” to mean something is bad.”

A participant’s colleague said “weird lesbian stuff”.

“Inappropriate comments on sexual orientation”.

Classism

“Leaders do not believe in the vulnerable traits of those with low reading age, They say they should have gone to school. There is no respect for circumstances like poverty, immigration, or learning difficulties.”

“Traditionally speaking, I would say that the insurance and long-term savings sector is for white, older men from higher socioeconomic backgrounds that are also heterosexual and have the major religion of the country. Because of their higher socio-economic background, they’ve had access to better education and schools with better reputations. And that’s what’s led them to their industry and it’s let them have that network of people around them. They’ve had parents who’ve also probably worked in either the same sector or somewhere similar that have been able to tell them, this is how you dress to the office. This is how you prep for interviews so it’s not equal and when it comes to promotions,



that's how it goes. So it affects the whole career of a person, really... People will talk about their parents' jobs or their education. And then they kind of assume you understand certain nuances that signal that they are from a higher social economic background, but then I feel even more of an outsider because I don't even understand the reference that they're making."

Intersectional discrimination

"Racist, sexist, ableist, anti-LGBTQA comments are the norm. Even the nicest people are used to using this language. I cannot see how it could ever change."

"I am an autistic, queer survivor of spousal abuse. When I was still in a relationship with my abuser, my then-employer, the manager, the team as a whole, wildly mishandled things in ways that escalated to bullying and exclusion over the challenges I was facing."

A number of people had also experienced microaggressions which demonstrated negative or hostile attitudes towards them based on Protected Characteristics, for example:

"Peers not talking to me, or totally excluding me from social interaction; a lot of microaggressions."

"Microaggressions, being undervalued, being overlooked, gaslighting."

"Traditionally speaking, I would say that the insurance and long-term savings sector is for white, older men from higher socioeconomic backgrounds that are also heterosexual and have the major religion of the country."

5. Drinking culture

“...I think in the financial services sector there’s a long way to go in order to come up with team building that doesn’t include alcohol.”

Re-evaluate team and client activities that centre around the consumption of alcohol, particularly to excess. Find ways to socialise and build client relationships which don’t require excessive drinking.

The drinking and after-work culture associated with the insurance industry was linked to discriminatory language and practices by several participants. Some pointed out that those with caring responsibilities were excluded and regarded as “not committed because you didn’t hang around after work”. Others reported that drinking was a key element of in-group behaviour, especially in the City of London:

“Some of the cultures are still very old boys’ school and you know they’ve all got nicknames for each other. They’re all like down the pub and they’re all like, ‘If you don’t drink then you can’t fit in’ and there’s still a lot more than you think of that still around... I think that’s quite off

putting, especially for the younger generation, cause actually they’re not as interested in all of that. For me to fit in, I had to join in and I don’t want people to have to join in on that. If they don’t want to and it shouldn’t affect their career...”

“I do not have any restrictions when it comes to alcohol in terms of my health or my religion or culture or whatever, so it’s easy for me to get into the whole afterward pub thing. I can do that. But I’ve heard that comment from work. People skip out on even the annual Christmas party because they practise Islam and they can’t go there because it’s drinking. And I think in the financial services sector there’s a long way to go in order to come up with team building that doesn’t include alcohol. And even if you could come up with that, I don’t think you will ever in the City. I don’t think you will ever change the afterwork pub culture. That’s just how it is.”

“I was just talking with a girl from Australia. We started our jobs quite at the same time in the UK and she was horrified. She’d gone to her first after works here and people were getting so drunk, even her manager got really drunk on a Thursday evening, on a random pub evening. And there I would kind of agree, that you would go to your annual Christmas party, as I said, was always horrendous. And everyone got really drunk and they were horrible, horrible, horrible... it’s like, ‘let’s go for 2 pints’. But there’s always a group of people that end up staying for more than two pints, and I think that’s very much UK-specific. I’ve worked in many countries, and I’ve never had such a culture anywhere else, never, ever. It’s a City-specific thing as well.”

Another person reported that alcohol fuelled racist behaviour:

“You spend one hour with them at drinks and someone’s gonna make an inappropriate comment or somebody’s gonna make a reference that borders the line of racism.”

Others reported sexism, inappropriacy and unease related to sexual advances from male colleagues made during after-work drinking culture:

“There was a male colleague who had been messaging younger girls and he chose them outside of his team to reduce the risk of getting caught. And then at afterwork drinks he would then approach them or whatever and it took quite a long time for it to come to surface. It was a painful experience for the executive team because they kind of felt bad that no one had been able to speak up.”

“There’s a lot of after-work events, so you’ll go to the pub and ... I haven’t been in the industry for that long, just a few months actually, and already there was a case where a male colleague then asked for my number at the end of the evening and I did give it. And then he asked me for beers and I didn’t know if it is as colleagues or as something else because he didn’t define it himself.”

“At more of those social events ... there’s alcohol involved, you’ll then hear a lot more sexism or you’ll be exposed to a lot more opportunities for people to kind of to hear it. I’d say probably sexism would probably be the biggest that you’d hear in that situation. I’ve been exposed to it in past, but you’ll just be out at a pub and you’ll hear just sexist remarks and stuff like that. It’s not uncommon to hear that.”

Another participant noted that the after-work culture needed to change to improve people’s work-life balance:

“Every single day of the week there seemed to be an event that was super important, mostly dinners, where it’s time that you spend with the family. So speaking of well-being, if you are a firm that cares, you either try to organize events with the spouses or with other people that can join so you can still have some sort of family life, otherwise you know what’s the point? If you can join these

firms that are much more inclusive, they understand right? And they say we have all these benefits, but also we organize things that look after our employees and their families as well.”

Not all senior people were bought into the after-work culture:

“My direct manager literally has a cut-off point. It’s like a switch goes off and he just leaves – like he’s done it for ages, he just is not that bought into it. And then my manager’s manager is teetotal.”

The industry has already taken some positive steps in this area. In 2019 Lloyd’s of London’s bar, One Under Lime, for example, stopped serving alcohol after 5pm (although it still serves alcohol during working hours). Some organisations have banned alcohol consumption during lunchtime. There seems to be some awareness that alcohol can lead to exclusion. A participant in an insurance training scheme reported that:

“There’s someone that doesn’t drink and she’s always there at every event. Alternatively, I’ve now seen in the year below [my cohort] that the people that don’t drink don’t want to come if it’s just like a bar or like a restaurant.

They would only come if it was an activity and there were lots of food and things like that.”

They noted that their organisation’s social group charter had a “remit... to be inclusive and within that that includes requirements when we have food but also not everything should be based around alcohol, so we were doing activity-based socials like crazy golf or something like that”.

Pressure to engage in excessive alcohol consumption should not be acceptable in work-related settings. The insurance industry must demonstrate greater awareness that not everybody is comfortable being around people who are drinking and that it can make some people feel very vulnerable. Career progression should have no link to ability or willingness to participate in drinking alcohol.



6. Reporting

72%

of participants said that they would feel comfortable reporting an EDI issue relating to the conduct of an employee in their organisation.

45%

of people had experienced or identified behaviour inconsistent with EDI values in their organisation.

Develop and signpost robust and consistent approaches to dealing with complaints.

72% of participants said that they would feel comfortable reporting an EDI issue relating to the conduct of an employee in their organisation. 45% of people had experienced or identified behaviour inconsistent with EDI values in their organisation, but of them, only 45% had reported the issue either via a formal mechanism or to somebody more senior than them. Just 14% felt that the response to their report was “satisfactory” and nobody reported that it was “very satisfactory”. Most commonly, people were unclear about the outcome of their report (47%).

Of those who had experienced problems but chosen not to report, some commented that they felt able to resolve issues informally, including by challenging the perpetrator directly or raising it with colleagues: “I personally have had to confront senior colleagues”. A variety of

other approaches were reported too, including requiring “outside help in order to be able to come to a suitable resolution”, starting up “an internal network to focus on EDI” and the organisation providing an “anonymous reporting number”.

Some people reported concerns that the stakes for their career would be too high if making a report meant that they were perceived as troublemakers. A participant questioned, “Does the company blacklist you for future advancement?” Others were concerned that reports could “backfire on you” including by forcing a complainant out of the organisation: “People are scared to talk about it openly... already people play the game not to lose all that because families, kids, bills depend on them.”

Several participants reported that they lacked confidence in the complaints system and HR in particular:

“Most people don’t actually trust HR. In my experience, most people don’t want to. I’ve gotten that comment back when I was HR so many times. They don’t come to HR for whatever reason.”

“Over the years I have reported issues concerning gender, race and age discrimination. Whilst some HR departments now have staff who understand these matters, firms are still very uncomfortable and ineffective in dealing with discrimination within the business.”

Another participant commented that complainants were unlikely to reach an objectively fair outcome because of biases based on personal relationships:

“It is difficult because the issues come from the top, and the top tend to be personal friends, and personal friends with HR so there is no one to really report to where it would make a difference.”



Similarly, a person commented that in the event of making a report about somebody who “brings in the premium and has many supporters in the company – the odds are not stacked in your favour.”

Several people who had made complaints reported that these concerns had been realised and either “no action [was] taken against [the] perpetrator” or they had very negative experiences:

“I lost time, which is very important especially for women, my health is seriously affected, I lost money, reputation, confidence, self-belief.”

“I have reported issues before in other organisations. In reality, it’s hard and people will stop hanging out with you for fear to be left out.”

Another participant pointed out the importance of colleagues reporting incidents that they witness and how this can circumvent some of the negative consequences experienced by people from marginalised backgrounds:

“Other employees should be encouraged to report the abuse when they witness it happening; it is quite risky for the actual employee to report it. If you report your manager or peer, can you work in that team?”

This type of bystander intervention depends on building a workplace culture in which everybody takes collective responsibility for challenging discrimination and bias. Everyone must feel able to hold others accountable for adherence to shared values. This removes some of the burden of challenging negative language and behaviours from marginalised people.

14%

of people who reported an EDI issue felt that the response to their report was “satisfactory”. Nobody reported that it was “very satisfactory”.

47%

of people who reported an EDI issue were unclear about the outcome of their report.

7. How can organisations improve EDI?

Implement unconscious bias, awareness and bystander training as part of the network of interventions required to improve EDI. Keep all training under review and adapt it according to feedback.

Training was the most popular initiative amongst participants when asked about how to improve EDI. Bystander training, awareness training and unconscious bias training were the most favoured (**Figure 6**).

However, others commented that training, particularly awareness training, could appear “performative” and “a tick box exercise” and lacked evaluation of its effectiveness:

“We have anti-racism training. I don’t think the quality has been evaluated – it’s not ok to tick the box to say we’ve done it – get proper evaluation. I suspect they don’t because there’s a fear of giving voice to racists.”

Some participants had experienced effective training, which they praised as being “very comprehensive and interesting”. They reported that, “all employees are being encouraged to work through the various modules available”. Another participant commented that training helped establish acceptable behaviours:

% of respondents favouring each EDI initiative

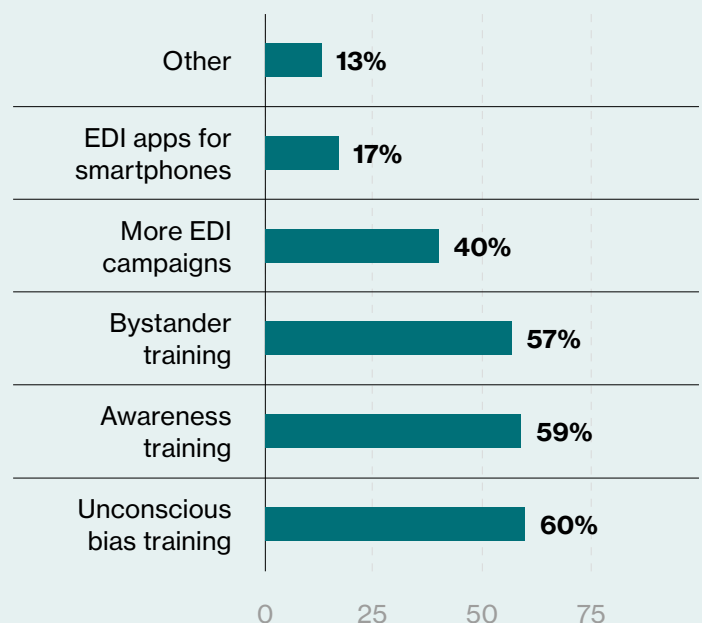


Figure 6. Percentage of survey respondents favouring each EDI initiative



“We have anti-racism training. I don’t think the quality has been evaluated - it’s not ok to tick the box to say we’ve done it - get proper evaluation.”

“We have a lot of compliance training and a lot of diversity training as well that goes on in our office. And then I think that kind of keeps a lot of the individuals who maybe would have done that in the past kind of on a leash as well. So I believe there’s still individuals that have those sexist views, but they’re not like explicit with it in a workplace now.”

However, the same participant also noted that the training was not necessarily completed thoroughly:

“You can pretty much skip for a load and then just try and get the questions right at the end, which were always pretty straightforward if you’re kind of a normal person and you can understand some of the answers.”

Several participants voiced opinions that EDI initiatives must “come from senior management and board first” and “leadership [should] model company values”. There must be “more direct involvement and accountability for leaders”.

Another participant recognised that the problems were pervasive across society:

“It’s not about training solving the problems we encounter in the workplace it’s not a vacuum... it’s about societal parental and educative life grounding being carried through to the workplace.”

Others called for more action, beyond awareness-raising, including “targets”, “practical steps” “clear progression plans” and “outreach activities”. A further suggestion included “facilitated talks that promote comfort on the subject of protected characteristics”.

There were several comments from participants who were dubious about the value or necessity of EDI training at all. One person commented that EDI had become a “cottage industry” and another that “everyone within our organisation is entirely aware of EDI and am concerned sometimes, that we might be over emphasising or labouring this point”.

On the other hand, somebody who had experienced discrimination on multiple grounds commented:

“All the training in the world will do nothing to address the issue of employees who don’t care or are hostile to EDI and who will not change. Those people need to be kept away from positions where they have a say in hiring or in managing employees.”

Others suggested that emphasis should be placed on “hiring additional staff from varied backgrounds” and recruiting “more senior leaders from minority backgrounds who actively support these initiatives, as they just wouldn’t enable this type of culture to continue within teams and would actively discourage and discipline it”. Recruitment of more diverse teams, one participant noted, necessitated taking a broader approach to finding candidates from “other disciplines that have skillsets that align with insurance”:

“I think there’s not that lateral thinking when it comes to ‘what’s the skillset that you need?’ rather than ‘what’s the experience you need?’.”

“I think there’s not that lateral thinking when it comes to ‘what’s the skillset that you need?’ rather than ‘what’s the experience you need?’ The experience doesn’t exist because there’s not that many people in our industry that are from minority backgrounds. So you have to think a bit more laterally.”

Another commented that although recruiting from other industries was possible for some roles, for technical insurance roles it was more difficult:

“You do have to have a working knowledge, even if it’s a basic working knowledge, of insurance and how the insurance market works and why it exists. Once you get to a certain level, which is probably quite a senior level, business skills are transferable. But below that, whether you’re an underwriter or whether you’re dealing with broker accounts, you’ve still got to have insurance knowledge to a degree.”

Another participant indicated that the technologisation and digitalisation of the insurance sector could diversify the pool of talent:

“Anyone from any insurance company will tell you the same thing about the insurance market that it’s all just kind of a lot of old white guys. Whereas if you had someone new, completely new come and you’d be like, ‘OK, you come from the tech world. What company? Ohh you had this certain type of individual leading it there. How do we then get those sort of ideas or that sort of culture into our team as well?’ and that would be really interesting to be able to do that. They haven’t had to breathe that culture for the last however many years. How we then get those sort of new ideas or that sort of culture into our team as well would be really interesting to be able to do.”

Training is a key means of setting clear expectations about standards of behaviour required of all employees in an organisation. Whilst it is unlikely to eliminate all EDI issues, it helps to educate people about matters that might not be within their own knowledge and experience. To be as effective as possible, training should be evaluated and revised based on employee feedback. It is one part of a holistic approach to EDI and should be part of the network of wider cultural changes discussed in this report necessary to ensure that people who are currently underrepresented or marginalised in the UK insurance sector have fulfilling careers in the UK insurance sector.

Final insights

Advice for smaller firms

The following are some steps that could be taken by smaller firms for whom EDI presents bespoke challenges.¹⁶

Set out an EDI Strategy

The FCA has commented frequently, in the context of culture and environmental, social and governance (“ESG”) issues, that firms should have a ‘purpose’.¹⁷ Even the smallest firm can choose values to have a positive effect within the environment (in the broadest sense) in which it operates.

There is no fixed set of EDI issues facing every single firm in any given situation. However, a stated EDI purpose, objective or strategy could help with significant EDI-related decisions – e.g., in employee recruitment or promotion, or a request for flexible working).

Be alert to EDI ramifications

As shown throughout this report, any individual – and by extension, any firm – can challenge their assumptions as to what are truly equitable and inclusive actions or decisions in a particular situation. Managers and employees could ask themselves whether they are taking into account all relevant factors, and especially EDI considerations: is their standard or traditional

approach to a situation reasonable or necessary in the circumstances? Is it justified by evidence?

The process of challenge can take place ‘in the moment’ and also after the event, formally or informally. Where a firm finds that it has missed an opportunity to give effect to its EDI Strategy (see above), with reflection it can be in a better position to take such an opportunity in the future.

Communicate transparently and continuously on EDI so it becomes business as usual

This research shows that EDI issues do exist in some small organisations, even where leaders might consider that they have a close and friendly team culture. It is important that organisations develop channels to encourage their people to share their views and lived experiences of working in the organisation and wider industry. Organisations are then better equipped to develop tailored approaches to EDI.

The legal and regulatory considerations allow for small firms to take practical steps proportionate to their size and resources.

For instance, the Equality Act 2010 Code of Practice gives an example that:

“A small employer introducing an equality policy asks the managing director to devote a team meeting to explaining the policy to her staff and discussing why it is important and how it will operate.”

Keep up with developments in EDI

Given the other demands on their time, there is a risk that owner-managers or other employees at smaller firms could find themselves ‘behind the curve’ on current and imminent legal and regulatory developments in relation to EDI. There are a number of ways to be notified of developments in EDI, and ESG more broadly, including as part of notifications from the FCA on its announcements and publications on a general basis. More bespoke arrangements can of course be agreed with professional advisers.

¹⁶ Appendix 1 gives examples of data indicating some diversity attributes by reference to some specified geographical areas.

¹⁷ See e.g. FCA (2020). ‘FCA encourages firms to develop purposeful cultures’. Updated 22 May 2023.

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Appendix 1

Demographic data

The Office for National Statistics, which has published demographic data obtained via the 2021 Census, has various tools for illustrating different demographic profiles of Local Authority Districts of England and Wales.

See, for example:

Population by ethnic group, 2021, local authorities in England and Wales.¹⁸

The following tables 1–4 illustrate some population differences between two regions: London and East of England.

Source: ONS Crown Copyright Reserved [from Nomis on 22 August 2023].¹⁹

¹⁸ ONS (2022). 'Ethnic group, England and Wales: Census 2021'.

¹⁹ Nomis (2022). 2021 Census Profile for areas in England and Wales.

Date	2021			
	London		East of England	
Measures	Value	Percent	Value	Percent
Ethnic group				
Total: All usual residents	8,799,725	100.0	6,335,068	100.0
Asian, Asian British or Asian Welsh	1,817,640	20.7	405,869	6.4
Black, Black British, Black Welsh, Caribbean or African	1,188,370	13.5	184,949	2.9
Mixed or Multiple ethnic groups	505,775	5.7	179,654	2.8
White	4,731,172	53.8	5,478,364	86.5
Other ethnic group	556,768	6.3	86,232	1.4

Table 1. Census Profile comparison of regions, London and East of England: ethnic group

Date	2021			
	London		East of England	
Measures	Value	Percent	Value	Percent
Sexual orientation				
Total: All usual residents aged 16 years and over	7,103,985	100.0	5,148,286	100.0
Straight or Heterosexual	6,123,195	86.2	4,642,794	90.2
Gay or Lesbian	158,760	2.2	62,516	1.2
Bisexual	108,140	1.5	58,885	1.1
Pansexual	26,384	0.4	10,664	0.2
Asexual	3,505	0.0	3,060	0.1
Queer	4,526	0.1	1,044	0.0
All other sexual orientations	3,067	0.0	965	0.0
Not answered	676,408	9.5	368,358	7.2

Table 2. Census Profile comparison of regions, London and East of England: sexual orientation

Date	2021			
Geography	London		East of England	
Measures	Value	Percent	Value	Percent
Occupation (current)				
Total: All usual residents aged 16 years and over in employment the week before the census	4,360,077	100.0	3,028,641	100.0
1. Managers, directors and senior officials	634,405	14.6	413,913	13.7
2. Professional occupations	1,123,398	25.8	593,363	19.6
3. Associate professional and technical occupations	668,876	15.3	403,020	13.3
4. Administrative and secretarial occupations	370,335	8.5	297,310	9.8
5. Skilled trades occupations	328,042	7.5	323,622	10.7
6. Caring, leisure and other service occupations	336,092	7.7	274,802	9.1
7. Sales and customer service occupations	276,860	6.3	212,902	7.0
8. Process, plant and machine operatives	219,351	5.0	209,244	6.9
9. Elementary occupations	402,718	9.2	300,465	9.9

Table 3. Census Profile comparison of regions, London and East of England: occupation

Date	2021			
Geography	London		East of England	
Measures	Value	Percent	Value	Percent
Disability				
Total: All usual residents	8,799,728	100.0	6,335,073	100.0
Day-to-day activities limited a lot	505,909	5.7	420,499	6.6
Day-to-day activities limited a little	658,547	7.5	633,333	10.0
Has long term physical or mental health condition but day-to-day activities are not limited	459,554	5.2	457,748	7.2
No long term physical or mental health conditions	7,175,718	81.5	4,823,493	76.1

Table 4. Census Profile comparison of regions, London and East of England: disability

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