



## Joint declaration on the social effects of digitalisation by the European social partners in the insurance sector

### I. Introduction

The insurance industry provides the cover for economic, climatic, technological, political and demographic risks that enables individuals to go about their daily life and companies to operate, innovate and develop. The insurance industry has a long history in providing these benefits to society, but the way the industry makes its contributions is changing. The insurance sector is aware of the increasing challenges stemming from a changing world and digital developments, as well as the possible impact of digitalisation on society.

Technological and digital developments are gradually transforming the insurance industry. Companies are now embracing technologies such as cloud computing, mobile devices, data analytics and social media to meet customers' changing needs and expectations. Many companies in the insurance sector have already made changes to their working processes, whilst other companies are just starting.

The pace of digital change and its impact will continue to accelerate over the next ten years and with it come intriguing new questions about both its potential benefits and possible unintended consequences. Online technology in the workplace can be a compelling tool as well as a potential challenge.

The European social partners in the insurance industry are therefore engaged in a constructive dialogue characterised by mutual respect and trust. The partners were able to develop common positions on the complex issue of the social effects of digitalisation. However, the common position of the European Social Partners is not binding and cannot replace a dialogue at national or company level where it exists.

This joint declaration intends to frame potential further dialogue at national level and stimulate public debate on the social effects of digitalisation.

The European social partners of the insurance sector agree that the common objective of all participating organisations and their members is to follow this digital transformation process in a positive manner, as digitalisation provides new opportunities for both companies and employees.

As the digital advances will require a huge change in the tools, skills and competences that employees require, companies and employees must be prepared to invest in the continuous development of skills and qualifications. Digitalisation will also lead to a greater need for flexibility, open-mindedness, agility and resilience in the workplace and to more specialisation.

While digitalisation raises challenges, it also creates opportunities. Social partners aim to – create a win-win for everyone via social dialogue.

The joint declarations on demography and telework already contain numerous elements that can be utilized in this context. This declaration is solely aimed at describing the specifications created by the digitalisation of the working world.

This joint declaration falls into the category of Declarations, as described in Annex 2: Typology of the results of European Social Dialogue, of the European Commission's communication on Partnership for

change in an enlarged Europe — Enhancing the contribution of European Social Dialogue of 12 August 2004 (COM (2004) 557 final).

The European social partners in the Insurance Sector call upon their members as well as all stakeholders in the insurance sector to take into account the background of the following declaration in their own practices.

### **Next steps**

#### **1. Promotion of the joint declaration**

The social partners commit to informing, through available means, trade unions, associations and employers in the insurance sector and beyond about this joint statement.

They will encourage the relevant social partners at the national level to promote and address this joint declaration together. For instance, this could take the form of holding joint meetings on its contents, making joint presentations to national governments and other relevant players, undertaking joint studies or research activities.

The joint declaration will also be translated into as many official EU languages as possible.

#### **2. Monitoring and follow up of the joint declaration**

The monitoring of the joint declaration could be done, for instance, by sending questionnaires to the members of the European social partners or to relevant stakeholders in the insurance sector.

On this basis, the social partners will consider appropriate follow up actions within the ISSDC as part of their two-year work programme for 2017-2018.



## **II. Principles of the social design of digitalisation**

### **1. Applicable law as the basis**

European and national law must be respected.

European and national law, collective agreements and rules already create a very detailed regulatory framework for the social design of working and change processes in companies. Labour law is flexible and does not specifically refer to purely analogous working environments. The existing labour and social law already provides a high level of protection of employees' rights and therefore gives a good basis for the digitalised working world as well.

As technological changes occur at high speed and entail uncertainties, social dialogue is even more relevant. Timely information and consultation, in line with the relevant EU Directives on informing and consulting employees<sup>1</sup>, are key to meeting these challenges. Collective bargaining is also one of the important tools in tackling the many changes brought about by digitalisation.

The provisions of applicable law and in particular, the rights of the employee representatives to take part in intra-company changes, must be taken into account. Having employee representatives taking part in such decisions allows employees to better understand the processes and the consequences, and it contributes therefore to high acceptance by employees of the necessary changes.

Similarly, the digitalisation of processes raises challenges in relation to the protection of employees' data. In this respect, the European legislation on data protection, including the new general data protection regulation<sup>2</sup>, provides for a legal framework. Furthermore, as provided by the ISSDC joint declaration on telework of 2015, "The employer is responsible for taking the appropriate measures, notably with regard to software, to ensure the protection of data used and processed by the teleworker for professional purposes. The employer informs the employee of all relevant legislation and company rules concerning data protection. It is the employee's responsibility to comply with these rules."

### **2. Further training as a key**

Every employee has the right to receive the training necessary to fulfil the job he/she is doing. The skills of employees should be updated in line with changes in the industry, and employees should be encouraged to participate in training programmes and take responsibility for their individual careers.

Digitalisation requires a variety of new skills and competences of both employers and employees who will need enhanced knowledge in the area of information and communication technology.

It is therefore essential for insurance companies to maintain their high level of continuous training activities and, if necessary, even to intensify them. However, as highlighted by the social partners in the joint declaration on the demographic challenge, the employees' willingness to undertake training is the prerequisite for the success of further training measures. With the support of their employer, employees also have to take responsibility for their employability.

Companies and employees should be mutually committed to ensuring further training activities in the context of digitalisation with respect for both company needs and employability.

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<sup>1</sup> Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community — Joint declaration of the European Parliament, the Council and the Commission on employee representation and Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees (Recast).

<sup>2</sup> Regulation 2016/679/EC of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).



Companies should do their utmost to offer further training and re-training that can be financed at reasonable costs.

With digitalisation, the methods of training are shifting towards e-learning. E-learning has the advantage of providing flexibility in terms of time and possible repetition. Social partners should be open to new learning methods but a good mix of methods is important.

### **3. Time and place of work**

Digitalisation significantly influences customer behaviour. The internet is available on a 24/7 basis. Internet users expect that all internet functions are available at all times and that all requests made online are instantly processed. This has an impact at national, European and international level.

The insurance sector is aware of the challenge of providing quality services to clients with many different and evolving needs and demands.

Companies must consider customer expectations. Inflexible arrangements of human labour could lead to further digitalisation at the cost of employment. The social partners must react to such a risk, taking into account customer, employee and employer expectations.

In a digitalised world, the line between work and home life is becoming increasingly blurred. It is therefore important that companies pay attention to health protection issues, in particular in relation to the employees' availability. In the dialogue, attention should be paid to preventing contra-productive forms of work-related stress due to digital availability.

Work-life balance is already a matter of policy in most insurance companies. Work-life balance in the digital world may not be clearly defined any longer. Therefore, there should be awareness of the growing phenomenon of performing work/services outside business hours in employees' private environment. This should be dealt with positively.

As stated by the European social partners in the insurance sector in the 2015 joint declaration on telework, "Attention should be paid to addressing the topics of availability, considering the importance of ensuring a good work-life balance, and of monitoring working hours. The conditions of working time have to comply with company rules, collective agreements, national and European law."

### **4. Dealing in a social way with the digital structural change**

It is the common objective of companies and workforces to deal with these changes taking the interests of both employees and employers into consideration. This means preserving job opportunities, where possible within the insurance sector, for employees who are already employed.

The European Social Partners are well aware that not all employees working in areas made redundant by future digitalisation will be absorbed by other, newly created areas, because they do not have the qualification required for such new areas, and because such new qualifications cannot be acquired in the short or medium term. However, companies should consider doing their utmost to avoid, reduce and mitigate redundancies.

Safeguarding jobs and the employability of workers are still priorities.

### **5. Leadership in the digital age**

Digital change will gradually but substantially alter the structure of cooperation between employees. Employees want more and more involvement, impact and recognition, rather than following instructions. Digital communication will increasingly reduce personal contacts. The changing environment needs new leadership requirements and skills. These include high social competences, being adaptive and agile, commercial, data-driven, open, curious and innovative, as well as possessing distinctive communication skills and media competences.

Companies should consider these developments for both their employee's promotion and for their executive programmes.

Extra attention should be paid to training of managers. Managers will need to adapt to working in a digital environment.

## **6. Employees' representatives in the digital age**

Organising employees and employers in collective structures is a prerequisite for any social partnership. Digitalisation poses new challenges also to employee representatives.

It is important that social partners are open-minded to dealing with the issue and to engaging in making the changes a win for the sector and its employees.

Communication concepts must make sure that employee representatives can effectively address employees.

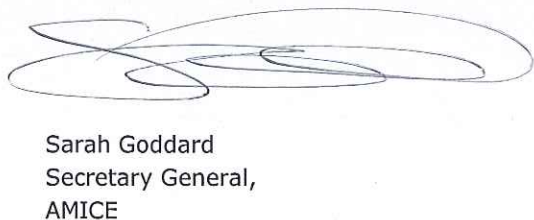
Brussels, 12 October 2016



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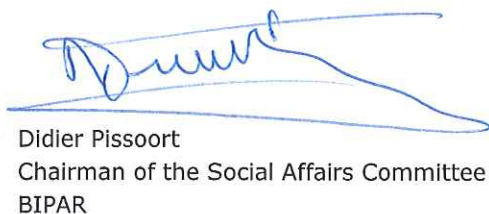
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THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 311

PROBLEM SET 1

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NAME: \_\_\_\_\_

SECTION: \_\_\_\_\_

INSTRUCTOR: \_\_\_\_\_

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PROFESSOR: \_\_\_\_\_

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PROBLEM 10

PROBLEM 11

PROBLEM 12

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