

# REFLECTIONS ON WORK ORGANISATION IN A POST-COVID EUROPEAN INSURANCE SECTOR



STRONG UNIONS  
TODAY AND TOMORROW

UNI FINANCE GLOBAL UNION



Done in cooperation with the Veblen Institute



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The CoViD-19 pandemic has had a significant impact on economic activity: GDP fell in the first half of 2020 in all European countries, and many sectors have been badly affected. Governments have responded with economic policies to support activity and provide alternative income, particularly for the self-employed and employees of affected sectors. The insurance sector did not experience any drop in activity, and some specialities, such as travel assistance, were even intensively solicited while the air transport shutdown interrupted the holidays and business trips of many European citizens. Work patterns were disrupted not only by the peak of activity in travel assistance, but also by the need to organise employees' remote work during the lockdowns that affected almost all European countries from the beginning of March 2020 until mid-2021<sup>21</sup>. Whereas work organisation issues used to play a marginal role in the institutional communication of insurers and their employers' organisations (see, for example, the documents published by *Insurance Europe*, particularly **the quantitative presentation of the sector**), they have become central: flexibility has attracted a large proportion of employees who are now interested in a hybrid organisation (alternating days spent in the office and working at home), while employers have taken measure of the potential savings they could make by reducing their office space and outsourcing part of the costs of daily operations. For example, a major French finance company currently

building its new headquarters in Paris has planned to install only 60% of its staff there at any one time: quite a saving! The collective bargaining that is about to take place must decide how to share these cost savings and productivity gains, but also the conditions that will make the hybridisation of work a memorable progress or a social regression. While the question of work organisation has become central in the insurance sector in the space of a few months, it should not obscure the fundamental questions about the fairness of pricing (since lockdowns have changed the terms of the contract, premiums had to be adjusted), about compensation for loss of business and more generally about the social role of insurance. Given the importance of the symbolic stakes, the legislator might be tempted to play its part, at the very moment when the Solvency II framework was already due for revision.

These topics will be examined in the same order as this introduction, starting with the organisation of work before the pandemic (1.), followed by the effect of the pandemic (2.), the challenges posed by the institutionalisation of hybrid work (3.), and finally the way in which the pandemic has led to a reflection on the social role of insurance (4.)

<sup>21</sup> See e.g. [https://en.wikipedia.org/wiki/COVID-19\\_lockdowns](https://en.wikipedia.org/wiki/COVID-19_lockdowns) for a detailed chronology.

# 1. WORK ORGANISATION: THE STATE OF PLAY BEFORE THE PANDEMIC

**To present this state of affairs, we will introduce some legal considerations (1.1.) and some statistics (1.2.) before attempting to distinguish some significant patterns (1.3.).**

## 1.1. Legal considerations

Prior to the pandemic, the development of remote work varied greatly between European countries, sectors and even companies. From a legal point of view, about 1/3 of the EU countries had neither a legal framework nor a collective agreement at national level: this is notably the case in our sample of Finland (which however has company agreements), Ireland and the United Kingdom, but also the Czech Republic, or Spain (which however had a specific agreement for the insurance sector and introduced a new law in September 2020). This diversity is explained by the instrument favoured by the European Union in this field:

rather than proposing specific legislation on remote work (of course the labour directives in general<sup>2</sup> apply), the Union chose to let the social partners (ETUC, BusinessEurope, CEEP and UEAPME) conclude a framework agreement (European Framework Agreement on Telework) in July 2002. This was the first time that an agreement between social partners was concluded at EU level and intended to apply in all Member States. In the insurance sector, this framework agreement was completed by the Joint declaration on telework by the European social partners in the insurance sector, signed in February 2015.

<sup>2</sup> These include Directive 89/391, OSH 'Framework Directive'; Directive 2009/104/EC - use of work equipment; Directive 92/58/EEC - safety and/or health signs; Directive 89/654/EEC - workplace requirements; Directive 89/656/EEC - use of personal protective equipment; Directive 90/270/EEC - display screen equipment; Directive 2003/88/EC - working time.

Member State/Country	Law	National or sectorial agreement	Company agreement	Individual contracts
BE		✓	✓	(✓)
CZ				(✓)
DE	✓	✓	✓	
DK		✓	✓	✓
ES		✓	✓	
FI			✓	✓
EN	✓		✓	(✓)
LUX	✓	✓		
IE				✓
IT	✓		✓	✓
MT				(✓)
RO				(✓)
SE	✓	✓	✓	✓
SK	✓	✓	✓	✓
UK				✓

**Table 1 - Legal framework for telework**  
Source: Survey of member unions

Legend: (✓) the employee's agreement is necessary, but the individualised contract is not the main instrument for organising remote work arrangements, which are organised collectively.

The implementation of this framework agreement varies greatly from country to country, as Table 1 shows. Some countries have a regulated framework, national or sectorial agreements and company agreements that regulate the contract that employees can conclude with their company, while others have made no provision for individual contracts. In the latter category, we find the English-speaking countries, where freedom of contract is less constrained, but

also countries such as Romania or the Czech Republic, while Slovakia has developed a normative approach at all levels. Some European countries appear to have no framework for remote work at all, although it is of course possible to introduce ad hoc clauses in the employment contract: does this mean that remote work is a rarity there? Of course, one has to look at the statistics to establish the facts.

Before presenting statistics, however, a clarification is needed because of the diversity of situations described by the term "remote work". Two distinctions need to be made:

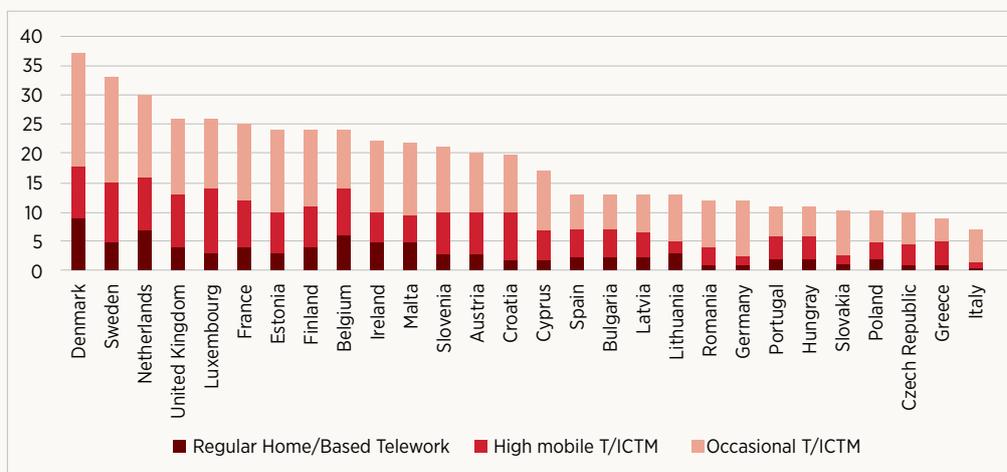
- On the one hand, there is a difference between *remote working* and *working from home*. The former implies a specific organisation with a network hardware and software infrastructure and dedicated access equipment that establishes continuity with the company's working environment (which implies that the employer pays the related costs). The latter may refer to a teacher who corrects papers, a childminder or a piano teacher who receives children at home. While these two categories are sometimes confused in statistics<sup>3</sup>, telework alone represents an innovation with business transformation potential. Working from home has existed since prehistoric times and is not in itself progress.
- On the other hand, a distinction must be made between *occasional* telework and *regular* telework: one can take one day a month to deal with files at home, but for longer periods, one needs an organisation that corresponds to telework.

In the insurance sector in particular, the first distinction could be illustrated by the fact that there are jobs that are intended to be carried out outside the company: some salespeople were mobile before the development of Information and Communication Technologies (ICTs), and if the digital tools made available to them can change the way they actually do

their work, there is no radical transformation in prospect, as would be the case for employees who are used to working in the office and who could now work from home. But what do we know about the prevalence of telework, i.e. how ICTs are transforming the organisation of work for those who still go to the office?

## 1.2 Statistics

Eurofound's periodical survey on the working conditions of Europeans conducted in 2015 provided a more homogeneous representation than the various local surveys it covers. Figure 1 shows the proportion of employees teleworking in each EU Member State:



**Figure 1 - proportion of employees teleworking in each Member State**

Source: Eurofound data (2016), Eurofound and ILO graph (2017)

<sup>3</sup> On this distinction see in particular Eurofound and ILO (2017).

These data probably give a better picture than the annual data provided by Eurostat (EU Statistical Office), which put Sweden at almost the same level as Germany, although most studies tend to show that Sweden has developed remote work much more than Germany. Unfortunately, the Sixth European Working Conditions Survey which compiled these data did not also look at the countries of the European Economic Area, although this could have provided useful points of comparison.

What about these aggregate data per EU Member State? They could reflect both (1.) a particular economic structure in each Member State and (2.) a general trend towards telework in that Member State. Indeed, the provision for telework is not the same for all jobs: farmers, for example, have to go to the field to look after their crops or their animals; miners can only extract ore in their mine, etc. These particular work arrangements eventually aggregate within sectors, and it seems clear that agriculture is less inherently predisposed to telework than IT services. However, predisposition does not systematically translate into actual telework. This difference can be measured, for example, by comparing two studies, one looking at potential telework and the other at actual telework. The first is by McKinsey using US data<sup>4</sup>: it puts the **potential for telework in finance and insurance at between 76 and 86% of the workforce**. In terms of headcount, the European Commission's Joint Research Centre measured 5% of employees in the financial and insurance sector teleworking regularly and 17% occasionally (Milasi et al. 2020), which is rather at the lower end of the distribution for services (see graphs in annex). It can therefore

be said that **before the pandemic there was a significant gap between the potential for telework and the actual use of telework in the insurance sector**. The pandemic proved this, as the use of telework jumped. But before we get to that, let's try to understand the reasons that limited the use of telework in the insurance sector.

### 1.3. Some significant patterns

The work of Milasi et al (2020) analyses the use of telework across EU Member States as a consequence of industrial structure: "Not surprisingly, in 2019, telework was structurally more prevalent in countries - such as Sweden, Finland and Denmark - with a higher share of employment in knowledge and ICT intensive services"<sup>5</sup>. As the sectors identified correspond to high-skilled jobs, it might be tempting to think that it is therefore the skills of the workforce that dictate the use of telework, but the same authors point out after discussing some examples that "workers in a given occupation may have easier access to telework in some countries than in others, depending on management and control styles, work organisation, and country-specific policies on aspects such as work flexibility."<sup>6</sup>

Since the use of telework is influenced by factors specific to EU Member States, sectors of activity, perhaps even companies themselves, one must ask whether (A.) the situation in the insurance sector reflects the average of each Member State or whether (B.) there are trends specific to the sector; conversely, one can also ask (C.) whether

<sup>4</sup><https://www.mckinsey.com/featured-insights/future-of-work/whats-next-for-remote-work-an-analysis-of-2000-tasks-800-jobs-and-nine-countries#>

<sup>5</sup> "It is not surprising that in 2019 telework was structurally more widespread in countries - such as Sweden, Finland, and Denmark - with larger shares of employment in knowledge- and ICT-intensive services.

<sup>6</sup> "...workers in a given occupation can have more access to telework in some countries than in others depending on management and supervisory styles, the organisation of work, and country-specific policies regarding aspects such as work flexibility. »

there is enough common ground to believe that the insurance sector *does in fact (and not only in law)* have general characteristics in terms of telework use. As there are no homogeneous European statistics on the use of telework in insurance, we proposed to UNI Europa Finance insurance sector members a questionnaire on the situation in their company (the questionnaire is attached). It should be noted, however, that the interpretation of the part of the survey dealing with the period before the pandemic is delicate, as the distinction between telework and homework is not always clear in the answers: it depends on the respondents' referent, which is not homogeneous in the European Union, precisely because telework is not uniformly practiced. Thus, when a Luxembourger answers that telework is not practised in Luxembourg, he does not necessarily exclude a few days per month of working at home; unlike an Italian whose zero is effectively zero.

With these precautions in mind, the responses to the survey of UNI Europa Finance's member unions show that in many European countries telework in insurance was reserved for categories of workers who had been able to obtain special provisions for their rare skills. In the UK, for example, it was mainly "managers and IT people" who were allowed to telework. In Sweden, where telework is on average particularly developed, it is in insurance reserved for jobs that have limited interaction with clients such as "project managers, developers, actuaries, experts" and "among white-collar workers, we have seen that parents are more likely to work at home when their children are ill than they were in the 2000s." In Spain, this state of affairs, which reserves telework for the best paid categories, is summarised by the expression: "it is a privilege for some workers".

This "privilege regime", where telework is reserved for the *happy few*, is not universal for two reasons:

- On the one hand, not all work done outside the company's premises is considered privileged, because there is a distinction between telework and itinerant work which has already been mentioned. This distinction is, for example, enshrined in German regulations: when one speaks of telework (Telearbeit), this means that the employer bears all the costs of the remote office, whereas in the case of mobile work (mobile Arbeit), certain costs are covered, but the employee must take care of the rest. This has always been the situation for salespeople in the insurance industry, and many office workers do not particularly envy the life of salespeople. Indeed, it is as much in reference to the constraints of roaming as of office work that one can speak of a "privilege regime" for genuine teleworkers.
- On the other hand, the Belgian affiliates give us an important key to the complexity of the sector, by describing a situation where "for the vast majority" (of companies) "all workers whose functions allow it" have the possibility to telework, while "in a minority" of companies, this option is reserved for "managers".

The level of telework in a given European country can therefore be considered to depend on the mix between what we will call conservative companies which practice the privilege regime and more progressive

companies which allow “all workers whose functions allow them” to telework, usually on an occasional basis (i.e. 1 or 2 days per week). Table 2 summarises the situation as it results from the UNI Europa Finance survey.

Member state	Dominant regime	Rough quantitative assessment	Country RW rate
BE	RW 1 to 2 days per week	3	24%
CZ	Almost nothing	0	10%
DE	Dual system		12%
DK	Variable speed		37%
ES	Privilege regime	1	13%
FI	RW 1 to 2 days per week	3	24%
EN	Variable speed		25%
LUX	Almost nothing	0	26%
IE	RW 1 to 2 days per week	3	22%
IT	Almost nothing	0	7%
MT	Almost nothing	0	22%
NO	Variable		n.d
RO	Almost nothing	0	12%
SE	Privilege regime	1	33%
SK	RW 1 to 2 days per week	2	10%
UK	Privilege regime	1	26%

**Table 2 - Assessment of remote work (RW) diffusion in the insurance sector<sup>7</sup>**  
Source: Survey of member unions

Four dominant types of arrangements in the insurance sector have been distinguished and quantitatively assessed against the national telework rate (regular + occasional). If the assessment in the sector seems to be in line with the average rate for some Member States - low in Italy, Romania and the Czech Republic, quite high in Belgium, Finland and Ireland - some States are clearly not aligned.

For example, Sweden and Luxembourg, which are rather ahead in the deployment of telework in general, are relatively behind in the insurance sector, which obviously does not prevent occasional home working.

This mixed picture was greatly disrupted by the outbreak of the pandemic.

<sup>7</sup> The survey distinguishes three types of remote work organisation. In ascending order of diffusion: almost nothing, privilege regime only for some employees, and a certain number of days per month or per week for a large number of workers. In a given country, however, the organisation of remote work in the insurance sector is not homogeneous across firms and therefore a “dominant regime” has been identified. For France and Germany, this dominant regime is not clear from the survey. The following column presents a quantification of the dominant regime, where almost nothing = 0, privilege regime = 1, etc. This quantification allows an easier comparison with the remote work rate in the country concerned, which is figured in the last column.

## 2. THE IMPACT OF THE COVID-19 PANDEMIC ON WORK ORGANISATION

**As early as February 2020, some companies started to adopt health protocols involving home-based work for some of their employees, for whom the means to continue working at home were deployed in a hurry: (1.) How many? (2.) When? (3.) How? And more specifically, how did the companies deal with the new situations (4.)?**

### 2.1. How many?

When it comes to the percentage of employees in Europe's insurance sector working from home during the lockdowns, the figures are generally in the range of 85-98%<sup>8</sup> during the mandatory lockdowns. While the vast majority of employees in administrative positions were able to work from home, some professions, such as experts, postponed client visits until better times, while others had to continue to provide, for example, open offices to ensure access to those who needed it. In general, during politically mandated closures, insurance companies followed the guidelines and protected their employees by allowing them to work from home. Exceptions were highly publicised, particularly in France<sup>9</sup>, to the extent that the Minister of Labour explicitly denounced the "slackening ... of the banking and insurance industry"<sup>10</sup>.

### 2.2. When?

The dynamics are difficult to follow precisely because two phenomena interfere: the timing of successive lockdowns on the one hand, and on the other hand a certain work-from-home fatigue. On the first point, there are strong differences between European countries: while most have had between 100 and 200 days of compulsory<sup>11</sup> lockdown, Sweden is known not to have had compulsory lockdown, and Spain and Romania have had only one lockdown (from March to May 2020) for a total of about 50 days, while Ireland has imposed 227 days. In between lockdowns, employees were able to return to their desks: the French Ministry of Labour, for example, calculated that the percentage of teleworkers in mid-2020 had halved in financial services and insurance compared to March and April (see graph in Annex 3). This return to the office is obviously due to management's

<sup>8</sup> Source: Survey of UNI Europe member unions.

<sup>9</sup> Revert Y. 2021. "Niort : épinglee sur le télétravail, la Macif se défend ". La Nouvelle République. 2 March. Downloaded from: <https://www.lanouvellerepublique.fr/niort/niort-epinglee-sur-le-teletravail-la-macif-se-defend>

<sup>10</sup> Thouet N. 2021. "Telework: the government points out a "slackening" in insurance". Argus de l'assurance. Downloaded from: <https://www.argusdelassurance.com/les-assureurs/federations/teletravail-le-gouvernement-pointe-un-relachement-dans-l-assurance.177529>

<sup>11</sup> See e. g. [https://en.wikipedia.org/wiki/COVID-19\\_lockdowns](https://en.wikipedia.org/wiki/COVID-19_lockdowns) 9

desire to regain control after a period of divestment<sup>12</sup>, although many employees themselves said they were happy to reconnect with the social life that surrounds work and the ease of face-to-face contact. Some employees, however, particularly the most vulnerable, but also those who had experienced Covid immediately, may have wished to extend the remote working period between lockdowns.



## 2.3. How?

Should we talk about homeworking or teleworking? It is clear that in the early days, even the most far-sighted companies deployed their employees at home as a matter of urgency, and then gradually moved towards permanent organisational methods which allow for real teleworking. However, we were able to identify a number of difficulties:

training staff in the new methods, paying for equipment and operating costs (especially connections), and covering the risks associated with telework. Table 3 summarises the information provided by the survey of UNI Europa Finance member unions. Let us consider each item separately:

- Staff training - it is understandable that the sudden decision to go into lockdown made it difficult to implement a training policy. In addition, the explicit difficulties with the hardware and software needed to work from home seems to have been exceptional. However, from a sustainability perspective, it is clearly necessary to train staff in order to avoid the digital divide, i.e. the feeling of indignity that affects those who do not dare to reveal their difficulties with working methods for which they have not been trained.
- Provision of equipment - companies generally provided computer equipment (including accessories such as headphones and USB sticks for back-ups or secure exchanges) and often loaned office equipment or even provided a grant. However, office furniture was sometimes left up to the employees to acquire and companies of course did not offer their employees an extra room in their homes to work in.
- Internet connection - expectations on this point vary widely. In some European countries, companies consider that it is up to employees to equip themselves, while in others, at least in some companies, the employer considers it normal to provide employees with a physical internet connection (via a 4G stick or a subscription to a dedicated fixed line) in addition to a protocol such as a VPN.

<sup>12</sup> Fana et al. 2020 report on p. 19 how working at home in confinement has led to increased pressures: "Low-skilled workers (call centre operators, both in telemarketing and in insurance companies) also reported a substantial increase in monitoring by supervisors, very often in the form of recording and listening to their activity: 'We are listened to very often, at least twice a day... normally, we are listened to twice a month, that was different, and we had two mail checks a month...'"

Low-skilled workers (call center operators both in telemarketing and insurance companies) also reported a substantial increase in supervisors' control which very often take the form of recording and listening their activity: "We are monitored to very often, at least twice a day... normally we are listened to twice a month, it was different, and we had two mail checks per month..."

- Support - at a time when cybercriminals are focusing on utilities and companies with physical distribution networks (as evidenced by the attack on Colonial Pipeline in May in the US or the latest IOCTA report<sup>13</sup>), the deployment of homeworking by insurance companies was not a favourite target for malware and ransomware. However, some employees, especially in Spain, have been victims of such problems, which could be a real brake on the sustainability of telework. It is not clear that all respondents to the UNI Europa Finance survey have recognised the possibility of this risk. However, these problems reveal that it is **unfortunately possible to formally attribute an organisational deficiency to an individual**, or Internet outages that occurred due to the action of a single user<sup>14</sup>. Cyber risks thus generally raise the issue of **shared liability in remote work, for potentially significant damage**.

Country	Provide sufficient training?	Provide appropriate equipment?	Ensure adequate internet connection?	Provide adequate support?	Leave employees some costs to cover? some costs such as furniture
BE	✓	✓	✓	✓	
CZ	X	✓	X	✓	X
DE	{✓}	✓	X	✓	X
DK	✓	✓	✓	✓	X
ES	X	X	X	X	✓
FI	X	✓	✓	✓	X
EN	✓	{✓}	✓	✓	IT hardware provided
LUX	✓	✓	✓	✓	X
IE	X	{✓}	variable	X	X
IT	✓	✓	✓	✓	variable
MT	X	X	X	X	variable
NO	X	✓	X	X	~€500 allowance
RO	X	some	X	✓	some
SE	✓	{✓}	✓	✓	X
SK	X	{✓}	{✓}	variable	IT hardware provided
UK	X	✓	X	✓	X

**Table 3 - When deploying work-from-home did the companies..**  
Source: UNI Europa Finance survey.

- In the end, the question of cost-sharing was the subject of great variability in the responses, as there was no anchoring of expectations, even though the 2002 European Social Partners framework agreement was explicit on this point (the employer must pay for equipment and direct costs).

<sup>13</sup> EUROPOL 2020. Internet Organized Crime Threat Assessment Report. Downloaded from: <https://www.europol.europa.eu/activities-services/main-reports/internet-organised-crime-threat-assessment-iocta-2020>, see e. g. p. 25.

<sup>14</sup> See e.g. <https://www.theguardian.com/technology/2021/jun/09/fastly-says-single-customer-triggered-bug-that-caused-mass-outage>

These considerations on the variability of expectations on the one hand and of the support actually provided by companies on the other show without doubt that **the perpetuation of telework must be subject to a framework through collective bargaining**

**in order to avoid the marginalisation of certain employees and the development of inequalities at work which are all the more intolerable because telework conceals them from everyone's view.**

## 2.4. How did companies deal with the problems?

The UNI Europa Finance survey also revealed another set of difficulties related to management in times of crisis, which are presented in Table 4.

Country	Workload variations?	Supervisory pressure on employees?	Overall working time?	Productivity assessments?
BE	✓	✓	X	+
CZ	✓	(✓)	✓	✓
DE	✓	(✓)	(✓)	~
DK	✓	✓	(✓)	- —
ES	X	X	✓	X
FI	(✓)	(✓)	(✓)	~
EN	✓	✓	X	~
LUX	✓	(✓)	(✓)	+
IE	✓	X	X	X
IT	✓	X	X	X
MT	(✓)	✓	✓	X
NO	(✓)	(✓)	X	X
RO	✓	✓	✓	X
SE	✓	✓	✓	X
SK	✓	✓	(✓)	X
UK	(✓)	()	(✓)	n.d

**Table 4 - How did companies manage...**  
Source: UNI Europa Finance survey

### Legend:

- ✓ No problem reported
- (✓) Few problems often mitigated with time
- X Recurring problems left unsolved
- 0 No change to accommodate circumstances
- +
- — Flat productivity
- ~ Productivity increasing then reverting to pre-crisis level

If we look at the details of the items in this table:

- The management of **workload changes** to cope with the reorganisation of work has not always been optimal. In some European countries, a learning curve has been necessary, in particular to restore trust and simplify communication disrupted by the circumstances. Elsewhere, a major difficulty has arisen in taking account of childcare constraints: some report that management has failed to take account of situations, resulting in parents with young children being overburdened (particularly in the UK); others, on the contrary (particularly in Spain), report that the division of labour has been excessively favourable to parents with young children, passing on their workload to colleagues without children at home. These difficulties have led locally to a feeling of unpleasant arbitrariness.
- Changes in working conditions may have led to **increased pressure** on employees: in addition to the problems related to the distribution of work already mentioned, the need to meet targets may have led managers to infringe on the “right to disconnect”. These problems are not generalised, but it is precisely their sporadic nature that calls for adequate solutions if telework is to become generalised.
- The evolution of **working time** is very often (but not universally) on the rise due to two almost universal psychological mechanisms: on the one hand, the tendency of isolated workers to skip breaks which, in a collective setting, allow for recreational but also professional exchanges; on the other hand, many workers anchor their evaluation of working time by integrating transport time. This is obviously a vector of inequalities and pressures for the future, and certainly a point to be monitored.
- Finally, the **productivity measures** revealed two sets of facts: firstly, companies rarely changed the metric for assessing the contribution of their employees. This obviously explains the difficulty of management to take into account specific situations. On the other hand, productivity itself has obviously followed contrasting trends: in countries where working time has changed little, productivity has not changed (this was the case in Malta, Romania and the Czech Republic in particular). On the other hand, in countries and companies where remote work has become widespread, with long periods of distance from colleagues and the loss of the usual reference points, productivity has increased with working time (as in Denmark and Luxembourg), sometimes at the price of a subsequent drop linked to fatigue: this is explicitly the case in Germany, Finland and France.

**The pandemic has clearly shown the limits of improvisation in managing home-**

**based work:** problems of fairness in the distribution of work and in the measurement of employees' contributions, a tendency to overwork, and above all the difficulty for

managers to spot problems and solve them remotely.

Despite the difficulties, **employees are rather satisfied** with the increase in the share of work at home for at least two sets of reasons:

- A number of reasons are explicit. As might be expected, working from home allows more flexibility in the organisation of schedules, which is particularly important for employees with dependants. Hybrid working (where the modal rhythm appears to be two days at home and three days in the company per week) now appears to be the preferred modality for the social partners to consider for the future, and employees see this as a net gain.
- Even if employees do not always indicate this, it is certain that the comparison of their situation with that of the self-employed, or front-line workers, leads them to measure the advantages... at least as long as the limits we have mentioned remain at the level of *risks* without materialising. This is why it is absolutely necessary to anticipate the development of the *hybrid work* that seems to be in demand by analysing the problems that have not been solved.



## 3. THE INSTITUTIONALISATION OF HYBRID WORK IN INSURANCE: OPPORTUNITIES AND PROBLEMS

While the UNI Europa Finance survey has shown the extent of the risks, the fact remains that the generalisation of hybrid work can bring a net gain in terms of well-being. This will require solving (1.) a bargaining problem, (2.) a series of ad hoc problems, and (3.) the societal issues underlying the collective negotiations that have already begun in many European countries, as evidenced for example by De Biasio 2021.

### 3.1 A bargaining problem?

The “bargaining problem” is understood to mean that the social partners share the gains that are made through productivity increases

on the one hand and cost reductions on the other. This is not all easy to measure, however:

- On the productivity side, “telework fatigue” has already been alluded to, as it is self-evident to all those who have experienced it that absence from the office leads to coordination costs which translate into increased working time - for example, informal conversations around the coffee machine have to be replaced by time-consuming formal meetings - and thus a drop in productivity. The dissolution of social relations with the absence of the office also leads to psychological discomfort which affects the employee. To explain the interplay of interactions that contribute to productivity changes in the hybrid work organisation, the OECD (2020) has proposed a simple and explicit representation (Figure 2).

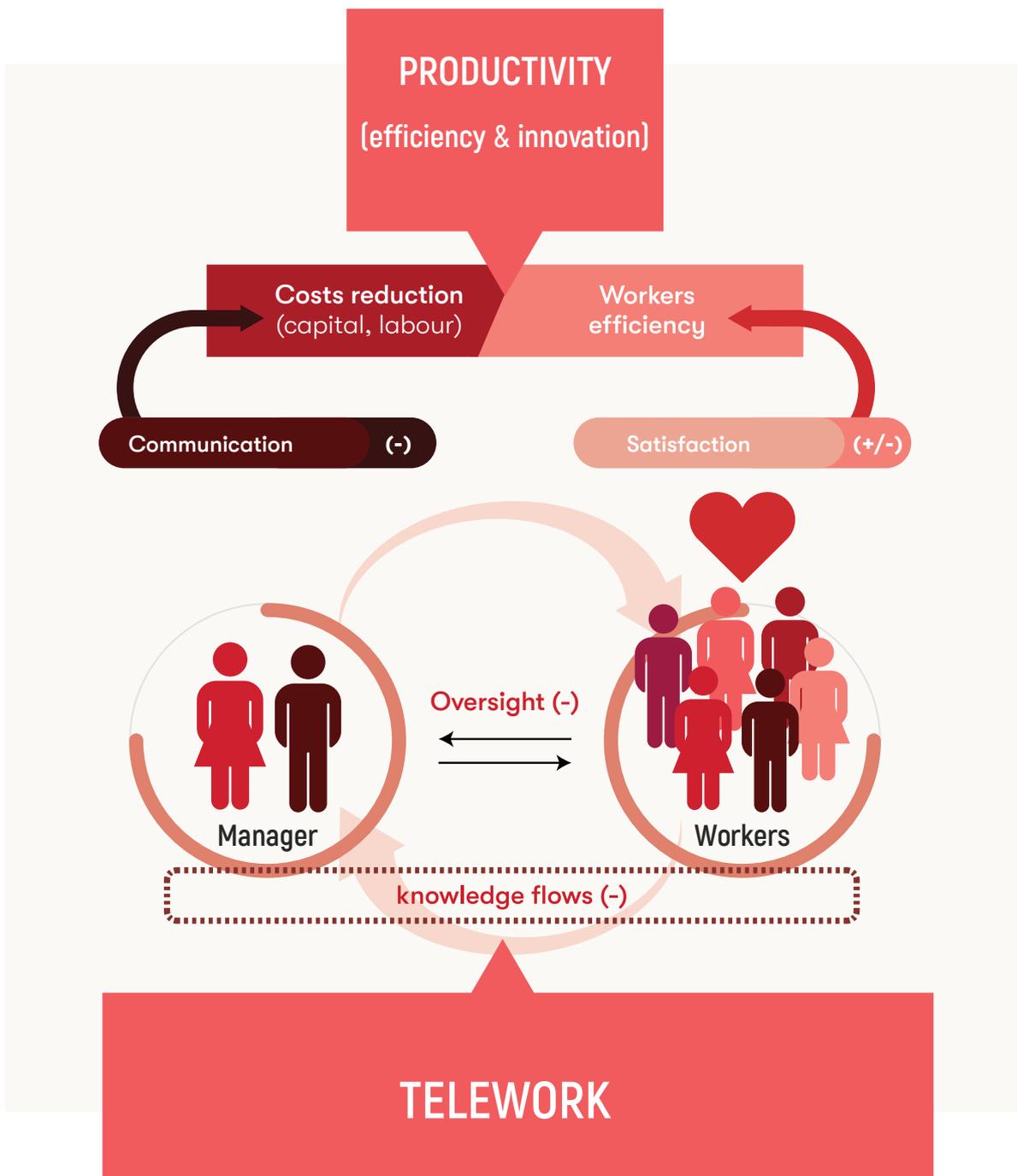
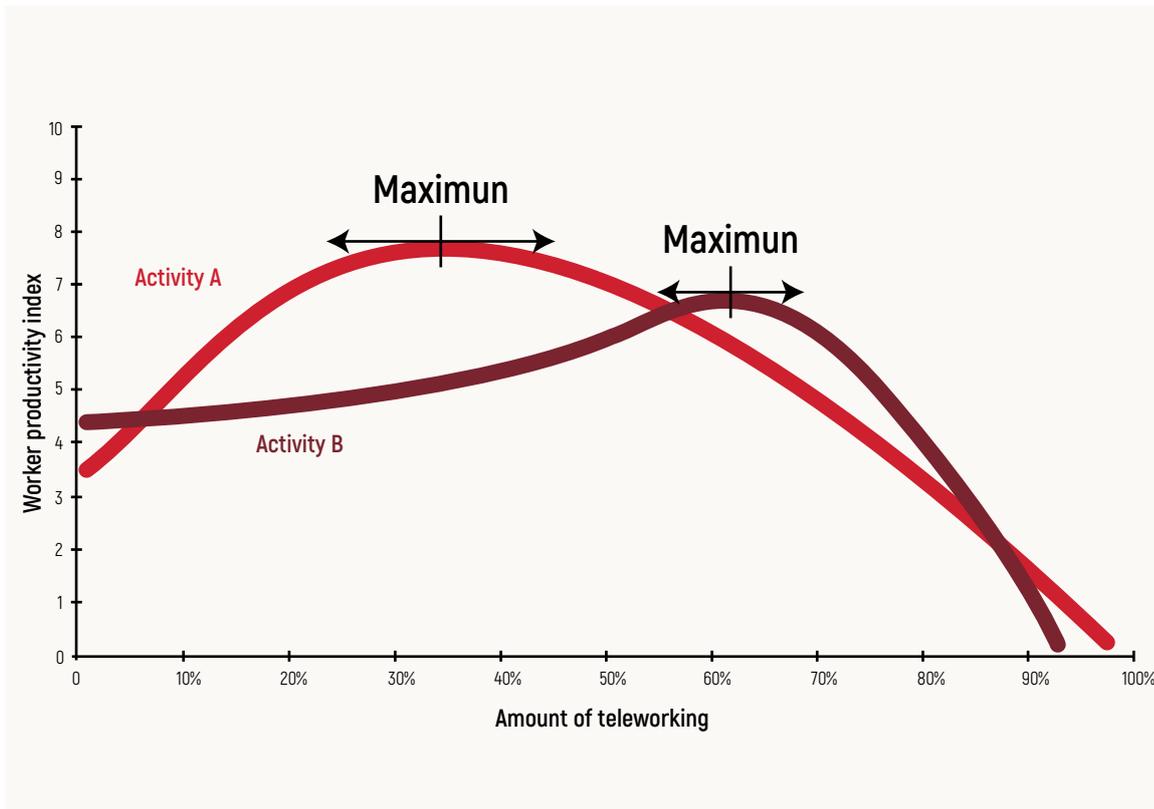


Figure 2 - Hybrid work and productivity: what mechanisms are at work?

It can be seen that telework decreases the exchange of information and the possibility of communication between workers and managers and complicates supervision, which decreases productivity, but the satisfaction of flexibility in the organisation of time improves the availability and efficiency, in short the

productivity of employees. The composition of these effects generally produces an inverted U-curve: the introduction of telework is considered to increase productivity up to a certain point and to be detrimental beyond that point, as summarised in Figure 3 (based on Bergeaud et al. 2021).



**Figure 3 - Hybrid labour productivity: an inverted U-shaped relationship**  
This graph is purely illustrative, the figures are imaginary.

- The contribution of telework to productivity varies from activity to activity. It is illusory to measure precisely the curves shown here, so one must often rely on the feelings of the parties to assess what improves productivity and what degrades it.
- As far as costs are concerned, working from home allows the company to externalise some of the costs it incurs in the office: renting buildings, daily costs, acquisition and operation of computers and networks. One could add hidden costs, which correspond to the risks usually borne by the company: broken equipment, breakdowns, cyber attacks, etc. Obviously, moving work to the home must be accompanied by the bearing of all these costs.

**The 2002 European Social Partners framework agreement on telework already provided for the employer to bear the costs of depreciation of the equipment, costs “directly caused by the work, in particular those relating to communications”, and the**

risks incurred by the equipment, insofar as the workers takes care of the equipment entrusted to them. Over the past year, the cost items have been more precisely identified and therefore can be included in the agreements that remain to be signed.

## 3.2 A series of one-off problems?

More generally, the 2002 European Social Partners framework agreement described the **principles which should ensure equivalence** between teleworkers and workers operating in the company's premises or, in the case of hybrid work, between a day in the company and a day remotely. This includes respecting the wishes of the worker, who may have been inclined by experience of telework on the one hand, and by illness on the other, to demand a significant amount of telework. On the employer's side, it is necessary to ensure data protection through appropriate policies, to respect the right to privacy of employees, to offer equal rights in terms of health, training, collective rights and of course to impose

an equivalent workload and performance standard.

In Finland, the initial lack of trust between employees and management was eventually overcome, but in Spain and the United Kingdom the division of labour was not satisfactory, particularly because of the difficulty of determining the appropriate workload for parents with young children. Some employees also reported pressure from management to meet targets that had not been adapted to the situation. However, **since 2002, the accumulated experience has enabled practical know-how to be built up and at least one new principle to be laid down:**

- One example of practical know-how is the valuable ILO (2020) checklist designed to evaluate telework deployment. It includes a series of items related to work-life balance.
- The notion of the right to disconnect emerged in France in the wake of a 2001 decision by the Cour de Cassation (French Supreme Court) in the case of an employee who could not be reached on his mobile phone outside working hours. A 2016 law (the so-called El Khomri law, named after the Minister of Labour) enshrined the term "right to disconnect", which has since spread to other EU Member States, for example in the Italian law of 2017 (art. 19), in the recent amendment to the Slovak Labour Code (February 2021) as well as in the code of good practice proposed by the Irish government (April 2021). Eurofound (2020) provides a recent update on the subject.

Beyond the immediate individual perception of work and its direct effect on the life of the worker, it can be recalled that **the evolution of work has a power of global social transformation: it can be an instrument for reducing gender inequalities** (women sacrifice their careers more often to look after children, teleworking can enable men to take on a greater share of this activity), spatial inequalities (information highways can open up regions poorly served by transport networks), housing inequalities (the least advantaged generally have longer travel times), but also for reducing emissions and thus combating global warming. This

important potential justifies the interest of public authorities in the generalisation of telework. In the insurance sector, where the potential is huge (as seen in §1), governments are expected to support employees who wish to hybridise their work or telework fully, but of course not to impose it on them or to neglect those who remain working within the company premises!

In addition to calling into question the organisation of work, the pandemic has raised questions about the social role of insurance and its regulation in several ways.

## 4. THE SOCIAL ROLE OF INSURANCE IN (THREE) QUESTIONS

**In particular, the pandemic has opened up three important debates for the insurance industry: the fair pricing of contracts (and the reimbursement of premium overpayments), the compensation of operating losses, and the participation of insurers in the compensation of macroeconomic losses.**

### 4.1. Fair pricing of contracts

The lockdowns have imposed a reduction in claims, and even more precisely a modification of the terms of the contract, particularly in motor insurance. This was an opportunity to observe the contrast between the insurance cultures in different European countries: in Sweden, for example, where mutual benefit companies have a large market share in motor insurance, the refund of part of the premiums is so customary that it did not give rise to any comment in 2020. In Ireland, almost all companies have refunded about one month to their policyholders. In Italy too, but as a credit on their next contract. In France, a consumer association posted a standard letter<sup>15</sup> to request a refund of part of the premium

**as the lockdown changed the terms of the contract.** Following this initiative, mutual insurance companies announced a series of measures in favour of their customers<sup>16</sup>: only two companies proceeded to systematic reimbursements, the others proposed a rate freeze in 2021. Finally, one company has opted for exceptional assistance for “policyholders in financial difficulty (job seekers or loss of work caused by the coronavirus epidemic)”. Given the modest amount of aid (€75 discount on a contract) in relation to the costs of verification, one may legitimately wonder whether this is not more of a communication campaign than a reduction corresponding to the evolution of the fair price of risk.

<sup>15</sup> <https://www.quechoisir.org/lettre-type-coronavirus-demande-de-diminution-du-montant-de-la-prime-d-assurance-automobile-en-raison-du-confinement-n78879/>

<sup>16</sup> <https://www.index-assurance.fr/coronavirus-quels-sont-les-assureurs-auto-qui-vont-rembourser-leurs-assures-10389.html>

These considerations may seem small in relation to the challenges of the pandemic. However, it is **the same principle of fair pricing of contracts that is at work in the fair assumption of the cost of telework**. Since its origins, insurance has played an important social role in the objective measurement of values exposed to risk (Heras et al. 2020). A recent trend is to theorise pricing based on willingness to pay (Malleray 2017) typical of monopoly behaviour. Laurence Barry (2019) reminds us of the current challenges of value objectification: we see that the pandemic still provides an opportunity to seek the genuine prices for both policyholders and insurance employees.

## 4.2. Business interruption insurance

A number of companies in Europe had taken out multi-risk policies before the pandemic, providing for compensation for operating losses in the event of closure, or even specific policies. Many insurers refused to pay, on the grounds that the trigger for the loss was not an incident causing damage to the production facilities, but an administrative decision, which was excluded by nature, but not necessarily by the wording of the contracts. The survey of UNI Europa Finance's member unions revealed both the extent of the phenomenon and the opinion of the insurance industry on this subject.

In Germany, Denmark, Spain, Finland, France and the UK, insurers have often refused to pay on the above grounds. The courts have ruled in different ways: in the UK the insurers were ordered to pay by the Supreme Court on 15 January 2021 (UKSC 2021). In Germany, Finland and France, the drafting of contracts has allowed insurers to win in some cases. In the latter country, the subject has been laughable: insurers first gave common

assurances that it was impossible to pay; the Minister of Economy urged companies to take their share of the national effort; only one company decided to pay a lump sum (which is more reminiscent of a communication campaign than a compensation operation); with the multiplication of legal proceedings, the supervisory authority was asked to report on the subject in May 2020. The report (ACPR 2020) finally showed that 93.3% of contracts excluded coverage for epidemics or administrative decisions, that 4.1% of contracts were ambiguous and that 2.6% of contracts resulted in insurers having to pay. Insurers then proposed new "pandemic" contracts with a capped indemnity amount... which did not interest anyone.

This is in stark contrast to the clear principles expressed by UNI Europa Finance affiliates in the survey conducted for this report: "We consider it problematic to cover a pandemic risk with insurance that meets the criteria of economic profitability, as the premiums for such insurance would probably be unaffordable for some [of those who would be interested]. Cooperation between the state and the insurance industry would be good in order to provide appropriate risk protection for the economy." This is summarised in the report on the subject by the Geneva Association (2021), which shows that **the actuarial pricing of business interruption insurance makes it too expensive for a large proportion of those who run the corresponding risk**. This is why governments in Europe have implemented massive support schemes. In short, it seems appropriate to cover specific risks by business interruption insurance, but all-risk insurance in this area is either reserved for the happy few or moderated in its price by capping the cover... which still requires the intervention of the State as insurer of last resort. At least we have been warned for the next time...

### 4.3. Ostentatious charity?

While some companies have been bad payers, others have shown a generosity in the form of medieval charity - that which is practised when one is afraid of dying in mortal sin - or the good deeds of the urban elites embarked on the counter-reformation, who wished to demonstrate their capacity to manage the affairs of the city by financing the construction of hospitals (Cavallo 1995). These historical reminders are justified by the fact that it was in Italy that companies financed hospitals with free donations, and in Spain that the beneficiaries of health workers who died fighting CoViD received free life insurance. In France, insurers who clearly wished to escape the outmoded image associated with the exercise of private charity set up a fund to support the economy in order to finance the postponement of rents for their tenants, the suspension of premiums for their professional clients hit by the economic slowdown, etc. One can only praise these good intentions, but when it comes to negotiating the institutionalisation of hybrid work, one expects fair accounts from insurers

rather than the recycling of undue profits in ESG (Environmental, Social and Governance) green-washing media campaigns.





## CONCLUSION

The CoViD-19 pandemic has shown the very high potential for telework in insurance, but also revealed the potential problems: longer working days, poor distribution of work, possibly insufficient training, variable consideration of the costs of working from home. Today, employees expect a hybridisation of their work, but also the correction of these problems which they have agreed to under the pressure of necessity and which must now be addressed. Fortunately, there is a literature of cases and methodologies to further the implementation of the 2002 European Social Partners framework agreement. It is important to understand that beyond productivity and employee welfare, the transformation of work, which has great potential in the insurance sector, can be a vehicle for reducing inequality. The social role of insurance as an activity of evaluation and organisation of risk coverage is also highlighted by the pandemic.

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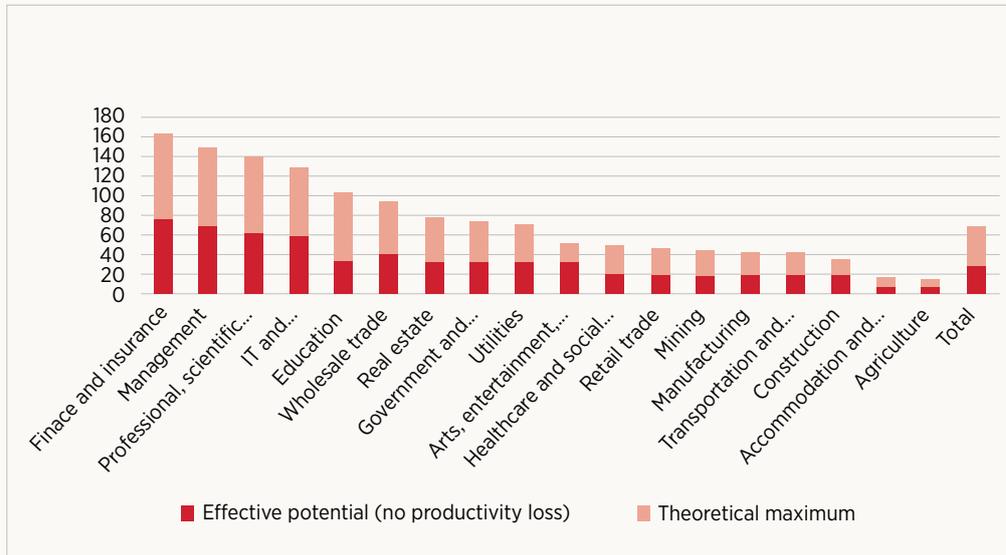
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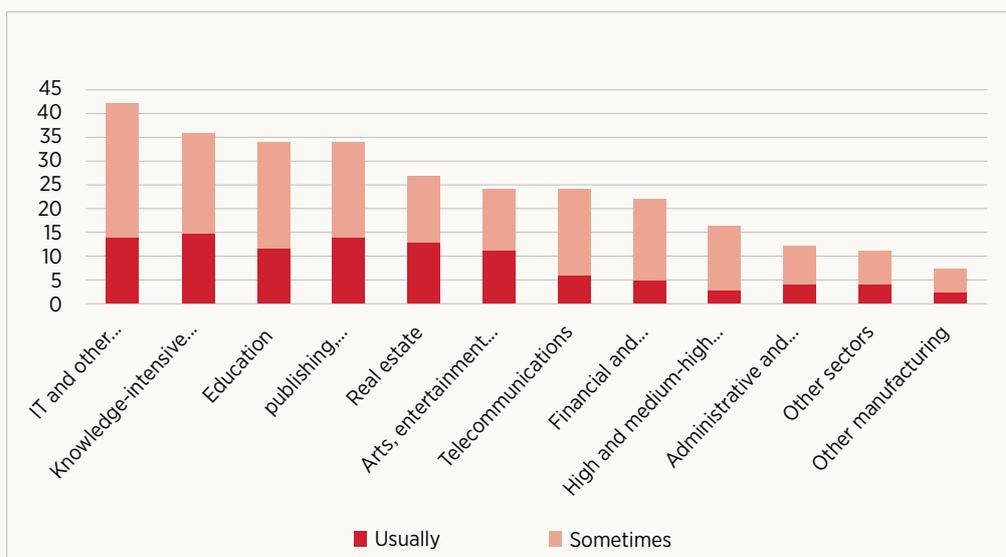
# APPENDIX



Potential share of time spent working remotely by sector in the US, %.

Source: McKinsey [2021]

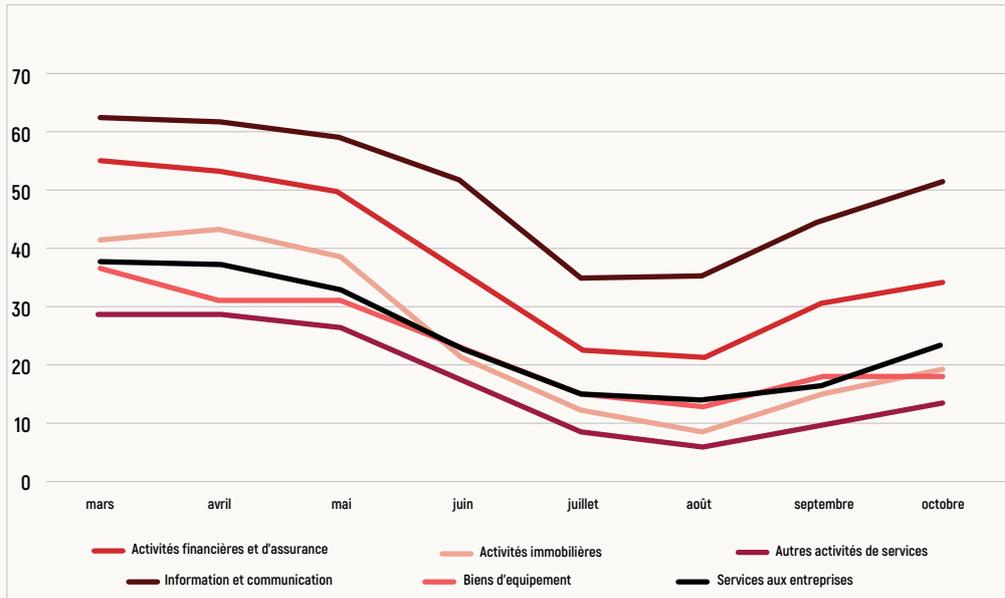
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Prevalence of Telework by sector in the EU-27, %.

Source: Milasi S, I González-Vázquez and E Fernandez-Macias (2020), "Telework in the EU before and after the COVID-19: where we were, where we head to", JRC Science for Policy Brief.

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**PART DE  
TÉLÉTRAVAILLEURS**

**Figure 3 - Share  
of teleworkers in  
France over time**

Source: Bergeaud  
A. et al. 2020.  
Employment Seminar  
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