

Gender pay gap report 2020

CFC Underwriting Limited

We're on a mission to radically simplify the way business insurance is bought and sold.



Introduction

At CFC, our people are at the centre of everything that we do. We remain committed to building a culture that promotes diversity, equality of opportunity and inclusion. We are on a continuing journey to create a truly diverse organisation, and believe that diversity is crucial in enhancing performance, driving innovation, and is fundamental to the long-term success of the business.



A handwritten signature in black ink, appearing to read 'Dave Walsh'.

Dave Walsh
Founder & Group CEO

This is our third Gender Pay Gap report (snapshot 5th April 2020). In this report, we provide analysis of our gender pay gap and comment on the key reasons behind it, outlining the actions and continuing work that we need to do to close the gender pay gap. Despite the challenges of the pandemic, we made significant progress with our diversity and inclusion initiatives in 2020, and were quickly able transition to remote working, and support our working parents and those caring for others, to balance their work and other responsibilities. As we embrace hybrid working, we are confident that giving people more flexibility in how they work, will help CFC to attract, develop and retain the best talent.

We believe in a diverse and inclusive workplace that allows all of our employees to reach their full potential, regardless of gender.. We are very aware that within the insurance industry, there are significantly less women, in the most senior roles, and we know that we still have much more work to do to reduce our gender pay. We will continue to look at how we improve our recruitment, talent development and retention programmes, and our policies and procedures, to redress the gender imbalance, and continue promoting the advancement of women.

We confirm that the data provided for CFC Underwriting Limited in this 2020 report is accurate and in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



A handwritten signature in black ink, appearing to read 'P. Samuel'.

Pete Samuel
HR Director

Our numbers

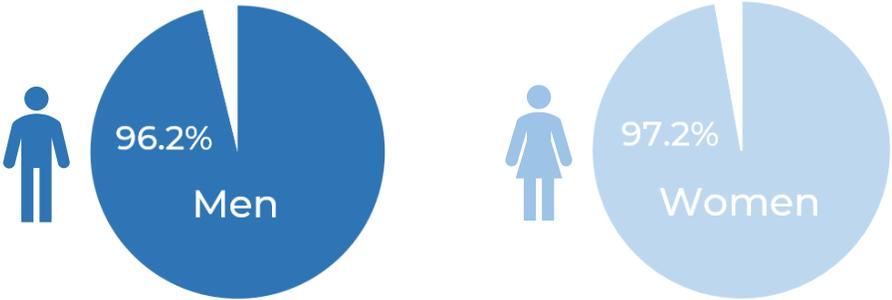
Mean and median pay and bonus gap

Reporting period 2019-20.

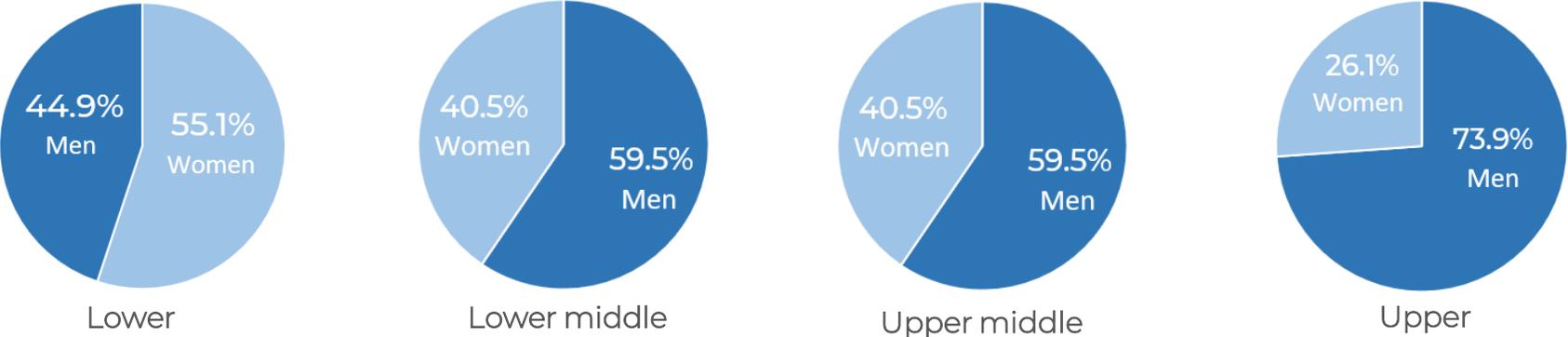
Gender pay gap	Mean 26.6 % (20.3% 2019)	Median 22.1% (18.2% 2019)
Gender bonus gap	59.2% (60.0% 2019)	35.2% (25.0% 2019)

Proportion of employees receiving a bonus

CFC operates a single performance based annual cash bonus plan. This is available to all staff. In each year, some employees join after the cut-off date for bonus eligibility.



Male and female pay quartiles



CFC pay quartiles remained largely unchanged against our last report.

We still employ more women in junior and entry level roles, with 55% women in the lower pay quartile.

Our upper quartile saw a small improvement from 22% in 2019 to 26% female representation for 2020.

We still have work to do to redress the gender imbalance for the most senior and highest paid roles.

Our findings

Whilst we continue to report a smaller gender pay gap than many of our peers in the insurance industry, CFC's gender gap increased from 20.3% (2019) to 26.6% in 2020. We know that there are no 'quick fixes', and that it will take time to redress the gender balance at the top of our organisation. Women make up 40% of our workforce, and we are pleased to have increased female representation at management level from 33% (in 2019) to 35%. CFC also has a 27% representation of women for senior management positions.

Gender pay gap

In common with other employers in the insurance market, our gender pay gap exists because we have significantly more men in the most senior and highest paid roles. This is illustrated in our upper pay quartile data with 26% representation of women. Whilst we have made progress appointing more females into management roles, we know that we have significant work to do, to increase female representation for the most senior and highest paid roles. There are still more women than men in junior and entry level roles, and women make up 55% (up on 54% in 2019) of the lower pay quartile.

We formed a new Executive Committee ("ExCo") in 2019, which had 21% female representation (3 out of 14 Exco members were female). We did not make any new executive director or non-executive director appointments to the CFC board during the 2019-20 reporting period.

Bonus pay gap

CFC operates a single performance based gender neutral bonus plan for all employees, where everyone has an equal opportunity to be rewarded for their performance and contribution to the business. Since bonus pay is significantly higher for senior leadership and executive positions, where there is a much higher representation of men (73.9%), this results in the mean gender bonus gap of 59.2% (down slightly from 60% in 2019).

The median bonus gap increased to 35.2% (from 25% in 2019) due to a larger annual bonus pool pay-out, with more males than females receiving a bonus, and with more women in junior level roles, with a smaller bonus potential than for more senior positions. CFC has to reward its senior management and executive team with competitive performance based variable pay to attract and retain the best talent.

Closing the gap

What we have done already:

Promotions, development and succession planning

- 50% of our internal promotions into management roles (e.g. team leader, practice leader and manager titles) were appointments of women in this reporting period.

Leadership development programme

- We continued partnering with [Franklin Covey](#) to deliver CFC's leadership development programme to support the development of existing and emerging leaders and managers, of which 29% of participants were women in 2020.

Recruitment

- We focused on building more diverse talent pools when hiring through a corporate partnership with [The Brokerage](#) (a London based social mobility charity), helping young people from disadvantaged backgrounds to secure employment in the City. This partnership also includes mentoring and skills coaching workshops.
- We also partnered with [Bright Network](#), a graduate recruitment network to drive more diversity into our hiring, with a strong focus on attracting more female, BAME and state educated candidates to apply for jobs at CFC.
- We continued to work with external recruitment partners to promote and strive for diverse candidate short-lists for open roles within the organisation.

Diversity and inclusion initiatives

- CFC formed its first volunteer D&I team in 2020 who championed numerous events and activities for the business during pandemic.
- The L&D team also re-launched CFC's internal mentoring scheme. 60% of mentees were women and 44% of our mentors were female. We believe that mentoring is important in parallel to more structured training, in supporting career development.



What we are doing next:

Recruitment

- Implementing 'Unconscious Bias' workshops to educate and support line managers and those involved in our hiring processes, with a focus on improving our approach in areas such as recruitment, selection and talent development.
- Continue working with our hiring managers and external recruiters, striving for diverse candidate short-lists (incl. gender split and ethnicity), and setting diversity hiring metrics and targets as part of our broader ESG plan.

Supporting female leadership talent

- We continue to work with Franklin Covey and invest in the CFC leadership development programme. We expect to expand this further with an emerging female leadership programme. Further investment in L&D will help us to do this.
- We are committed to supporting women at CFC develop into leadership and senior roles, and this helps with succession planning for the most senior roles.

Early careers training and development

- We will continue to promote professional training and development at CFC. This includes 100% Company funding for CII and recognised professional qualifications for eligible employees, as well as paid study days and bonus recognition awards.,
- As we continue to build out the L&D function, we expect to design and implement more structured 'early careers' training and development pathways for staff.

Gender pay gap reporting

All UK employers with 250 or more employees are required to report their gender pay gap under The Gender Pay Gap Reporting Regulations 2017. The figures in this report are based on the calculations set out in the Regulations and must be reported every year.

About the gender pay gap:

The gender pay gap is the difference in pay/bonus earnings for all men and all women within the Company.

- The **mean** gap number represents the difference in **average** pay between all male and all female employees.
- The **median** gap number represents the difference in pay between the **middle point** of all male employees, and the **middle point** of pay for all female employees.

Gender pay gap reporting does not measure equal pay (relating to what men and women are paid for performing equal work).

The principle of equal pay is a legal UK requirement and CFC is committed to meeting its equal pay obligations, and to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, disability or gender reassignment.