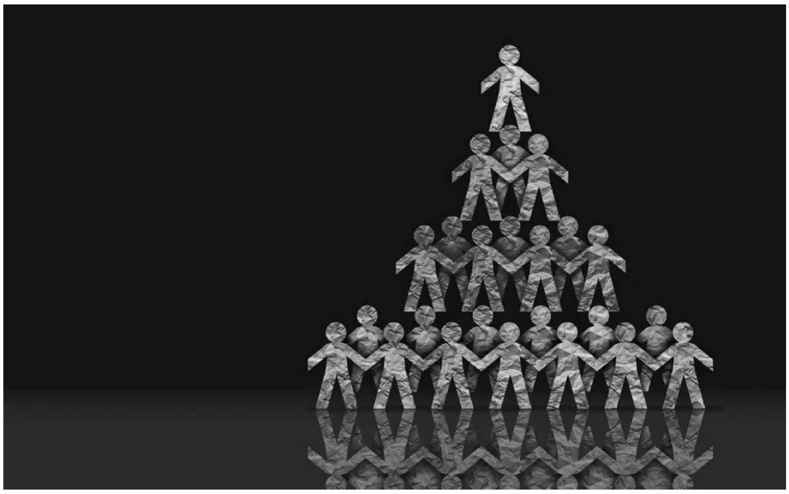
Smashing the class ceiling in insurance



By Damisola Sulaiman

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Damisola Sulaiman examines why social mobility data and initiatives remain patchy in insurance and how recruitment and culture need to change to smash the sector's class ceiling.

In recent years, diversity and inclusion have risen steadily up the agenda within insurance firms.

Company chiefs have become more aware of the benefits of a diverse workforce, and quantifiable progress can be seen across several diversity characteristics.

However, one diversity trait that has not yet been made as much of a priority is socio-economic background.

The 2024 Lloyd's Culture dashboard, which shows the market's progress against its culture principles including diversity and inclusion and data collection, found that while 100% and 99% of firms collect gender diversity and ethnicity data respectively, just 25% collect social mobility data.

The collection of gender data is a legal requirement and **ethnicity data gathering has become more commonplace** in recent years.

If you're doing the Lloyd's Culture survey, it means you're sitting down at your computer for 15 minutes. If that 15 minutes makes the market more inclusive and a better place, can you really not spare the time to do that?

However, for other characteristics, there was still far more information available with 68% of Lloyd's market firms collecting sexual orientation data and 66% gathering disability data.

This raises the question of why this gap exists for social mobility. In a Big Interview with *Insurance Post* scheduled to be published this week, head of culture Mark Lomas explained disability, sexual orientation and social mobility data collection are newer to firms, so it will take time for the data collection there to improve.

However, the gap between social mobility and the other newer data points, means the difference cannot be explained away solely by the length of time the data collection has been prominent.

Wendy Wilder, executive director of the Insurance Industry Charitable Foundation UK, offered: “While gender, race, ethnicity, and other dimensions of diversity have held a place on corporate agendas, **socio-economic diversity often remains on the fringes** of conversations. And yet, socio-economic background is just as much a part of a person’s identity.

“It’s this realisation that insurance companies must take on board, as different aspects of someone’s background, abilities and identity all shape their working experience. Socio-economic diversity must become an integral part of companies’ diversity, equity and inclusion strategies to create a truly inclusive organisation.”

An added layer to Wilder’s assessment is the positioning of social mobility initiatives as part of firms’ corporate social responsibility work, meaning many companies are taking a charitable rather than strategic approach.

Steve Collinson chief human resources and sustainability officer at Zurich UK said: “Social mobility needs to be embedded across a firm’s people activities – talent acquisition, retention, performance management and leadership development – in order to move on from a corporate responsibility initiative and into a core business diversity and inclusion strategy”.

Belonging

A key part of attracting, retaining and progressing people from lower socio-economic backgrounds is cultivating a sense of belonging, according to Jacqueline Girow, executive director at London and International Insurance Brokers’ Association.

She said: “It’s important that you find like-minded people, either within firms or the wider market, that you can just be with and feel valued.”

Girow suggested mentoring, role modelling and joining networks as effective ways to build this sense of belonging.

However, the most prominent market-wide diversity and inclusion networks —the Inclusion@Lloyd's partner networks, do not have a group for people from lower socio-economic backgrounds.

Girow explained that this may be because coming from a lower socio-economic background is not a protected characteristic.

Yet, the Insurance Families Network, which supports parents and carers primarily, provides a community for an important part of people's identities that is not specifically covered under the Equality Act 2010.

She noted that she is aware of many people from lower socio-economic backgrounds who would enjoy being part of such a community, particularly those who have come into the industry from social mobility charity Upreach's Insurance Springboard programme.

It is a three-year programme of personalised careers support, designed to help university students from lower socio-economic backgrounds looking to apply to roles in the insurance sector.

"They're all desperate to come and talk because they want to give back and they see it as their responsibility. They want to show that the market is changing, and they want to show what they can do," Girow added.

Liiba is currently working on setting up a social mobility network across EC3 between late 2025 and early 2026.

It is expected to be structured as a separate entity from the association, so it will be open to professionals across all insurance disciplines, not just brokers.

Practical support

Another vital part of improving attraction and retention is providing practical support to people from lower socio-economic backgrounds.

Two students from Sixth Form College Farnborough participating in Zurich's Kickstart programme, a mentoring initiative designed to attract future talent from diverse backgrounds across the country, told *Post* while diverse early careers programmes are helpful, certain barriers to gaining insurance careers persist due to classism.

They highlighted the expense of obtaining return tickets to London for work experience as an example of something that prevents students from working-class backgrounds from capitalising on opportunities brought about by the programmes.

This summer, Zurich launched a virtual work experience programme for 250 young people aged 16 to 19, with the aim of removing barriers linked to cost and travel. The scheme was open to candidates anywhere in the UK and looked to help participants to build skills in communication, problem solving, resilience, leadership and teamwork.

Collinson noted: "[The programme] being held completely online enabled young people of varying backgrounds to gain invaluable work experience at the start of their careers."

This is an example of an insurance firm taking a tangible step to reduce financial barriers for people from lower socio-economic backgrounds in talent attraction.

Girow argued that for this to become a way to keep people in the industry, these kinds of steps need to be the standard for early career roles.

She suggested including options for advances on wages or the ability to purchase a monthly travel card upfront, which could later be deducted from wages, as simple steps that could make a real difference for early career professionals from lower-socioeconomic backgrounds.

"Offering that as a standard to young people de-stigmatises things. Whatever background they come from, when they start a job for the first time, they have to work for a month before they can get any money," she explained.

“If you come from an affluent background, you’ll probably go ‘I’m not bothered’ because you don’t actually need it. But offering something like that as a standard way of operating just promotes a culture that thinks ahead.”

Better recruitment

To attract more socio-economically diverse talent, Collinson suggested that recruitment channels must be broadened to attract candidates from diverse socio-economic backgrounds.

This can be achieved by using inclusive language and removing unnecessary qualifications from job descriptions, and moving to skills-based hiring to remove barriers from having limited work experience.

Girow added that career advice needs to start much earlier than at GCSE and A Level stages, which is the point **where programmes that many insurance firms have** in place to attract young people into the industry start.

She cited the updated Gatsby Benchmark, which sets out that every year, from the age of 11, pupils should participate in at least one meaningful encounter with an employer.

A meaningful encounter is described by the organisation as one which gives the young person an opportunity to learn about what work is like, what skills are valued in the workplace, their recruitment processes and what it takes to be successful.

Data collection

A challenge that has been uncovered in both **gender** and ethnicity diversity, is progressing marginalised identities to senior leadership roles once they are in the industry.

This issue is also present in socio-economic diversity, often referred to as the “class ceiling”. According to 2024 research from Progress

Together, the proportion of people from a lower socio-economic background working in senior roles in UK financial services is at 28%. Collinson added: “Recent Progress Together research found someone’s background was much more likely to impact their career progression in financial services than gender or ethnicity - this demonstrates why insurers need to be measuring progress holistically, by collecting data on employees’ socio-economic backgrounds through voluntary surveys and confidential reporting alongside other diversity characteristics. “

Earlier this year, Zurich claimed to be the first insurer in the UK to report on its **socio-economic pay gap**.

“By reporting this data, we can track representation at all levels, hold ourselves to account, identify barriers and assess the impact of our initiatives,” Collinson added.

As seen with the Lloyd’s Culture dashboard, many firms do not even collect social mobility data.

Girow argued that this is likely due to misunderstandings around the nature of socio-economic data collection.

To gather socio-economic information about employees, the UK government recommends employers ask questions about parental occupation at age 14, type of school attended and free school meal eligibility.

Girow explained that the complexity of the questions and lack of clarity on the insights they provide can often lead people to feel uncomfortable answering them.

She argued that insurance firms need to be more intentional about emphasising the importance of the data to employees, and insurance employees need to think about the bigger picture and be more open minded to the questions.

“If you’re doing the Lloyd’s Culture survey, it means you’re sitting down at your computer for 15 minutes. If that 15 minutes makes the market more inclusive and a better place, can you really not spare the time to do that?” she asked.

“But I think there’s work for the industry to do to explain better why we’re asking the questions, and it shouldn’t be because it’s a legal recommendation, it should be because we want to get better as an industry and retain better talent.”

The industry has advanced its wider diversity and inclusion efforts significantly, but intentional action around socio-economic diversity has lagged behind.

To really incorporate the promotion of social mobility into DEI strategies, insurance firms must foster a sense of belonging, provide practical support, advance recruitment efforts and improve data collection.
