

2017

Gender pay

gap report



XL CATLIN

Foreword

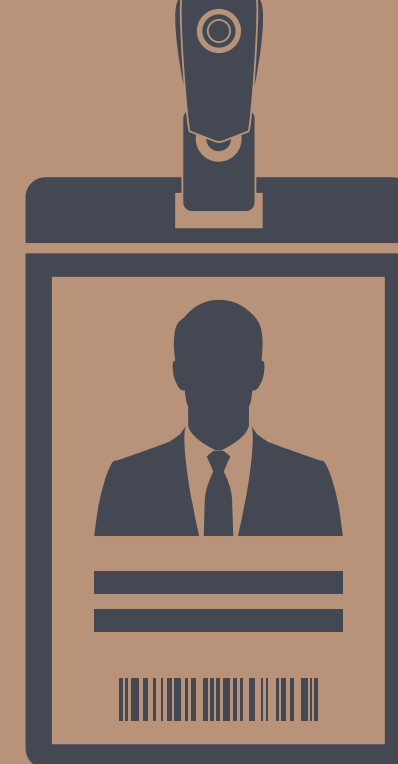
At XL Catlin, we are committed to creating a more diverse workforce and inclusive culture, where all colleagues feel welcome and can reach their highest potential. That's why our CEO, Mike McGavick, and senior leaders have made Diversity & Inclusion part of our global strategy, with special emphasis on increasing the number of women in leadership positions. We want to build a culture that values all individuals, backgrounds, and ideas; a place where talented people achieve great things together.

We believe that as we continue to more closely reflect the diversity of the world around us, we'll gain a competitive advantage – different viewpoints, fresh perspectives and exceptional performance.

XL Catlin's commitment to D&I goes beyond our firm. We want to be an advocate for change not only within re/insurance but across all industries and geographies. Since launching our D&I strategy, we've made steady progress:

- Committing to the advancement of women by signing the HM Treasury Women in Finance Charter.
- Establishing policies that help us ensure we attract and hire the best and brightest, not simply the most familiar.
- Providing colleague training that reinforces inclusive leaders are the best leaders
- Actively supporting organizations and events that champion D&I, in the re/insurance industry and beyond.

And while we are pleased with the progress we've made, we are still very much on a journey to being a truly diverse and inclusive employer – a journey to which we are deeply committed.



What does gender pay gap mean?

While both gender pay gap and gender pay equity relate to disparity in pay men and women receive in the workplace, they are two distinct issues:

Gender pay gap

A measure of the difference between the average earnings of men and women across an organization or the labor market. The gender pay gap does not show differences in pay for comparable jobs.

Gender pay equity

Men and women receive equal pay for work of equal or comparable value.

Our gender pay gap data

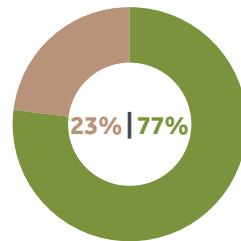
Pay and bonus

XL Catlin's mean gender pay gap shows the difference between the average pay of all XL Catlin UK male and female colleagues. The median gender pay gap shows the pay difference between the middle pay numbers of XL Catlin's male and female colleagues.

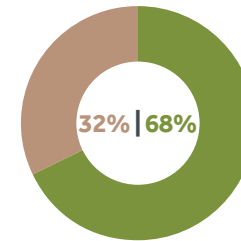
	Mean	Median
Pay gap	30.2%	31.4%
Bonus gap	64.9%	53.6%

Proportion of males and females in each pay quartile

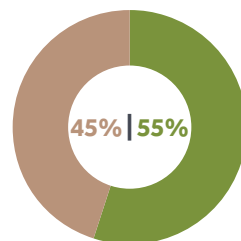
Top quartile



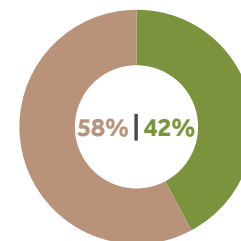
Upper middle quartile



Lower middle

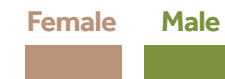


Lowest quartile



Proportion of males and females receiving a bonus

97% 98%



Understanding our gender pay gap data

As of the snapshot date of 5 April 2017, our mean and median gender pay gap was 30.2% and 31.4% respectively. Analysis of bonuses paid to XL Catlin colleagues in the 12 months preceding the 5 April 2017 snapshot date indicated a mean and median bonus pay gap of 64.9% and 53.6% respectively. For comparison, per Office of National Statistics (ONS) data, XL Catlin's mean is smaller than the 35% mean pay gap reported for the Financial and Insurance industries. However, our mean gender pay gap is above the UK average of 17.4% (which includes all industry sectors), again per ONS data.

A variety of factors can impact the gender pay gap, and understanding these factors is key to improving it. The central drivers behind our pay gap include:

- the significantly higher proportion of men in senior actuarial, underwriting and managerial positions, which are more highly compensated in the highest quartiles.
- the number of women employed in underwriting positions in the UK is nearly half that of men.

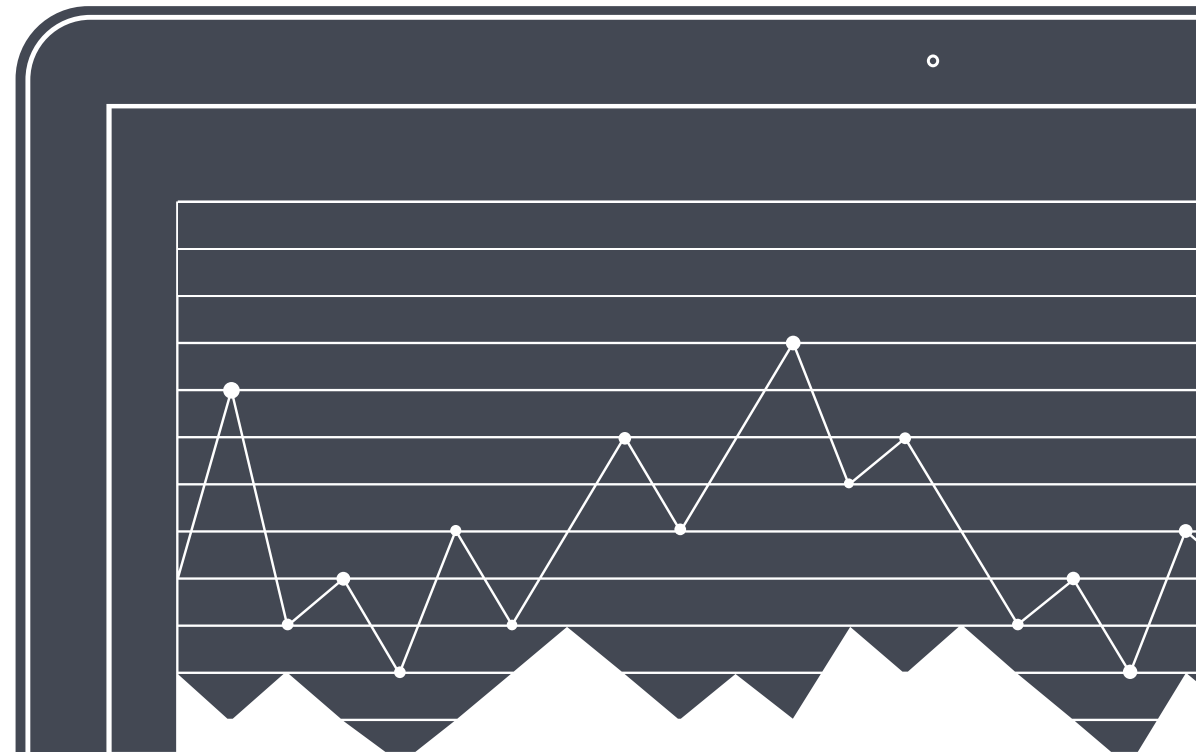
We are working to address both underlying factors.

Our gender pay and bonus gap figures reflect the gender profile of both our own workforce and the wider industry. As of the snapshot date of 5 April 2017, 40% of colleagues measured for gender pay gap reporting were women. According to the ONS, the number of women employed in underwriting positions in the UK is nearly half that of men. That presents our industry with a long-term challenge to improve the gender pay gap. And XL Catlin is committed to supporting efforts that help the industry change this and build a more diverse and inclusive workforce.

XL Catlin and gender pay equity

Because of the tendency to incorrectly conflate Gender Pay Equity with Gender Pay Gap, it is important to highlight where we stand regarding gender pay equity.

We are confident we pay our colleagues fairly and relative to their role, special skills, experience and performance; this is embedded in our pay for performance culture. We are committed to continual reviews of our pay and practices and addressing any issues if they were to surface.



Closing the gap

We're not just committed to closing the gender pay gap, we want to build a culture that values all individuals, backgrounds and ideas; a place where smart people achieve great things together. And we have already taken steps to help us move the gender pay gap needle – steps intended to address both the issue of too few women in senior positions and too few women in the talent pipeline.

Women in Finance Charter

- The Charter is a pledge for gender balance across financial services. It is a commitment by HM Treasury and signatory firms to work together to build a more balanced and fair industry. Firms that sign up to this Charter are pledging to be the best businesses in the sector.
- The Charter target we have set and will report on is to increase the representation of women in our senior and executive roles to 35% or more by 2021. This falls within the target recommendations set by the Hampton Alexander Review, commissioned by the UK government to look at ways to ensure talented women of FTSE companies are recognized, promoted and rewarded.

Policies and programs

- **Diverse candidate slate requirement**
This policy encourages recruiters and hiring managers to think differently about how they find and interview candidates so we attract the best and the brightest, not just the most familiar.
- **Unconscious bias and behaviour-based interviewing**
We have introduced guidelines to help hiring managers to be aware of unconscious personal and cultural biases and how they may prejudice objectivity and exclude well-qualified candidates.
- **Inclusive leadership training**
With a goal of 100% participation, 84% of senior leaders have completed this training designed to raise awareness of D&I, establish common definitions and assist leaders to reflect on personal biases and behaviours.
- **Women's executive leadership program**
Designed to facilitate a path to leadership roles, this intensive 12-month global development program helps top talent enhance their leadership skills, broaden their business knowledge and accelerate their career opportunities.

Partnerships, community involvement and colleague engagement

- **CEO action for diversity and inclusion**
XL Catlin's CEO Mike McGavick is among 300 international business leaders (and one of a few from insurance) to sign this pledge. It's the largest CEO-driven business commitment to advance diversity and inclusion within the workplace globally.
- **Women in the workplace**
In cooperation with the East London Business Alliance, we are supporting long-term efforts to enhance gender diversity through outreach to girls age 14-15 in East London schools. The program will help enhance participant employability and aspirations.
- **Women of the World (WoW)**
These colleague resource groups help to accelerate the advancement of women. Volunteer-led, they have expanded participants' business networks and provided them with quality programming that focuses on leadership, building relationships and general business topics.

Conclusion

We want to be leaders in driving change. Especially with an issue as critical as this. So, we will continue with the efforts we've already started.

This is not just good for the London market, or even the financial services and insurance industry – it's good for the world's economy. According to McKinsey & Co. \$12 trillion could be added to global GDP by 2025 by advancing women's equality. But more than money, it's the right thing to do.

It took hundreds of years for the insurance industry to grow in such a way as to arrive at the gender pay gap we see today. Meaningful change will take time but making a commitment to support that change does not.

We also call on our industry peers to join us in taking steps both to help address the gender pay gap in insurance and to build a more diverse and inclusive industry workforce overall.

Declaration

I confirm the gender pay data contained in this report is accurate.



Paul Jardine
Chief Experience Officer





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