The Director General

To: Nikolaus van der Pas
   Director General - Employment, Social Affairs and Equal Opportunities
   European Commission
   200, Rue de la Loi
   1049 Brussels, Belgium

Your reference: -
Our reference: Annex to AS 7006 (04/07)

Subject: EC Green Paper on ‘Modernising Labour law to meet the challenges of the 21st century’

Brussels, 19 April 2007

Dear Mr van der Pas,

CEA, the European federation of insurance and reinsurance national associations, welcomes the Commission’s Green Paper on labour law the modernisation of which will facilitate meeting the targets of the Lisbon Strategy provided its revision helps adapt to the modern world of work and create more and better jobs.

The ongoing public debate launched by the Green Paper covers both the security aspect of the ‘flexicurity approach’ and its at least equally important flexibility aspect. In this respect, CEA believes that preserving the existing flexibility in national labour laws will help maintain and strengthen further the European insurance companies’ competitiveness. On the contrary, restricting the scope of action of companies via new regulatory measures may result in adverse effects on the competitive position of insurers and on employment.

CEA would like to ponder in particular on two questions raised in the Green Paper:

- Question 7: Is greater clarity needed in Member States’ legal definitions of employment and self-employment to facilitate bona fide transitions from employment to self-employment and vice versa?

CEA believes that introducing new regulatory measures to define employment and self-employment at European level would encompass these definitions into inflexible categories. This would hence not favour the creation of new forms of jobs and create unnecessary burdens to job flexibility.
Question 8: Is there a need for a ‘floor of rights’ dealing with the working conditions of all workers regardless of the form of their work contract? What, in your view, would be the impact of such minimum requirements on job creation as well as on the protection of workers?

It would be hazardous to create a uniform ‘floor of rights’ for all workers since the working contracts throughout the EU vary substantially. This richness of contracts which allows a great degree of flexibility would be threatened.

Focussing on the insurance sector, insurance distribution networks are structured differently throughout Member States and use employed field staff and self-employed insurance intermediaries, small brokers and large broker societies. In Germany, for instance, there are at present just over 400,000 independent insurance intermediaries who, in view of better earning opportunities, prefer signing a contract with a company or a group of companies (so-called ‘tied agents’).

The creation of a ‘floor of rights’ would result in additional social contributions which would undermine the competitiveness of self-employed intermediaries. As a result, insurers would favour other distribution channels rather than self-employed. It may also lead to the termination of contractual relationships between the self-employed and the insurance companies. The scope of existing distribution channels would be reduced also to the disadvantage of consumers who would be deprived of specific services and know-how of self-employeds.

The diversity of employment contractual forms helps the insurance industry remain competitive and face future challenges. The current flexibility in the labour market should therefore be preserved and the so-called ‘flexicurity approach’ should not lead to the elimination of existing well-functioning employment relationships.

Sincerely yours,

Michaela Koller
Director General of CEA

Sebastian Hopfner
Chairman of the CEA Social Affairs Committee

CC: Vladimir Špidla - Commissioner - Employment, Social Affairs and Equal Opportunities
Kristin Schreiber - Head of Cabinet - Cabinet of Commissioner Vladimir Špidla - Employment, Social Affairs and Equal Opportunities