



Speech: Olav Jones, deputy director-general, Insurance Europe

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Dear ladies and gentlemen,

I am honoured to address you today, during this 100th International Session of the European Youth Parliament (EYP).

It is truly an impressive milestone.

It is inspiring to see such drive, commitment and enthusiasm from you, and so many thousands of others, contributing to a stronger Europe.

Recently Insurance Europe – the federation of insurance associations from across Europe – signed a cooperation agreement with the European Youth Parliament (EYP).

The agreement reflects our commitment to holding an open and transparent dialogue with young people and other stakeholders.

It would be fair to admit that for many people, insurance rarely conjures up excitement.

But after nearly 30 years of working in this sector, I still find it exciting and rewarding. And this is because insurance plays such a big and important role for people, businesses and society.

Today, I want to make the case for why insurance matters for you, for Europe, and for our future.

Insurance offers security and protection.

As Winston Churchill once said, "If I had my way, I would write the word 'insure' over every door of every cottage and upon the blotting pad of every public man, because I am convinced that, for sacrifice that are conceivably small, families can be secured against catastrophes which otherwise would smash them forever."

Insurers does just this and much much more.

- Insurance is an enabler of modern living, allowing us to participate in everyday activities. From driving a car, travelling, buying a home or retiring, insurance gives people peace of mind.
- It offers financial protection when we are hit with an unfortunate turn of events – such as a fire, theft, car accident or accident – ensuring that people and businesses can recover and continue.

- Without insurance doctors may not risk practicing, many people would not risk driving a car, banks would not risk lending mortgages on houses.
- Beyond the protection it offers, the insurance sector is also one of largest institutional investors. It invests over €9.5 trillion providing stable, long-term funding for governments and businesses.

Given this dual role for society and economy, insurers are addressing some of Europe's biggest societal and economic challenges today.

Firstly, let us consider the **pension savings gap** which is growing due to changing demographics.

We held a survey and found 40% of 18-35 year-olds are not saving for their pensions. This is understandable: retirement seem distant and irrelevant when you are young and healthy.

Nevertheless, we are facing an enormous challenge.

Current pension systems, where in most countries workers pay for current retirees, is simply unsustainable.

In 1950, when the current pensions systems were being designed, there were more than seven people of working age for every one of pension age. By 2050, there will be fewer than two people of working age per retiree.

Today, we are facing a pension crisis that needs solutions.

Insurance plays an important role as the industry offers both workplace and personal pensions.

Of course, it is a complex challenge and there is no single solution - individuals, the businesses that employ them, national governments and the EU - must take action.

We were happy to hear that this week the EYP started to develop some policy recommendations for pensions. We hope these will be presented to the industry and EU policymakers at our Brussels conference next year on 5 June.

Secondly, the industry is playing its part in responding to the **climate crisis and supporting sustainability**.

Insurance supports recovery from climate-related events by providing compensation for losses. This helps communities rebuild and recover more quickly.

Insurers are supporting the sustainability transition, providing insurance coverage for renewable energy projects.

They are also investing significantly in green projects.



Insurance companies are also helping people and businesses reduce risks, and they are working with governments providing advice and developing climate adaptation and resilience plans.

And thirdly, the insurance industry is supporting **European growth, competitiveness and innovation.**

The European insurance industry is a global success story – with many of the largest global groups being European.

The insurance sector creates jobs – directly employing over 920 000 people in the EU. Insurers also invest in infrastructure, private equity and venture capital, the last two being key instruments for funding innovation in Europe.

What is less well known is that insurers have for centuries - and continue to – support innovation, one of your main topics today.

Marine insurance, developed in the 16th century, played a central role in the expansion of international trade. The first accident insurance policies were developed in the mid-1800s to cover railway accidents and steam boiler explosions.

Insurers helped develop safety standards so steam engines could be insured, supporting the industrial revolution.

And insurers were one of the first industries to make use of computers: the collection and use of collect big data has always at the core of the industry's business model.

Ladies and gentlemen,

I hope I have made a case, to explain why I am still so passionate about insurance.

Insurance matters to all of us.

It is a unique sector, but it can also seem complex.

I know, speaking to my own children, that a lot more work is needed to explain how insurance works.

This is key for policy makers and the wider public to understand what we can do - but also what is needed to keep insurance available and affordable.

This is why I am excited that Insurance Europe and the EYP will work together.

We invite you to join us in discussions – be it during European Retirement Week or through online debates on climate change – to learn more about the industry, and to share your thoughts on how the insurance industry can better cater to the needs of young people and wider society.

I look forward to taking our cooperation forward and listening to your ideas on how our industry can deliver more for Europe.

