

TALBOT
An  company

UK Gender Pay Gap 2019





At Talbot Underwriting Ltd (Talbot, an AIG company) we are committed to an inclusive, fair and respectful workplace. That commitment includes being transparent about our gender pay gap.

AIG encourages a diverse and inclusive workforce and supports the advancement of women across its footprint. To see the Gender Pay Gap analysis of AIG's other UK entities, click [here](#) for AIG in the UK and [here](#) for AIG Life.

Our Pay Strategy

Talbot is confident that men and women are paid equally for doing equivalent jobs across our business. We will continue to ensure our policies and processes are fair to all employees. This includes an annual review of our remuneration policy by our Remuneration Committee. We employ tools and practices that enable us to benchmark our total remuneration objectively against our chosen markets/peer group to ensure that our compensation is fair and competitive in the market.

We work hard to develop, recognise and reward the contribution of all our employees. In this competitive market for talent, we strive to attract highly motivated people, keep them engaged and help them achieve their career aspirations.

Diversity and Inclusion

Talbot is an Equal Opportunities employer and is committed to eliminating discrimination of all types and actively promotes equality, diversity and inclusivity. A more inclusive approach to all aspects of the employee lifecycle creates an environment that allows talent to flourish, more effective collaboration, greater productivity and strong employee engagement.

Our policy is to ensure that all individuals at all levels of the organisation understand Talbot's expectations in terms of fair treatment of colleagues. We proactively develop and implement strategies that drive our ambition to have a significantly more diverse employee population and inclusive workplace.

Recruitment Activity

We appoint people to roles based entirely on merit and regardless of age, race, gender, marital status, sexual orientation, gender identity, disability or religion and belief. However we do recognise that some groups are under-represented in our business. We will continue to work hard to ensure that equal opportunities are available to all groups. We are making sure our recruitment processes are transparent and that we deploy strategies to reduce any unconscious bias in the selection process as well as identifying talent from a more diverse pool.

UK 2019 Gender Pay Gap Report

What is the gender pay gap?

UK government legislation requires employers with 250 staff or more to publish statistics outlining the difference between the average pay of male and female employees. The analysis is based on data as at the 5th of April every year. Companies must disclose the gender pay gap and the gender bonus gap based on the mean and the median, the proportion of men and women that receive a bonus, and the proportion of men and women in each quartile. This is different to Equal Pay, which legislates that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010. It is unlawful to pay men and women differently for performing the same job.

Bonus pay for the purpose of gender pay gap reporting includes any rewards related to profit-sharing, productivity, performance, share incentive schemes, other incentives or commission.

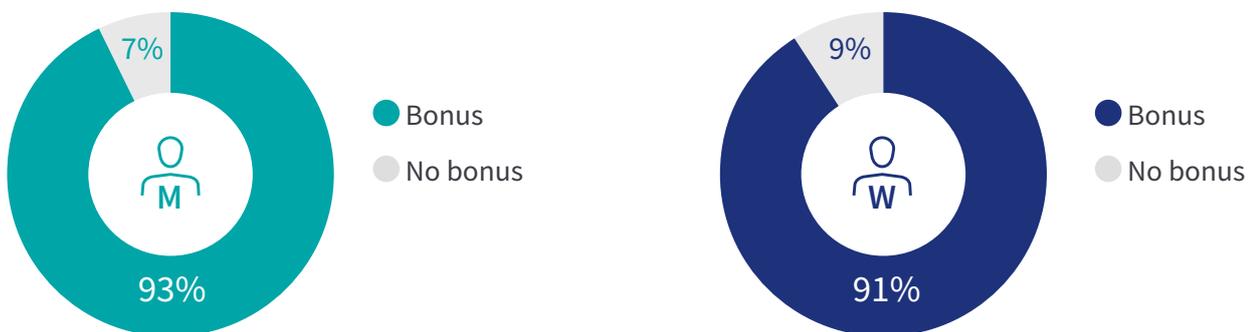
Pay Gap

The percentage difference in pay between men and women

	Mean		Median	
	2019	2018	2019	2018
Hourly fixed pay	37%	33%	30%	30%
Bonus paid	86%	75%	38%	46%

The analysis of our April 2019 gender pay and bonus gaps shows that there has been an increase in the mean pay and bonus gaps. This is partly a result of the acquisition by AIG, which accelerated the vesting of Validus shares as more men than women in senior roles received these awards. The median bonus gap has reduced reflecting a more even distribution of annual bonus awards to men and women at comparative levels of seniority.

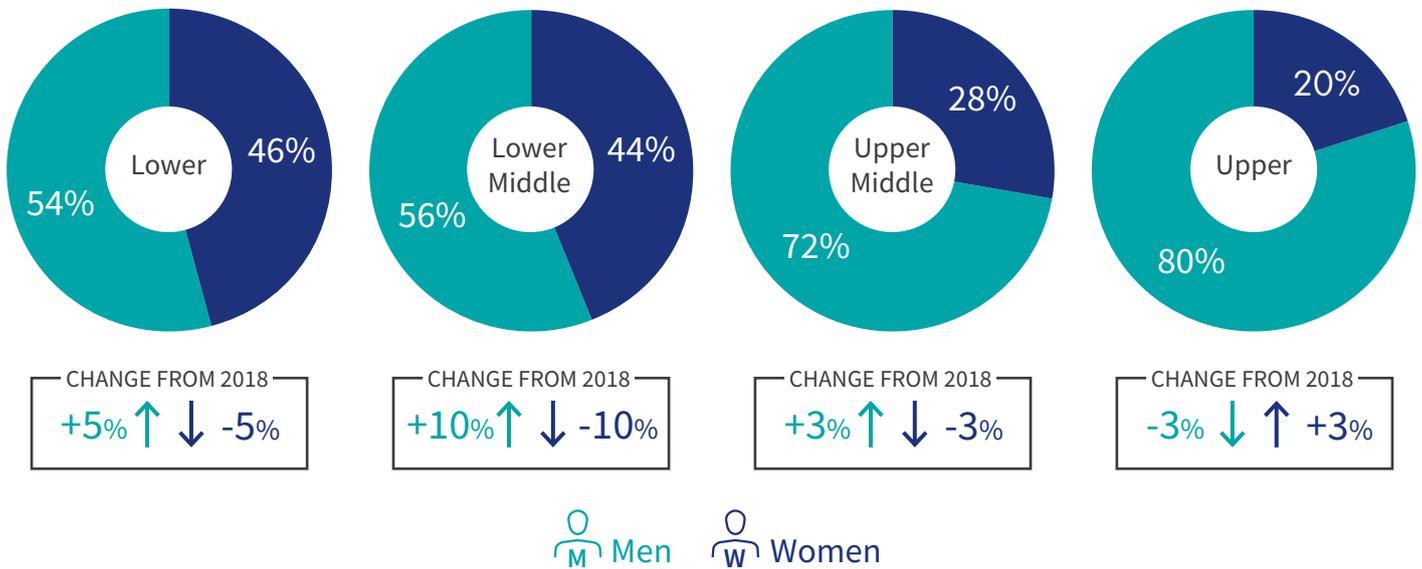
Employees awarded a bonus for 2018



The percentage for women receiving a bonus remains unchanged from the previous year. The difference between the number of men and women who received a bonus during the reporting period has decreased. We are confident as a business that men and women have an equal opportunity to participate in our bonus scheme.

Pay Quartiles

Quartiles are calculated by ranking each based on hourly pay rate from highest to lowest. The list is then divided into 4 equal sized groups of men and women. The graph below shows the percentage of men and women in each group. We are pleased that we have seen an increase in the percentage of women in the Upper Quartile.



There has also been a significant increase in the activity around diversity and inclusion which we are confident will have a positive impact on future data. Since reporting our gender pay gap last year, we have continued to focus on driving greater gender balance within our organisation. We know that our gender pay gap is driven by a lack of women in senior positions and we have worked hard in the past year to address this imbalance.

What we are doing to address the gender gap:

- Developing an Allin (Diversity and Inclusion) strategy to foster and advance a culture of inclusion that enables us to attract, retain and develop top diverse talent
- An ongoing review of our external and internal events to ensure a more balanced gender representation and inclusivity in subject matter
- We have an agreement with Working Families, a UK work-life balance charity, and use their logo on the majority of roles to demonstrate our commitment to flexible working
- We will advertise roles through 'We are the City' in order to target more female applicants and make more use of organisations such as The Brokerage and Vercida website to encourage a more diverse candidate pool
- All job descriptions and advertisements are reviewed using our gender decoder tool to ensure the language used is gender balanced

- Active membership of the Gender Equality Matters (GEM) Employee Resource Group and broader collaboration with AIG and their Diversity agenda including a cross business mentoring scheme in which we have some of our female colleagues participating as both mentees and mentors.
- Ensuring that our succession plans reflect our desire to promote women as appropriate.
- Ensuring a diverse and inclusive recruitment selection process, including 50:50 short lists from agencies
- Implementing a Different Way of Working to encourage flexible working for both men and women of all levels
- Offering Cityparents Membership for all Employees
- Ongoing programme of engagement and education for all employees

We believe in the social and commercial benefits of having a truly diverse workforce and remain committed. We will continue to monitor the effect our initiatives are having and course correcting if the impact is not significant.

Our aim is to achieve gender balance across our organisation. Finally we confirm that the data reported is accurate.



David Morris
Acting Chief Executive Officer
& Syndicate Active Underwriter



Jo Long
Human Resources