

4 February 2025

**CONSULTATION
PAPER**

CONSULTATION PAPER

on the proposal for Guidelines on the notion of diversity for the selection of members of the administrative, management or supervisory body

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European Insurance and
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RESPONDING TO THIS PAPER

EIOPA welcomes comments on the Consultation Paper on the proposal for Guidelines on the notion of diversity for the selection of members of the administrative, management or supervisory body.

Comments are most helpful if they:

- ▶ respond to the question stated, where applicable;
- ▶ contain a clear rationale; and
- ▶ describe any alternatives EIOPA should consider.

Please send your comments to EIOPA via EU Survey ([link](#)) by 26 February 2025 23:59 CET.

Contributions not provided via EU Survey or after the deadline will not be processed. In case you have any questions please contact Solvencyllreview@eiopa.europa.eu.

Publication of responses

Your responses will be published on the EIOPA website unless: you request to treat them confidential, or they are unlawful, or they would infringe the rights of any third-party. Please, indicate clearly and prominently in your submission any part you do not wish to be publicly disclosed. EIOPA may also publish a summary of the survey input received on its website.

Please note that EIOPA is subject to Regulation (EC) No 1049/2001 regarding public access to documents and EIOPA's rules on public access to documents.¹

Declaration by the contributor

By sending your contribution to EIOPA you consent to publication of all non-confidential information in your contribution, in whole/in part – as indicated in your responses, including to the publication of the name of your organisation, and you thereby declare that nothing within your response is unlawful or would infringe the rights of any third party in a manner that would prevent the publication.

Data protection

Please note that personal contact details (such as name of individuals, email addresses and phone numbers) will not be published. EIOPA, as a European Authority, will process any personal data in line with Regulation (EU) 2018/1725. More information on how personal data are treated can be found in the privacy statement at the end of this material.

¹ [Public Access to Documents](#)

CONSULTATION PAPER OVERVIEW AND NEXT STEPS

EIOPA carries out consultations in the case of Guidelines and Recommendations in accordance with Article 16 (2) of the EIOPA Regulation.

These guidelines are developed in the context of the review of Directive 2009/138/EC. The amended Article 41(1) of that Directive² requires undertakings to put in place a policy promoting diversity in the administrative, management or supervisory body, including setting individual quantitative objectives related to gender-balance. These guidelines are based on the mandate for EIOPA, set out in the same Article, to define the notion of diversity to be taken into account for the selection of members of the administrative, management or supervisory body.

This Consultation Paper presents the draft Guidelines and explanatory text.

The analysis of the expected impact from the proposed policy is set out in Annex I (Impact Assessment).

Next steps

EIOPA will revise the proposal in view of the stakeholder comments received. EIOPA will publish a report on the consultation including the revised proposal and the resolution of stakeholder comments.

The final guidelines will be applicable when the review of Directive 2009/138/EC enters into application.

² See amendments to Directive 2009/138/EC adopted by the European Parliament on 24 October and by the Council on 5 November 2024: <https://data.consilium.europa.eu/doc/document/PE-5-2024-INIT/en/pdf>.

1. GUIDELINES

INTRODUCTION

1. In accordance with Article 16 of Regulation (EU) No 1094/2010³ and Article 41(1) of Directive 2009/138/EC⁴, EIOPA issues guidelines on the notion of diversity to be taken into account for the selection of members of the administrative, management or supervisory body (AMSB) of insurance and reinsurance undertakings (collectively “undertakings”).
2. Diversity within the AMSB leads to a broader range of experience, knowledge, skills and values in the AMSB, and is one of the factors that enhance its functioning and address the phenomenon of groupthink. A more diverse AMSB can facilitate independent opinions and constructive challenging in the process of decision-making. Diversity, together with an adequate consideration of inclusion, will help to ensure that the diverse perspectives and opinions of the members are taken into account within the AMSB.
3. A diverse composition within the AMSB could be achieved by taking into account such aspects as educational and professional background, age, gender and geographical provenance. In this respect a gender-balanced composition of the AMSB is of particular importance. This is acknowledged in the Solvency II Directive and also expressed by other initiatives at EU level that aim to improve gender diversity⁵.
4. These Guidelines are addressed to competent authorities.
5. For the purpose of these Guidelines, the following definition has been developed:
 - Diversity means the situation whereby the characteristics of the members of the AMSB, including their educational and professional background, gender, age and geographical provenance, are different to an extent that allows a variety of views within the AMSB.
6. If not defined in these Guidelines, the terms have the meaning defined in the legal acts referred to in the introduction.
7. The Guidelines apply to all undertakings, regardless of their governance structures (unitary board, dual board or other structures), without advocating or preferring any specific structure.
8. The Guidelines apply to both individual undertakings and *mutatis mutandis* to groups⁶.
9. The Guidelines aim at ensuring cross-sectoral consistency with the diversity framework of other financial sectors. Therefore, these Guidelines are aligned to the extent possible with Title V (“Diversity within the management body”) of the joint ESMA and EBA Guidelines on the

³ Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pension Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC (OJ L 331, 15.12.2010, p. 48).

⁴ Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), (OJ L 335, 17.12.2009, p. 1).

⁵ [Gender equality - European Commission \(europa.eu\)](http://europa.eu)

⁶ Article 212(1) Directive 2009/138/EC.

assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU⁷.

10. The Guidelines shall apply from DayMonthYear.

Guideline 1 – Proportionality

11. Undertakings should take into account the nature, scale and complexity of their operations when developing and implementing a policy promoting diversity in the AMSB and the processes referred to in these Guidelines. This should not result in an exemption from the requirement to put in place a policy promoting diversity in the AMSB and to set quantitative objectives as required by Article 41(1) of the Solvency II Directive.

Guideline 2 – Diversity policy

12. In accordance with Article 41(1) of the Solvency II Directive all undertakings should develop and implement a policy promoting diversity, including gender balance, in the AMSB to promote a diverse composition of members. It should aim to provide a broad set of qualities and competences both when recruiting members of the AMSB and on an ongoing basis to achieve a variety of views and experiences and to facilitate independent opinions and sound decision-making within the AMSB.

Guideline 3 – Diversity aspects

13. The diversity policy should at least refer to the following diversity aspects: educational and professional background, gender, age and, in particular for undertakings that are active internationally, geographical provenance, unless the inclusion of geographical provenance is unlawful under national law.

Guideline 4 – Quantitative objectives related to gender-balance

14. Undertakings should aim at an appropriate gender-balance within the AMSB and ensure that the principle of equal opportunities is respected when selecting its members.

15. Undertakings should specify an appropriate timeframe within which the individual quantitative objectives related to gender-balance in the AMSB should be met and how it will be met. The quantitative objectives should be defined for the AMSB as a whole. Where relevant the diversity policy should ensure that the AMSB in its management function and in its supervisory function have each an appropriate gender balance. In particular, where the AMSB in its management function and its supervisory function have each at least four members, separate quantitative objectives for each function should be set.

16. Where undertakings fall short of complying with the quantitative objectives on gender-balance within the AMSB, they should inform the supervisory authority together with a plan on how to ensure compliance with those objectives.

⁷ ESMA35-36-2319 and EBA/GL/2021/06.

17. When setting quantitative objectives on gender-balance, undertakings should consider diversity benchmarking results published by supervisory authorities or other relevant international bodies or organisations.

Guideline 5 – Employee representation

18. The diversity policy may include employee representation within the AMSB in order to add day-to-day practical knowledge and experience of the internal workings of the undertaking and to ensure that the interests of staff are taken into account.
19. Having employee representatives, where required under national law, of the under-represented gender alone is not sufficient to ensure that the AMSB has an appropriate gender balance.

Guideline 6 – Frequency of review and documentation

20. As part of the regular review of the adequacy of the composition, effectiveness and internal governance of the AMSB, undertakings should document annually their compliance with the objectives set in their diversity policy. In the event that any diversity objectives have not been met, the undertaking should document the reasons why, the measures to be taken and the respective timeframe, in order to ensure that the diversity objectives will be met.

Guideline 7 – Diversity policy for staff

21. In order to facilitate an appropriately diverse pool of candidates for the positions of AMSB members, undertakings should implement a diversity policy for staff, including career planning aspects and measures to ensure equal treatment and opportunities for staff of different gender. Such measures should include that the aspect of appropriate gender-balance is also taken into account when selecting staff for management positions or when providing management training. Where the undertaking establishes a nomination committee, its composition should, where possible, be gender balanced.

Guideline 8 – Discrimination

22. In order to support a diverse composition of the AMSB, undertakings should have policies that ensure that there is no discrimination based on gender, race, colour, ethnic or social origin, genetic features, religion or belief, membership of a national minority, property, birth, disability, age, or sexual orientation.

COMPLIANCE AND REPORTING RULES

23. This document contains Guidelines issued under Article 16 of Regulation (EU) No 1094/2010. In accordance with Article 16(3) of that Regulation, competent authorities and financial institutions are required to make every effort to comply with guidelines and recommendations.
24. Competent authorities that comply or intend to comply with these Guidelines should incorporate them into their regulatory or supervisory framework in an appropriate manner.
25. Competent authorities are to confirm to EIOPA whether they comply or intend to comply with these Guidelines, with reasons for non-compliance, within two months after the issuance of the translated versions.

26. In the absence of a response by this deadline, competent authorities will be considered as non-compliant to the reporting and reported as such.

FINAL PROVISION ON REVIEWS

27. These Guidelines will be subject to a review by EIOPA.

2. EXPLANATORY TEXT

GUIDELINE 1 – PROPORTIONALITY

Undertakings should take into account the nature, scale and complexity of their operations when developing and implementing the policy and the processes referred to in these Guidelines. This should not result in an exemption from the requirement to put in place a policy promoting diversity in the AMSB and to set quantitative objectives as required by Article 41(1) of the Solvency II Directive.

The proportionality principle aims to ensure that governance arrangements are consistent with the individual risk profile and business model of the undertaking and take into account the individual position for which an assessment is made so that the objectives of the regulatory requirements are effectively achieved. In particular, the application of the proportionality principle should lead undertakings with smaller and less complex operations to implement simpler policies and processes.

For the purpose of applying the principle of proportionality and in order to ensure the appropriate implementation of the governance requirements of the Solvency II Directive which the Guidelines further specify, the following criteria may be taken into account by undertakings and supervisory authorities:

- a. the size of the undertakings in terms of gross technical provisions for life insurance activities and gross written premiums for non-life insurance activities;
- b. the legal form of the undertaking, including whether or not the undertaking is part of a group and, if so, the proportionality assessment for the group;
- c. whether the undertaking is listed or not;
- d. the geographical presence of the undertaking and the size of the operations in each jurisdiction;
- e. the undertaking's organisational structure and the number of members of the AMSB.

ANNEX I: IMPACT ASSESSMENT

OBJECTIVES

In drafting these guidelines, EIOPA sticks to the general objectives of the Solvency II Directive, as agreed by the legislators in 2009. These general objectives are:

- adequate protection of policyholders and beneficiaries, being the main objective of supervision;
- financial stability;
- proper functioning of the internal market.

In view of the specific purpose of these guidelines, the following more specific objectives were identified:

- Ensuring a level playing field through sufficiently harmonised rules;
- Enhance cross-sectoral consistency.

POLICY ISSUES

POLICY ISSUE A: APPROACH TO THE GUIDELINES

Revised Article 41(1) of the Solvency II Directive introduces the requirement for insurance and reinsurance undertakings to put in place a policy promoting diversity in the AMSB, including setting individual quantitative objectives related to gender-balance. This policy issue considers the possibility for having more precision only on the definition of the notion of diversity or the need to provide more guidance and requirements on diversity in order to promote gender-balance and enhance cross-sectoral consistency.

POLICY OPTIONS

As a benchmark against which the policy options are assessed a “no change” option is introduced.

POLICY ISSUE A: APPROACH TO THE GUIDELINES

Policy option A.0: No change

This option means that there are no guidelines on the notion of diversity for the selection of AMSB members. It is a hypothetical baseline that is only introduced as a benchmark against which the impact of the other policy options is compared.

As required in Article 41(1) of the Solvency II Directive, insurance and reinsurance undertakings shall put in place a policy promoting diversity in the AMSB, including setting individual quantitative

objectives related to gender-balance without any further guidance. This option is not considered as a viable option given the specific mandate given to EIOPA in Article 41 of the Solvency II Directive.

Policy option A.1: Restrict guidance to the definition of diversity

In policy option A.1, the guidelines include only the definition of diversity as currently stated in paragraph 1.3. Within this policy option, while the mandate is respected given more explanations of the notion of diversity to be taken into account for the selection of members of the AMSB, there is a lack of further guidance to enhance diversity and a missed opportunity to reduce the gap with the other financial sectors.

Policy option A.2: Provide further guidance on the application of the Directive provision

In policy option A.2, in addition to the definition of the notion of diversity in the introductory part, the guidelines provide further requirements in order to promote and ensure gender-balance within the management of insurance and reinsurance undertakings. Several reports⁸ show an insufficient representation of under-represented genders in the financial sector including the insurance one. Therefore, it is appropriate to set out additional expectations regarding measures that should be taken by undertakings to enhance more balanced representation.

In addition to promoting and ensuring risk management, there is the need to ensure consistency between the regulation of the insurance sector and other financial sectors and thereby to reduce regulatory gaps. Not reducing this gap may result to disparities between the insurance sector and the other financial sectors to the disadvantage of the insurance sector.

IMPACT OF THE POLICY OPTIONS

POLICY ISSUE A: APPROACH TO THE GUIDELINES

Policy option A.0: No change

There are no guidelines on the notion of diversity for the selection of members of the AMSB.

Policy option A.0		
Costs	Policyholders	No material cost
	Industry	Different understanding and supervisory practices across jurisdictions
	Supervisors	Different understanding and supervisory practices across jurisdictions

⁸ [Quaderno n. 22 EN.pdf \(ivass.it\)](#), [Report on the benchmarking of diversity practices.pdf \(europa.eu\)](#), [Thematic Assessment of Diversity and Inclusion in Insurance firms \(centralbank.ie\)](#) and [2023 Demographics of the Financial Sector Report \(centralbank.ie\)](#).

	Other	N/A
Benefits	Policyholders	No material benefits
	Industry	No benefit as there will be uncertainties
	Supervisors	No benefit as there will be uncertainties
	Other	N/A

Policy option A.1: Restrict guidance to the definition of diversity

The guidelines provide a definition of the notion of diversity to take into account when selecting members of the AMSB.

Policy option A.1		
Costs	Policyholders	No material cost
	Industry	No material cost as the requirement is introduced in the Directive
	Supervisors	No material cost as the requirement is introduced in the Directive
	Other	N/A
Benefits	Policyholders	No material benefit
	Industry	Better understanding
	Supervisors	Harmonised supervisory practices across jurisdictions
	Other	N/A

Policy option A.2: Provide further guidance on the application of the Directive provision

The guidelines provide further requirements in order to promote diversity and ensure cross-sectoral consistency with other financial sectors.

Policy option A.2		
Costs	Policyholders	No material cost
	Industry	No material cost as the industry will in any case have a diversity policy
	Supervisors	No material cost
	Other	N/A
Benefits	Policyholders	Better protection of the policyholder thanks to better risk management

	Industry	Harmonised practices between undertakings, better risk management and inclusion of diversity aspects
	Supervisors	Harmonised supervisory practices across jurisdictions
	Other	N/A

COMPARISON OF POLICY OPTIONS

POLICY ISSUE A

The effectiveness and efficiency of the different policy options are compared in the following tables.

EFFECTIVENESS (0,+,,++)		
	Ensuring a level playing field through sufficiently harmonised rules	Enhance cross-sectoral consistency
Policy option A.0	0	0
Policy option A.1	+	0
Policy option A.2	++	++

EFFICIENCY (0,+,,++)		
	Ensuring a level playing field through sufficiently harmonised rules	Enhance cross-sectoral consistency
Policy option A.0	0	0
Policy option A.1	++	+
Policy option A.2	++	++

PREFERRED OPTION

Policy option A.2, compared to policy option A.1, will provide further guidance in order to promote diversity within the AMSB of the insurance and reinsurance undertakings and improve diversity policies. This also intends to result to more diverse and gender balanced AMSB. Moreover, policy option A.2 will allow more harmonised supervisory practices across jurisdictions. Finally, policy option A.2 will enhance cross-sectoral consistency due to alignment with the joint ESMA-EBA guidelines section on diversity within management bodies.

In conclusion, while there are some costs to implement such measures, they are expected to be limited and not to be caused by the Guidelines as such, but by the general legal framework established in the revision of the Solvency II Directive. Policy option A.2 will allow better understanding of the notion of

diversity both for supervisors and undertakings as well as improve the alignment cross-sectoral. Therefore policy option A.2 is the preferred policy option.

Privacy statement related to Public (online) Consultations

Introduction

1. **EIOPA, as a European Authority, is committed to protect individuals with regard to the processing of their personal data in accordance with Regulation (EU) No 2018/1725 (further referred as the Regulation).⁹**

Controller of the data processing

2. **The controller responsible for processing your data is EIOPA's Executive Director.**
Address and email address of the controller:
3. **Westhafenplatz 1, 60327 Frankfurt am Main, Germany**
fausto.parente@eiopa.europa.eu

Contact details of EIOPA's Data Protection Officer

4. **Westhafenplatz 1, 60327 Frankfurt am Main, Germany**
dpo@eiopa.europa.eu

Purpose of processing your personal data

5. The purpose of processing personal data is to manage public consultations EIOPA launches and facilitate further communication with participating stakeholders (in particular when clarifications are needed on the information supplied).
6. Your data will not be used for any purposes other than the performance of the activities specified above. Otherwise you will be informed accordingly.

Legal basis of the processing and/or contractual or other obligation imposing it

7. **EIOPA Regulation, and more precisely Article 10, 15 and 16 thereof.**
8. EIOPA's Public Statement on Public Consultations.

Personal data collected

⁹ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC.

9. The personal data processed might include:

- Personal details (e.g. name, email address, phone number);
- Employment details.

Recipients of your personal data

10. The personal data collected are disclosed to designated EIOPA staff members.

Transfer of personal data to a third country or international organisation

11. No personal data will be transferred to a third country or international organization.

Retention period

12. Personal data collected are kept until the finalisation of the project the public consultation relates to.

Profiling

13. No decision is taken in the context of this processing operation solely on the basis of automated means.

Your rights

14. You have the right to access your personal data, receive a copy of them in a structured and machine-readable format or have them directly transmitted to another controller, as well as request their rectification or update in case they are not accurate.
15. You have the right to request the erasure of your personal data, as well as object to or obtain the restriction of their processing.
16. For the protection of your privacy and security, every reasonable step shall be taken to ensure that your identity is verified before granting access, or rectification, or deletion.
17. Should you wish to access/rectify/delete your personal data, or receive a copy of them/have it transmitted to another controller, or object to/restrict their processing, please contact [legal@eiopa.europa.eu]
18. Any complaint concerning the processing of your personal data can be addressed to EIOPA's Data Protection Officer (DPO@eiopa.europa.eu). Alternatively you can also have at any time recourse to the European Data Protection Supervisor (www.edps.europa.eu).