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FINAL REPORT

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

EIOPA-BoS-25/392
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eiopa

European Insurance and
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EXECUTIVE SUMMARY

1. INTRODUCTION

On 4 December 2024, EIOPA launched a public consultation on Guidelines on the notion of diversity for the selection of the members of the administrative, management or supervisory body. This final report sets out the final text of the Guidelines including a feedback statement on the public consultation.

2. CONTENT

These Guidelines are developed in the context of the review of Directive 2009/138/EC (Solvency II Directive)¹. The amended Article 41(1) of that Directive requires undertakings to put in place a policy promoting diversity in the administrative, management or supervisory body (AMSB), 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 AMSB. The Guidelines provide further guidance to promote diversity within the AMSB of insurance and reinsurance undertakings and to improve diversity policies. The Guidelines will allow more harmonised supervisory practices across jurisdictions and enhance cross-sectoral consistency due to alignment with the joint ESMA-EBA Guidelines on diversity within management bodies.

3. PUBLIC CONSULTATION

EIOPA conducted a public consultation on the Guidelines between 4 December 2024 and 26 February 2025. A stakeholder event was held on 14 February 2024 to discuss the consultation paper. Five stakeholders provided feedback on the consultation paper. Based on the stakeholder feedback, the Guidelines were refined, without changing the general approach set out in the consultation paper. To reduce the reporting burden, the guideline to report to supervisors when undertakings fall short of complying with the quantitative objectives was deleted.

4. NEXT STEPS

The Guidelines will be applicable from 30 January 2027.

¹ 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).

GUIDELINES ON THE NOTION OF DIVERSITY FOR THE SELECTION OF MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODY

INTRODUCTION

1. In accordance with Article 16 of Regulation (EU) No 1094/2010 (EIOPA Regulation)² and with Article 41(1) of Directive 2009/138/EC (Solvency II Directive)³, EIOPA issues these 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 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 aspects such 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 in other initiatives at EU level that aim to improve gender diversity⁴.
4. These Guidelines are addressed to the competent authorities, as defined in Article 4(2) of Regulation (EU) No 1094/2010.
5. For the purpose of these Guidelines, the following definitions have 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 groups⁵.
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

² 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).

³ 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).

⁴ [Gender equality - European Commission \(europa.eu\)](http://ec.europa.eu/gender/equality/)

⁵ Article 212(1) Directive 2009/138/EC.

(“Diversity within the management body”) of the joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU⁶.

10. The Guidelines shall apply from 30 January 2027.

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 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 refer at least 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 they will be met. Where relevant, the diversity policy should ensure that the AMSB in its management function and in its supervisory function each have an appropriate gender-balance. Without prejudice to the applicable rules of national law, the quantitative objectives may be defined for the AMSB as a whole.

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

⁶ ESMA35-36-2319 and EBA/GL/2021/06.

GUIDELINE 5 – EMPLOYEE REPRESENTATION

17. The diversity policy may envisage 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.
18. Having employee representatives, where required under national law, of an under-represented gender alone is not sufficient to ensure that the AMSB has an appropriate gender-balance.

GUIDELINE 6 – FREQUENCY OF REVIEW AND DOCUMENTATION

19. Undertakings should document annually their compliance with the objectives set in their diversity policy. In the event that any diversity objectives, including the quantitative objectives related to gender-balance, have not been met, undertakings should document the reasons, 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

20. 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 – ANTI-DISCRIMINATION

21. 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

22. 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.
23. Competent authorities that comply or intend to comply with these Guidelines should incorporate them into their regulatory or supervisory framework in an appropriate manner.
24. 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.
25. 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

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

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 achieved effectively and efficiently. 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:

- ▶ the size of the undertakings in terms of gross technical provisions for life insurance activities and gross written premiums for non-life insurance activities;
- ▶ 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;
- ▶ whether the undertaking is listed or not;
- ▶ the geographical presence of the undertaking and the size of the operations in each jurisdiction;
- ▶ the undertaking's organisational structure and the number of members of the AMSB.

ANNEX I: IMPACT ASSESSMENT

OBJECTIVES

In drafting these Guidelines, EIOPA adheres 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: 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: APPROACH TO THE GUIDELINES

Policy option 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 1: Restrict guidance to the definition of diversity

In policy option 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 2: Provide further guidance on the application of the Directive provision

In policy option 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 reports⁷ 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: APPROACH TO THE GUIDELINES

Policy option 0: No change

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

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

⁷ [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 material benefits
	Supervisors	No material benefits
	Other	N/A

Policy option 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 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 the undertakings
	Other	N/A

Policy option 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 2		
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	Better protection of the policyholder due to better risk management

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

COMPARISON OF POLICY OPTIONS

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 0	0	0
Policy option 1	+	0
Policy option 2	++	++

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

PREFERRED OPTION

Policy option 2, compared to policy option 1, will provide further guidance in order to promote diversity within the AMSB of the insurance and reinsurance undertakings and improve diversity policies. That guidance also contributes to more diverse and gender-balanced AMSB. Moreover, policy option 2 will better achieve harmonised supervisory practices across jurisdictions by providing a better understanding of the notion of diversity. Finally, policy option 2 will enhance cross-sectoral consistency due to alignment with the joint ESMA-EBA Guidelines on diversity within management bodies. Therefore, policy option 2 is the preferred policy option.

ANNEX II: FEEDBACK STATEMENT

This feedback statement sets out a high-level summary of the consultation comments received and EIOPA's assessment of them. The full list of all the non-confidential comments provided can be found on EIOPA's website.

EIOPA received comments from 5 stakeholders, mainly insurance industry and associations. EIOPA's Insurance and Reinsurance Stakeholder Group was consulted and did not provide any comments.

As part of the consultation EIOPA held a workshop with stakeholders to discuss the Guidelines on 14 February 2025.

EIOPA would like to express its appreciation for the feedback of the stakeholders during the preparation of the Guidelines.

PROPORTIONALITY

Stakeholder comments

Some stakeholders comment that the Guidelines would benefit from concrete examples of proportionality measures.

Assessment

In response to these comments, no change was made to the Guidelines. There are many dimensions to consider on proportionality. We prefer keeping a principle-based approach and not to restrict any application of proportionality in the Guidelines, thus giving flexibility to insurance and reinsurance undertakings. However, we refer to the explanatory text that includes considerations on how to apply the proportionality principle in practice.

ALIGNMENT AND OVERLAP WITH OTHER FRAMEWORKS

Stakeholder comments

Stakeholders comment that the Guidelines should not overlap or duplicate other legislative framework such as the Corporate Sustainability Reporting Directive⁸ and the Directive on improving the gender balance among directors of listed companies⁹ as well as they should not go beyond them.

Moreover, stakeholders mention that the Guidelines should be aligned and ensure consistency with other frameworks such as the EU Platform of Diversity Charters¹⁰.

⁸ [Directive - 2022/2464 - EN - CSRD Directive - EUR-Lex](#)

⁹ [Directive - 2022/2381 - EN - EUR-Lex](#)

¹⁰ [EU Platform of Diversity Charters | Promoting Diversity Across Europe](#)

Assessment

In response to these comments, no change was made to the Guidelines. Other legal frameworks such as the Corporate Sustainability Reporting Directive or the Directive on improving the gender balance among directors of listed companies are not applicable to all insurance and reinsurance undertakings. Therefore, overlap with those legal frameworks is unavoidable when providing guidance for all insurance and reinsurance undertakings. Moreover, we do not see any contradictions between the application of the Guidelines and the aforementioned legal frameworks. As to the concern of stakeholders that the Guidelines go beyond those legal frameworks, we note the benefits of contributing to consistent application of the diversity requirement across jurisdictions and cross-sectoral consistency.

Finally, we note that the EU Platform of Diversity Charters is not a legal framework but a platform to exchange national best practices on diversity of public and private organisations. While it is relevant to consider the best practice, consistency with it cannot take precedence over consistency with legal frameworks.

THE GUIDELINES GO BEYOND THE SCOPE OF THE MANDATE

Stakeholder comments

Some stakeholders comment that Guidelines 7 on policy diversity for staff and Guideline 8 on anti-discrimination go beyond the scope of the EIOPA mandate.

Assessment

In response to these comments, no change was made to the Guidelines. In accordance with Article 16 of the EIOPA Regulation (EU) No 1094/2010, EIOPA can issue guidelines in order to ensure common, uniform and consistent application of Union law within its scope of action and effective supervisory practices within the ESFS. We believe Guidelines 7 and 8 are important topics to promote diversity and aim at aligning with the joint ESMA-EBA Guidelines.

REPORTING BURDEN

Stakeholder comments

Some stakeholders comment that the requirement to inform supervisory authorities of failures to meet gender-balance objectives should be deleted in order to prevent unnecessary regulatory overlap and ensure that undertakings remain incentivised to set ambitious diversity targets.

Assessment

The obligation to report to supervisors when undertakings fall short of complying with the quantitative objectives was deleted. The deletion will reduce the reporting burden of the diversity requirement. Supervisory authorities can effectively assess the application of the diversity policy as part of their supervisory review process even if there is no annual reporting on meeting the gender-balance objectives.