

## Insurance Europe response on guidelines regarding the notion of diversity for the selection of the members of the AMSB

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### Introduction

#### Q1. Do you have general comments on the consultation document?

The insurance industry is fully committed to promoting diversity and supports the objective of fostering diverse and well-balanced administrative, management and supervisory body (AMSB), recognising that a variety of perspectives contributes to better decision-making and stronger corporate governance.

Against this background, Insurance Europe appreciates EIOPA's efforts to clarify the notion of diversity for selecting members of the AMSB. The industry welcomes the opportunity to provide feedback on the proposals and **would like to highlight the following key considerations:**

- Proportionality and feasibility of diversity requirements:
  - There is a general concern that there may be challenges **to assemble effective boards** when balancing **professional competencies** (risk, investment, climate, IT, customer service, etc.), **diversity of perspectives** (including cognitive differences), **socio-demographic diversity** (gender, age, etc.) and **board size limitations**.
  - Therefore, it is important that companies retain flexibility to **balance diversity with fit and proper requirements** and while ensuring the right mix of skills (risk, investment, IT, customer service, etc.). Additionally, **the guidelines should make clear that socio-demographic diversity does not take precedence over professional expertise and good reputation**.
- Importance of alignment with existing regulations/guidelines:
  - Diversity in senior management is already/will be addressed under various frameworks such as the **Gender Balance Act** and Corporate Sustainability Reporting Directive (**CSRD**). Alignment with these frameworks to avoid duplication or discrepancies is important.
  - There needs to be consistency with existing national legislation/regulation. For instance, there are fit and proper legislations/regulations at national level for the insurance industry, with very specific and detailed provisions. A thorough mapping of all the existing national

legislations/regulations, including the fit and proper requirements, is needed to ensure full consistency of the EIOPA proposed guidelines with the national provisions already in place.

- **The industry requests the deletion of the requirement to inform supervisory authorities of failures to meet gender-balance objectives** (Paragraph 16) to maintain cross-sectoral consistency (with European Securities and Markets Authority/ European Banking Authority guidelines), prevent unnecessary regulatory overlap, and ensure that undertakings remain incentivised to set ambitious diversity targets.
- Despite broad industry support, in principle, for non-discrimination, the **extension to anti-discrimination** lacks a clear legal basis in the **revised Solvency II Directive**.
- The requirement for a staff-wide diversity policy seems beyond EIOPA's mandate in terms of scope.
- Consistency with existing definitions of diversity:
  - Harmonisation across EU diversity frameworks would **improve consistency**.
  - Alignment would be desirable between this consultation document and other DEI frameworks, such as the **EU Platform for Diversity Charters ([here](#))** and the **Polish Diversity Charter ([here](#))**, which take a broader approach to diversity.
- Considerations regarding age as a diversity criterion:
  - Considering age as a diversity factor may unintentionally introduce age bias, which does not align with the principle of non-discrimination.
  - Current best practices focus on selecting candidates based on skills, expertise, and competencies rather than age, promoting an inclusive and merit-based approach.

**Q2. Do you have comments on Section 'Consultation paper overview and next steps'?**

Yes

- It would be helpful for the industry to have more clarity on the next steps – specifically, when the final guidelines will be published and take effect, and whether a resolution of comments will be available.

**Q3. Do you have comments on Subsection 'Introduction'?**

- Ad. 2 – A clearer definition of "adequate consideration of inclusion" would be helpful, in particular for the concept "adequate".
- Harmonisation across EU diversity frameworks is beneficial, as in Ad. 5. There appears to be a lack of alignment between this consultation document and other DEI frameworks, such as the EU Platform for Diversity Charters ([here](#)).
- The guidelines should only be applicable to appointments of AMSB members made **after the date of application**, ie 30 January 2027.

**Q4. Do you have comments on 'Guideline 1 - Proportionality'?**

While the industry welcomes the emphasis on proportionality in the first Guideline, the following is noted:

- While proportionality should not exempt insurers from having a diversity policy, it would be helpful if the Guideline included examples of proportionality measures for smaller insurers with less complex operations.
- There does not appear to be an exception for intra-group subsidiaries, meaning even small subsidiaries must have a formally diverse management, regardless of whether all key decisions are made at the parent company level. Subsidiaries should be able to rely on group-level diversity policies rather than separate formal requirements.
- Labour-market-based appointments (eg board members appointed by social partners) and mutuals (elected by members) should be considered under proportionality.

**Q5. Do you have comments on 'Guideline 2 - Diversity policy'?**

While the industry agrees that a diverse composition of the AMSB can contribute to better decision making, it is important that companies retain flexibility to balance diversity with fit and proper requirements and ensuring the right mix of skills (risk, investment, IT, customer service, etc.). Additionally, the guidelines should make

clear that socio-demographic diversity does not take precedence over professional expertise and good reputation.

**Exemption of subsidiaries:**

- The Guideline should clarify that a group-level policy should exempt subsidiaries of the group from having separate policies.

**Integration into existing policies:**

- The Guideline should clarify that the required diversity policy does not need to be a stand-alone policy.
- Undertakings should have the flexibility to integrate it into existing governance policies in a manner deemed appropriate by the company.
- It should also be explicitly stated that the diversity policy's objectives must align with – and not exceed – the objectives and requirements of the CSRD on diversity.

**Q6. Do you have comments on 'Guideline 3 - Diversity aspects'?**

The industry proposes that Guideline 3 clarifies that:

- the minimum set of diversity aspects should be considered proportionately to the undertaking's structure and business model; and
- for **geographical provenance**, undertakings with subsidiaries **only in one EU member state** should not be **required** to have AMSB members from **different continents**, as this would be **disproportionate**.

**Q7. Do you have comments on 'Guideline 4 - Quantitative objectives related to gender-balance'?**

- Exemption for:
  - Listed Insurers:
    - Listed insurers** should be **exempt** from this Guideline, as they are already subject to **national requirements** implementing **Directive (EU) 2022/2381** on gender balance or **equally effective national legislation** (eg Germany).
  - Companies in compliance with national requirements, which should be sufficient (eg Gender Balance Act)
- **Ad 14** – Please provide a definition of "**appropriate gender balance**". It should be clarified whether each company can **define "appropriate" on its own**, or whether there will be predefined thresholds.
- **Ad 16 Clarification on NSA Approval:**
  - The draft Guidelines aim to ensure **cross-sectoral consistency** with the diversity framework of other financial sectors and align, to the extent possible, with the **joint ESMA and EBA Guidelines** (EBA/GL/2021/06). However, unlike these guidelines, the draft Guidelines introduce an **obligation to inform the supervisory authority** of failures to meet quantitative gender-balance targets (Paragraph 16). This represents a **deviation** from the equivalent diversity framework and imposes **additional requirements** on undertakings that already comply at the **group level** under Article 212(1) of Directive 2009/138/EC.

Against this background, the industry **proposes deleting the requirement to inform the supervisory authority of failures to comply with the objectives on gender-balance set out in Paragraph 16**, for the following reasons:

- Cross-sectoral uniformity is essential to reduce regulatory overlaps, particularly for financial conglomerates and groups.
- The purpose of the diversity framework is to encourage undertakings to set ambitious gender-balance objectives. The obligation to inform supervisory

authorities of non-compliance may disincentivise undertakings from setting such targets.

Monitoring compliance and preparing a remedial plan should be sufficient, ensuring alignment with sector-specific diversity requirements while supporting effective governance.

- If EIOPA would maintain the requirement to report to the supervisory authority, it should be specified:
  - **Which supervisory authorities and relevant international bodies** are referred to in this section. Clarity is needed to ensure alignment with expectations.
  - When do undertakings need to inform the supervisory authority, and how often? And how does this relate to the documentation obligations set out in Guideline 6 (ie reasons of non-compliance, measures and timeframe).
  - For example, if a company sets a **gender balance target for 2040** (eg X% women in the supervisory board by 2040), would it be **sufficient to report this only a year before** the target year?
- **Deletion of Paragraph 17:**
  - Benchmarks published by supervisory authorities or international bodies should not be mandatory. Assuming these benchmarks shall serve as a guidance for the undertakings (which remain responsible to define appropriateness).

**Q8.** *Do you have comments on 'Guideline 5 - Employee representation'?*

- Employee representation:
  - It is **unclear** whether this Guideline **imposes new requirements** on employee representation.
  - **Employees should be free to choose their representatives**, and companies **should not be responsible** for ensuring diversity among elected representatives.
  - Any **interference in the selection process** would be **impractical** and could undermine employee autonomy.
- Specific comments:
  - **It is noted that AMSB members already represent employee interests**, regardless of whether an **employee representative is formally included**.
  - Could EIOPA clarify how diversity in employee representation can be measured? If it can be measured, the **Guideline should specify** the **steps supervisors will take** to monitor compliance.

**Q9.** *Do you have comments on 'Guideline 6 - Frequency of review and documentation'?*

- The term "annually" should be reconsidered. While regular reviews are important, the industry believes that the diversity policy may not require the same frequency of review as policies on risk management, internal control, internal audit, remuneration, and outsourcing, which are subject to annual updates. A more flexible approach would allow undertakings to align reviews with their specific governance needs.

**Q10.** *Do you have comments on 'Guideline 7 - Diversity policy for staff'?*

- Guideline 7 should be deleted as Article 41 (1) mandates EIOPA to issue Guidelines on diversity aspects for the composition of the AMSB. Extending the policy implementation requirement to include a dedicated staff diversity policy appears to go beyond EIOPA's mandate.
- In the industry's view, NSAs might give an expanded interpretation to the term "staff", and create obligations on contractors, secondees, and consultants. This interpretation might create an unreasonable burden on insurance undertakings by requiring them, for example, to arrange career planning for contractors or other non-employees; obligations that may also be infeasible for them to fulfil.

- If retained, the scope of this diversity policy should be clearly defined with a view to the pool of staff members considered for future ASMB roles, as usually not all employees are considered for ASMB roles.

**Q11. Do you have comments on 'Guideline 8 – Discrimination'?**

- The insurance industry is firmly committed to upholding the principle of non-discrimination. However, this commitment should not be transformed into an exhaustive list of assessment criteria.
- **Guideline 8 should be deleted** or, at a minimum, insurers subject to equivalent national anti-discrimination laws should be exempt.
  - EU legislation already provides strong anti-discrimination protections, which have been transposed into national laws, such as Germany's General Equal Treatment Act (AGG).
  - In jurisdictions with existing robust legal frameworks, additional EIOPA requirements would be redundant and could lead to duplicative obligations.
- **Key concerns:**
  - **Integration into existing policies:** If implemented, Guideline 8 should clarify that an anti-discrimination policy does not need to be a stand-alone policy but can be integrated into existing governance policies at the company's discretion. The listed attributes should serve as illustrative examples, not an exhaustive checklist for AMSB selection.
  - **Scope & ambiguity:** The provision is formulated very broadly, making it unclear whether anti-discrimination policies apply only to the AMSB or to the entire company. Some criteria, such as "property" and "birth", are vague and difficult to interpret in this context. Clarification is needed.

**Q12. Do you have comments on Subsection 'Compliance and reporting rules'?**

- Could EIOPA be more specific on the relevant "competent authorities".

**Q13. Do you have comments on Subsection 'Final provision on reviews'?**

N/A

**Q14. Do you have any other comments on Section '1. Guidelines'?**

N/A

**Q15. Do you have comments on Section '2. Explanatory text'?**

- It would be beneficial if the document would be more specific on what basis the principle of proportionality can be applied. In particular, clarification is needed on how the criteria in points (a), (b), (c), (d), and (e) should be applied in practice, as they are currently too general.

**Q16. Do you have comments on the impact assessment in Annex I?**

N/A

**Q17. Do you have any other comments?**

N/A

Insurance Europe is the European insurance and reinsurance federation. Through its 39 member bodies — the national insurance associations — it represents insurance and reinsurance undertakings that account for around 95% of total European premium income.