

New Diversity Requirements for the Boards of (Re)insurers

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Executive Summary

- **What's new:** On 14 October 2025, the European Insurance and Occupational Pensions Authority (EIOPA) published guidelines regarding diversity in the selection of members of administrative, management or supervisory bodies (AMSB) in insurance and reinsurance undertakings (Guidelines).
- **Why it matters:** EIOPA's issuance of the Guidelines fulfills its mandate under Solvency II (as amended). The approach also seeks to bring the insurance sector into closer alignment with the diversity frameworks established in other areas of the financial sector.
- **What to do next:** The guidelines will take effect starting 30 January 2027. Competent authorities are required to notify EIOPA by mid-December 2025 of their intention to comply.

Key Features of the Guidelines

The Guidelines aim to harmonize supervisory practices and enhance cross-sectoral consistency across the EU insurance sector regarding diversity within AMSB. The provisions are intended to expand the range of experience, knowledge, skills and values represented within the AMSB, thereby fostering a broader spectrum of perspectives and experiences, to in turn support independent thinking and robust decision-making within the AMSB of (re)insurers.

Through the issuance of the Guidelines, EIOPA fulfills its mandate under Solvency II (as amended) to define diversity and provide additional guidance aimed at enhancing diversity within the AMSB of (re)insurers and improving the effectiveness of diversity policies. The guidance establishes the following:

- **Definition:** Diversity is defined broadly to include educational and professional background, gender, age and geographical provenance, with a particular emphasis on gender balance.
- **Proportionality principle:** When developing and implementing diversity policies and quantitative objectives for gender balance, (re)insurers are expected to consider the nature, scale and complexity of their business.

This approach allows smaller or less complex organizations to adopt simpler policies and processes. However, this flexibility does not eliminate the requirement to put such policies and objectives in place. The principle of proportionality ensures that governance frameworks are appropriately aligned with each (re)insurer's risk profile and business model. Nevertheless, all (re)insurers remain responsible for meeting the fundamental regulatory standards relating to diversity and gender balance.

- **Diversity policy:** Each (re)insurers is required to establish and implement a comprehensive diversity policy for their AMSB to promote gender balance and support the development of a diverse membership composition within the AMSB. The policy should be designed to ensure that a broad spectrum of skills, experiences and

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perspectives are represented, both in the selection of new AMSB members and throughout their tenure. The policy:

- should address diversity factors such as educational and professional background, gender, age and, for internationally active (re)insurers, geographical provenance (where permissible under national law);
 - should set clear time frames and methods for achieving quantitative gender-balance objectives in the AMSB, taking into account diversity benchmarks from supervisory authorities or relevant international organizations; and
 - may also provide for employee representation on the AMSB to incorporate practical internal experience and staff interests.
- **Review:** (Re)insurers are required to document their annual compliance with the objectives outlined in their diversity policy. In instances where these objectives are not achieved, (re)insurers must record the reasons for noncompliance, specify the corrective actions to be taken and establish clear timelines for reaching compliance.

- **Staff diversity and antidiscrimination:** (Re)insurers are encouraged to also establish a diversity policy that ensures equal treatment and opportunities for employees of different genders. Such a policy should encompass career development initiatives and actively consider gender balance in both management appointments and training programs. In addition, (re)insurers should implement and uphold policies that clearly prohibit discrimination based on gender, race, color, ethnic or social origin, genetic characteristics, religion or belief, national minority status, property, birth, disability, age or sexual orientation.

Next Steps

Insurance and reinsurance undertakings should review and update their diversity policies and governance frameworks to ensure compliance with the new Guidelines by 30 January 2027. This includes setting and documenting quantitative gender-balance objectives, considering a broad range of diversity aspects and ensuring antidiscrimination measures are in place.