

# DFS Publishes Circular Letter Focused on Diversity

**March 18, 2021**

On March 16, 2021, the New York Department of Financial Services (the “DFS”) issued Circular Letter No. 5 (the “Circular Letter”) regarding diversity and corporate governance. The Circular Letter clarifies that DFS expects insurers to focus on building diverse leadership teams as a business priority and a critical component of their corporate governance.

According to the Circular Letter, DFS will initially focus on collecting data from New York-licensed insurers with more than \$100 million in annual New York premiums relating to the gender, racial and ethnic composition of their boards and management as of December 31, 2019 and 2020, including information about board tenure and key board and senior management roles. DFS intends to begin collecting this data in the summer of 2021 and plans to publish the results in the fall of 2021 on an aggregated, anonymized basis. Additionally, DFS is considering collecting similar, and potentially more granular, information going forward. Beginning in 2022, DFS expects to require insurers to answer questions relating to their diversity-related efforts as part of DFS’s examination process.

DFS plans to host a webinar focused on best practices in the diversity and inclusion space that will address specific issues that companies have encountered in their Diversity, Equity, and Inclusion efforts. There is currently no date set for the webinar. However, the Debevoise & Plimpton insurance team will be hosting a webinar this Friday, March 19, 2021, to discuss the Circular Letter and similarly related topics in the Environmental Social and Governance space. A link to the webinar may be found [here](#).

The Circular Letter may be viewed [here](#).

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