



2026 insurance M&A outlook: Eye on the ball

Expectations for Australia

Australia's insurance M&A market in 2025 was characterized by steady deal volume but smaller, more targeted transactions. Many buyers focused on strategic partnerships and selective bolt-on acquisitions over large-scale transactions, with activity concentrated in brokerage, managing general agents (MGAs), and specialty underwriting. Continued interest from offshore strategic and private equity investors supported deal flow, while climate-related losses, capital pressures, and regulatory complexity increasingly shaped transaction rationale and structure.

Looking ahead to 2026, several dynamics may influence both the pace and composition of insurance M&A activity.

1. Consolidation among smaller and subscale insurers may accelerate as climate and capital pressures persist

Rising climate-related losses and higher reinsurance costs could continue to strain smaller and specialty insurers, challenging profitability and capital adequacy. Larger, better-capitalized insurers may respond by pursuing acquisitions to build scale and diversify risk exposures. For example, Insurance Australia Group's May 2025 acquisition of RAC Insurance from the Royal Automobile Club of Western Australia allows IAG to consolidate local market share while improving scale and access to reinsurance in a catastrophe-exposed segment.¹ (Completion of this transaction remains subject to Australian Competition & Consumer Commission [ACCC] approval.)

2. MGAs, specialty underwriting agencies, and tech-enabled brokers will likely remain attractive targets

M&A activity may continue to favor businesses that offer underwriting expertise, scalable distribution, and technology-enabled capabilities without significant balance sheet risk. As insurers seek faster access to data and specialty underwriting skills, targeted acquisitions could take precedence over larger platform deals. United Risk Global's June 2025 acquisition of Pinnacle Underwriting highlights this trend, reflecting continued demand for specialist MGAs that can scale distribution and underwriting sophistication.²

3. Regulatory scrutiny may reshape deal structure and timing rather than suppress activity

The introduction of Australia's mandatory merger-control regime in 2026 could lengthen approval timelines for larger transactions and increase execution risk, particularly in concentrated markets. As a result, acquirers may favor smaller transactions, phased acquisitions, or partnership-based structures. The ACCC's detailed review of IAG's June 2025 acquisition of RAC WA—including the issuance of a statement of issues—illustrates how regulatory oversight is already influencing deal timing and structure.³

Taken together, these dynamics suggest that 2026 may be defined less by headline megadeals and more by targeted consolidation, capability-driven acquisitions, and more adaptive dealmaking across Australia's insurance sector.

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Expectations for Japan

Japan's insurance M&A market in 2025 remained consistent with recent years, led primarily by life insurers pursuing growth beyond a maturing domestic market. Activity was shaped by outbound transactions, minority investments, and diversification into asset management and non-insurance services. Rather than signaling a shift in deal volume, 2025 reinforced established strategic priorities that continue to guide how Japanese insurers deploy capital and position for long-term growth.

Looking ahead to 2026, several themes may influence the direction of insurance M&A activity in Japan.

1. Cross-border acquisitions may remain central to growth strategies

With domestic demographic pressures limiting organic expansion, Japanese insurers may continue to pursue acquisitions and minority investments overseas to access higher-growth markets. Transactions such as Meiji Yasuda Life's acquisition of Legal & General America⁴ and Sampo Holdings' purchase of Aspen Insurance⁵ illustrate how global scale and geographic diversification remain core objectives, a pattern that could persist in 2026.

2. Expansion into asset management and non-insurance services could accelerate

Rising interest rates and growing demand for investment solutions may encourage insurers to deepen asset management capabilities and broaden fee-based revenue streams. Deals like Dai-ichi Life's minority investment in M&G⁶ and Nippon Life's acquisition of Medical Data Vision⁷ highlight how insurers are extending beyond traditional underwriting, a strategy that may continue as firms seek more stable and capital-light growth.

3. Regulatory change may reshape capital deployment and agency consolidation

Evolving regulations, including requirements for non-life insurers to unwind cross-shareholdings, could release significant capital for reinvestment. At the same time, tighter oversight of agency businesses may prompt consolidation, influencing deal structure and timing.

Together, these dynamics may influence deal structures and priorities in 2026, with greater emphasis on disciplined execution and post-merger integration, particularly in non-insurance acquisitions.

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Expectations for Southeast Asia

Insurance M&A activity in Southeast Asia remained modest in 2025, with deal volumes below historical norms and well behind levels seen in other Asia Pacific markets. Macroeconomic uncertainty dampened momentum, and the absence of large, completed headline transactions reinforced a cautious backdrop. Still, cross-border interest and activity in adjacent financial services pointed to underlying strategic appetite, framing expectations for how insurance M&A in the region may evolve in 2026.

Looking ahead to 2026, several themes may influence the pace and composition of insurance M&A activity in Southeast Asia.

1. IFRS 17 implementation may become a catalyst for consolidation

The full transition to International Financial Reporting Standards (IFRS) 17 in 2026 could place significant strain on smaller and midsize insurers that may lack the capital, actuarial resources, or systems needed for compliance. Well-capitalized carriers with more advanced reporting and risk management capabilities may respond by pursuing acquisitions of firms struggling to meet the new requirements, particularly in developing ASEAN markets.

2. Private capital and Japanese insurers may play a larger role in deal activity

Global private equity firms and pension funds may continue to view Southeast Asia's fragmented insurance markets as an attractive entry point, especially in broking and group life. At the same time, Japanese insurers could remain active acquirers as they seek overseas growth to offset domestic demographic pressures, making local insurers with strong distribution or digital capabilities potential targets.

3. Digital capabilities and adjacent financial services may drive targeted acquisitions

Rising demand for digital distribution and embedded insurance products may encourage incumbents to acquire insurtech platforms, managing general agents, or technology-enabled distributors rather than build capabilities internally. As regulatory frameworks across ASEAN become more aligned, cross-border transactions aimed at scaling digital models could become more feasible, particularly where compliance costs favor larger platforms.

Taken together, these dynamics suggest that insurance M&A in Southeast Asia in 2026 may remain selective but increasingly strategic, with activity driven by regulatory change, inbound capital, and the need for scalable digital and distribution capabilities rather than a return to broad-based deal volume growth.

Endnotes

1. ASX, "[IAG enters strategic alliance with The Royal Automobile Club of Western Australia](#)," press release, May 15, 2025.
2. Applied Underwriters, "[United Risk completes acquisition of Pinnacle Underwriting based in Sydney, Australia expanding and strengthening operations in the Asia-Pacific and Middle East regions in key lines of business](#)," press release, June 18, 2025.
3. Australian Competition & Consumer Commission (ACCC), "[IAG Limited – RAC Insurance Pty Limited](#)," completed December 11, 2025.
4. Meiji Yasuda, "[Agreement to Enter into a Strategic Partnership with Legal and General Group plc, a major U.K. Financial Services Company, and Acquire U.S. Life Insurance Companies including Banner Life Insurance Company](#)," press release, February 7, 2025.
5. SOMPO Holdings, "[Agreement to Acquire Aspen Insurance Holdings Limited](#)," press release, August 27, 2025.
6. Dai-ichi Life, "[Dai-ichi Life HD and M&G establish long-term strategic partnership](#)," press release, May 30, 2025.
7. Medical Data Vision, "[Notice Concerning Commencement of Tender Offer by Nippon Life Insurance Company for Shares and Other Securities of Medical Data Vision Co., Ltd. \(Securities Code: 3902\)](#)," Financial Accounting Standards Foundation filing, December 15, 2025.

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