



Regulatory developments in the global insurance sector

Vol. 65 (November to December 2025)



Executive summary¹

| Region | No | Organisation(s) | Date | Regulatory developments |
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| Global | 1 | Financial Stability Board (FSB) | 25 November 2025 | <p>■ The FSB published its draft guidance on the scope of insurers subject to the recovery and resolution planning (RRP) requirements in the FSB Key Attributes. The draft guidance sets forth how authorities should identify insurers that should be subject to RRP requirements, which includes the following.</p> <ul style="list-style-type: none"> ➤ Existing Key Attributes standards: An insurer that could be systemically significant or critical upon failure, or could have an impact on financial stability in the event of its failure ('systemically significant or critical') ➤ Authority assessment: An insurer that is assessed as 'systemically significant or critical' by a resolution or supervisory authority ➤ Specific circumstances that should necessitate RRP requirements: An insurer that provides a critical function whose sudden failure would likely have a material impact on the financial system or the real economy |
| | 2 | International Association of Insurance Supervisors (IAIS) | 18 November 2025 | <p>■ The IAIS published its Issues Paper on structural shifts in the life insurance sector, which addresses two structural shifts: (i) global trends in life insurers' investment in alternative assets and (ii) rising adoption of asset-intensive reinsurance (AIR) in the life insurance sector.</p> <p>■ Supervisory concerns about these shifts expressed in the paper include the following.</p> <ul style="list-style-type: none"> ➤ Investment in alternative assets: Supervisory concerns include valuations, hidden leverage, liquidity risks, links to private equity firms and potential conflicts of interest, credit risk and credit ratings, etc. ➤ AIR: Concerns include motivation for AIR, increasing complexity of AIR arrangements, concentration risks, recapture risks, etc. |
| Europe | 3 | European Insurance and Occupational Pensions Authority (EIOPA) | 17 November 2025 | <p>■ The EIOPA published its final report on draft Regulatory Technical Standards (RTS) on liquidity risk management plans (LRMPs) under the Solvency II Review. Key requirements related to LRMPs include the following.</p> <ul style="list-style-type: none"> ➤ Scope: Groups with total assets that exceed EUR 20 billion, insurers with total assets that exceed RU 20 billion and others that have exposure to liquidity risk |

¹ Volumes 1 to 12 of the report 'Regulatory developments in the global insurance sector' are available only in Japanese. This executive summary is a summary of the Japanese version of the Volume 65 report. It is advised that you refer to the respective original materials for accurate information.

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| | | | | <ul style="list-style-type: none"> ➤ Content: The LRMPs shall include the information on overall assessment, assumptions underlying the projections, cash-flow projections, liquidity risk indicators, etc. ➤ Frequency of update of the LRMPs: At least annually |
| | 4 | European Insurance and Occupational Pensions Authority (EIOPA) | 17 November 2025 | <ul style="list-style-type: none"> ■ The EIOPA released its final report on draft Regulatory Technical Standards (RTS) on macroprudential analyses in ORSA and Prudent Person Principle (PPP). ■ Criteria for determining which insurers/insurance groups have to carry out macroprudential analyses (i) in the ORSA and (ii) as part of the PPP, respectively, include the following. <ul style="list-style-type: none"> ➤ ORSA: Groups with total assets that exceed EUR 20 billion and insurers with total assets that exceed EUR 20 billion that do not belong to the aforementioned group ➤ PPP: In addition to those applicable to ORSA, duration mismatch, a leverage related to derivative instruments or securities financing transactions and exposure to illiquid assets |
| | 5 | U.K. Prudential Regulation Authority (PRA) | 17 November 2025 | <ul style="list-style-type: none"> ■ The PRA published a discussion paper on alternative life capital that sets out the PRA's initial thinking on potential policy changes that could allow life insurers to transfer defined tranches of risk to the capital markets. ■ The paper presented high-level principles, which include the following. <ul style="list-style-type: none"> ➤ The quality and quantity of capital required to support insurance risks should not be lowered through the use of alternative life capital structures. ➤ The risk transferred to the capital markets through alternative life capital structures should be bounded contractually and time-limited. ➤ A level of risk retention by the insurer is necessary in any such structures, and the U.K. insurer should only make limited use of alternative life capital structures. |
| | 6 | U.K. Prudential Regulation Authority (PRA) | 14 November 2025 | <ul style="list-style-type: none"> ■ The PRA published the results of its Life Insurance Stress Test 2025 (LIST 2025). Major findings from LIST 2025 include the following. <ul style="list-style-type: none"> ➤ The life insurance sector is resilient to a severe financial market stress scenario. In the PRA's core financial market stress scenario, insurers' solvency capital requirement (SCR) coverage ratio dropped from 185% to 154%, which continues to meet their regulatory capital requirements. ➤ While there were some limitations to the scenario, the aggregate results of the exploratory asset concentration scenario show that the sector remains resilient to additional stress. ➤ Regarding funded reinsurance, recapturing reinsured liabilities under stress can |

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| | | | | significantly affect life insurers' solvency, while insurers could absorb those impacts. |
| | 7 | European Banking Authority (EBA) | 5 November 2025 | <p>■ The EBA finalised its guidelines on environmental scenario analysis for banks. The guidelines related to types of environmental scenario analysis include the following.</p> <ul style="list-style-type: none"> ➤ Stress tests: Financial institutions should incorporate environmental factors into their stress testing framework. ➤ Resilience analysis: Financial institutions should build their resilience analysis with a view to assessing their capacity to sustain their strategic direction and profitability under adverse conditions. ➤ Expert judgment: Financial institutions should use expert judgment when carrying out quantitative analyses to compensate for incomplete or approximate environmental data |
| Americas | - | - | - | - |
| Asia Pacific | 8 | Bank Negara Malaysia (BNM) | 28 November 2025 | <p>■ The BNM revised its policy document on Risk Management in Technology. Major updates made include the following.</p> <ul style="list-style-type: none"> ➤ Enhance financial institutions' resilience to service disruptions, including the adoption of a customer-centric approach to managing intermittent issues ➤ Heighten cyber security controls and practices to align with global standards and best practices ➤ Strengthen the security of digital services through stronger fraud detection, proactive monitoring and customer empowerment |
| | 9 | Australian Prudential Regulation Authority (APRA) | 20 November 2025 | <p>■ The APRA published a report on financial system risks, 'System Risk Outlook'. Major risks and/or vulnerabilities identified in the report include the following.</p> <ul style="list-style-type: none"> ➤ Geopolitical environment: More than two-thirds of financial institutions in Australia think geopolitical risk is a top concern. ➤ Housing: Gross debt of Australian households has been around 1.8 times their incomes for almost a decade, which is a key vulnerability in the financial system. ➤ Interconnectedness: The superannuation industry, whose size has doubled over the past decade, can have an impact on the whole financial system through its response in a crisis. |
| | 10 | Monetary Authority of | 13 November | <p>■ The MAS published its draft guidelines on Artificial Intelligence Risk Management for Financial Institutions. These guidelines include the following.</p> |

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| | | Singapore (MAS) | 2025 | <ul style="list-style-type: none"> ➤ AI oversight: The Board should maintain effective oversight of AI-related risks. ➤ AI risk management systems: A financial institution should ensure that its AI risk management framework encompasses key systems, policies and procedures for the identification, inventorisation and risk materiality assessment of AI. ➤ AI life cycle controls: A financial institution should plan for and implement robust controls covering the entire life cycle of an AI use case, system or model. |
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Sources:

1. FSB 'Scope of Insurers Subject to the Recovery and Resolution Planning Requirements in the FSB Key Attributes: Consultation report'
2. IAIS 'Insurance supervisors reach globally agreed path forward on addressing risks from structural shifts in the life insurance sector'
3. EIOPA 'Final Report on draft RTS on macroprudential analyses in ORSA and PPP'
4. EIOPA 'Final Report on draft RTS on liquidity risk management plans - Solvency II Review'
5. PRA 'Life Insurance Stress Test: 2025 Results'
6. PRA 'DP2/25 – Alternative Life Capital: Supporting innovation in the life insurance sector'
7. EBA 'The EBA publishes its final Guidelines on environmental scenario analysis'
8. BNM 'Risk Management in Technology (RMiT)'
9. APRA 'APRA publishes new report on financial system risks'
10. MAS 'Consultation Paper on Proposed Guidelines on Artificial Intelligence Risk Management for Financial Institutions'

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