



Regulatory developments in the global insurance sector

Vol. 68 (February to March 2026)



Executive summary¹

Region	No	Organisation(s)	Date	Regulatory developments
Global	1	Basel Committee on Banking Supervision (BCBS)	17 February 2026	<ul style="list-style-type: none"> ■ The BCBS issued a report on synthetic risk transfers (SRT) in the context of its monitoring and investigation of the interconnections between banks and non-bank financial intermediaries (NBFIs). Key messages of the report include the following. <ul style="list-style-type: none"> ➤ The economic importance of SRT markets has grown rapidly over the last decade, and SRT investors, including insurers, have become an important source of capital relief for corporate credit risk. ➤ Supervisors are in the early stages of understanding banks' SRT financing activities and determining appropriate prudential approaches to address associated risks. ➤ Risks associated with SRT use are acknowledged and, to some extent, actively managed by market participants. However, they merit continued monitoring as SRT markets continue to grow.
	2	International Association of Insurance Supervisors (IAIS)	12 February 2026	<ul style="list-style-type: none"> ■ The IAIS published its Application Paper on operational resilience objectives and toolkit. These operational resilience objectives, including the following, provide an outcomes-based articulation of the application of the Insurance Core Principles (ICPs) in light of operational resilience. <ul style="list-style-type: none"> ➤ Relationship amongst operational resilience, governance and operational risk management: The insurer oversees, implements and maintains an effective approach to operational resilience that is supported by its governance framework. ➤ Key elements of a sound approach to operational resilience: The insurer sets impact tolerances for disruption to its critical services and effectively manages operational incidents, including cyber incidents, affecting critical services. ➤ Objectives for insurance supervisors: In evaluating the insurer's operational resilience, supervisors coordinate within the supervisory authority to identify all potential areas of vulnerability.

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 68 report. It is advised that you refer to the respective original materials for accurate information.

	3	Financial Stability Board (FSB)	6 February 2026	<p>■ The FSB published its work programme for 2026. Initiatives described in the work programme include the following.</p> <ul style="list-style-type: none"> ➤ Vulnerability assessments: The FSB will begin new work on vulnerabilities, which may include work on foreign exchange derivative markets or private finance. ➤ Operational resilience: The FSB will undertake work on sound practices for AI adoption, use and innovation by financial institutions. ➤ Regulatory modernisation: The FSB will conduct a stock-take of its members' initiatives for modernising their regulatory and supervisory policies to align with changes in the financial system and facilitate sustainable economic growth.
Europe	4	U.K. Financial Conduct Authority (FCA)	24 February 2026	<p>■ The FCA published its regulatory priorities for the insurance sector for 2026. The following priority areas were presented.</p> <ul style="list-style-type: none"> ➤ Improving consumer understanding, claims handling and service quality ➤ Increasing access to insurance ➤ Supporting growth and innovation ➤ Simplifying regulation ➤ Others, such as product review and financial crime systems and controls review
	5	European Insurance and Occupational Pensions Authority (EIOPA)	16 February 2026	<p>■ The EIOPA published its Guidelines on the criteria for the identification of critical functions under the Insurance Recovery and Resolution Directive (IRR). These guidelines include the following.</p> <ul style="list-style-type: none"> ➤ General requirements: The resolution authority should make an assessment for each Member State in which the insurer provides a function that may be likely to have a significant impact on the financial system or the real economy in that Member State. ➤ Basic assumption: When assessing whether the inability of the insurer to provide a function that consists of certain activities, etc., results in a significant impact, the resolution authority should use the assumption that these activities, etc., cease completely and that the services are no longer provided. ➤ Factors to consider: The resolution authority should consider the characteristics of the function, the type and the number of third parties, the impact of the disruption of the function on the third parties, the potential for contagion to other related parties, etc.

	6	European Insurance and Occupational Pensions Authority (EIOPA)	13 February 2026	<p>■ The EIOPA issued its revised Guidelines on supervisory review process. These guidelines include the following.</p> <ul style="list-style-type: none"> ➤ Impact classification: The supervisor should include in the risk assessment framework an assessment of the potential impact of the failure of all insurers. ➤ Supervision of conduct of business: The supervisor should take into consideration how conduct risks are managed within insurers, regardless of its consumer protection mandate. ➤ Supervision of ICT risks: The supervisor should integrate the assessment of ICT-related risks within its supervisory review process.
	7	European Systemic Risk Board (ESRB)	12 February 2026	<p>■ The ESRB, together with the European Central Bank (ECB), issued a joint report analysing financial stability risks from linkages between banks and the non-bank financial intermediation sector. Key messages of the report include the following.</p> <ul style="list-style-type: none"> ➤ Linkages between banks and non-bank financial intermediation (NBFI) entities need to be better understood by authorities responsible for safeguarding financial stability. ➤ Loss of funding from NBFI entities could create challenges for banks in periods of market tension due to the short-term nature of such funding and limited substitutability. ➤ Lending to NBFI entities which use leverage indirectly exposes banks to the outcomes of their trading strategies, with reverse repo lending to hedge funds being the largest source of vulnerability.
	8	European Insurance and Occupational Pensions Authority (EIOPA)	3 February 2026	<p>■ The EIOPA released its draft supervisory statement on the authorisation and on-going supervision of (re-)insurers related to private equity (PE), which sets out supervisory expectations for acquisitions of qualifying holdings, portfolio transfers, mergers and on-going supervision of (re-)insurers related PE firms. Supervisory expectations expressed include the following.</p> <ul style="list-style-type: none"> ➤ Strategy: When evaluating a proposed acquisition, supervisors should assess how the investment horizon and the proposed business plan aligns with the insurer’s obligations to policyholders. ➤ Governance: Supervisors should ensure that asset management decisions remain independent and that there is no misalignment of interests between the asset manager and the insurer. ➤ Prudential aspects: Supervisors should assess the effective risk transfer associated with

				reinsurance transactions.
	9	U.K. Financial Conduct Authority (FCA)	3 February 2026	<p>■ The FCA published a report that presents the final findings and conclusions from its market study on premium finance, which is a way for customers to pay for insurance in instalments. Major findings from the survey and next steps include the following.</p> <ul style="list-style-type: none"> ➤ Interest rates for premium finance have fallen by 4.1% on average since 2022, annually saving consumers GBP 8 on a motor policy and GBP 3 on a home policy. The premium finance market is meeting the needs of many customers, but there is still room for improvement in terms of providing fair value to customers. ➤ Brokers offered premium finance with higher interest rates compared to insurers or intermediary lenders because of their strong bargaining power. ➤ The FCA is of the view that it is not necessary to mandate 0% of interest rates for premium finance. The FCA continues to monitor premium finance practices closely.
Americas	-	-	-	-
Asia Pacific	10	Insurance Regulatory and Development Authority of India (IRDAI)	11 February 2026	<p>■ The IRDAI issued its Guidelines on Establishment and Closure of Liaison Office in India by an insurer registered outside India. Requirements provided by the guidelines include the following.</p> <ul style="list-style-type: none"> ➤ Eligibility: An overseas insurer applying for the opening of a liaison office should have a financially sound track-record, including making a profit in the previous three years and a net worth of not less than USD 65 million. ➤ Permitted activities: An approved liaison office may represent the overseas insurer in India, carry out market research and feasibility study in the field of insurance and act as a communication channel between the overseas insurer and entities in India. ➤ Supervisory action: The IRDAI may withdraw the approval granted to a liaison office in cases of, for example, breaches of any regulatory requirements.

Sources:

1. BCBS 'Synthetic risk transfers'
2. IAIS 'Final version of the Application Paper on operational resilience objectives and toolkit published'
3. FSB 'FSB Work Programme for 2026'
4. FCA 'A smarter approach to communicating our regulatory priorities'
5. EIOPA 'Guidelines on the criteria for the identification of critical functions – IRRD'
6. EIOPA 'Revised Guidelines on supervisory review process'
7. ESRB 'ECB and ESRB issue joint report analysing financial stability risks from linkages between banks and the non-bank financial intermediation sector'
8. EIOPA 'Consultation on supervisory statement on the authorisation and ongoing supervision of (re-)insurance undertakings related to private equity'
9. FCA 'Falling cost of premium finance saving consumers around £157m a year'
10. IRDAI 'Guidelines on Establishment and Closure of Liaison Office in India by an Insurance Company registered outside India'

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