



Regulatory developments in the global insurance sector

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Executive summary¹

Region	No	Organisation(s)	Date	Regulatory developments
Global	1	Financial Stability Board (FSB)	29 April 2026	<ul style="list-style-type: none"> ■ The FSB published a final report on the scope of insurers subject to the recovery and resolution planning (RRP) requirements in the FSB Key Attributes. The guidance that sets forth which insurers should be subject to the requirements is the following. <ul style="list-style-type: none"> ➤ Authority assessment: An insurer’s resolution/supervisory authority should assess which insurers are subject to the requirement. ➤ Assessment criteria: In the assessment, insurer’s nature, scale, complexity, substitutability, cross-border activities and interconnectedness need to be considered. ➤ Specific circumstances that should necessitate RRP requirements: An insurer could be systemically important, if, for example, it provides a critical function and/or its failure is likely to have a significant impact on the financial system and/or the real economy of the jurisdiction.
	2	International Association of Insurance Supervisors (IAIS)	28 April 2026	<ul style="list-style-type: none"> ■ The IAIS published a draft of its Issues Paper on consumers receiving value from insurance products. Key observations, which aim to enhance understanding of the importance of insurance products delivering value to consumers and ways to achieve that, include the following. <ul style="list-style-type: none"> ➤ Challenges for consumers in evaluating value: Assessing the value of insurance products can be cognitively complex. Consumers often face difficulties in understanding product features. ➤ Factors that diminish value: Misalignment between consumer needs and product benefits as well as pricing issues can result in low value. ➤ Factors that enhance value: Product design that rewards risk reduction can improve value. Customer-centric claims handling may result in delivering value to the customer.
Europe	3	U.K. Prudential Regulation Authority (PRA)	29 April 2026	<ul style="list-style-type: none"> ■ The PRA proposed to change the calculation of the counterparty default adjustment (CDA) for asset-intensive reinsurance (funded reinsurance) under Solvency UK. Elements of the proposal include the following. <ul style="list-style-type: none"> ➤ The CDA applied to asset-intensive reinsurance arrangements must be equal to the

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

			<p>Fundamental Spread for financial corporate bonds corresponding to the credit quality step and maturity of reinsurance cashflows.</p> <ul style="list-style-type: none"> ➤ Asset-intensive reinsurance (funded reinsurance) is defined as a reinsurance contract under which credit risk or market risk relating to annuity products that fall within long-term insurance businesses is transferred from the insurer to a reinsurer. ➤ The new rule is not applied to intra-group quota share reinsurance, etc.
4	European Insurance and Occupational Pensions Authority (EIOPA)	24 April 2026	<p>■ The EIOPA submitted its draft technical standards on the functioning of resolution colleges and on reporting requirements for resolution plans under the Insurance Recovery and Resolution Directive (IRR). Proposed requirements on resolution colleges include the following.</p> <ul style="list-style-type: none"> ➤ Operations of colleges: A resolution authority in third countries may be invited to the college subject to approval of college members. ➤ Group resolution plan and resolvability assessment: The resolution authorities of subsidiaries shall provide to the group-level resolution authority their contributions to the group resolution plan and assessment of resolvability. The group-level resolution authority shall suspend the joint decision process on the group resolution plan and resolvability assessment when it identifies substantive impediments to resolvability. ➤ Cross-border resolution scheme: The group-level resolution authority shall decide whether a group resolution scheme is needed or not through joint decision processes.
5	U.K. Prudential Regulation Authority (PRA)	17 April 2026	<p>■ The PRA published its Business Plan for 2026 to 2027 that sets out the workplan for each of its strategic priorities. Those priorities related to the insurance sector include the following.</p> <ul style="list-style-type: none"> ➤ Asset-intensive reinsurance (funded reinsurance): To consider policy measures regarding capital treatment of asset-intensive reinsurance over the coming year. ➤ Alternative life capital: To identify any potential changes to the existing insurance regulatory framework to facilitate and attract new forms of capital while maintaining strong protection for policyholders. ➤ Captive insurance regime: To consult later in 2026 on the policies for an effective and competitive UK captive insurance regime.
6	European Insurance and Occupational	15 April 2026	<p>■ The EIOPA released a consultation paper on the annex to its opinion on the use of risk mitigation techniques by insurers related to proportional reinsurance with features</p>

	Pensions Authority (EIOPA)		<p>reducing commensurateness. Proposed additional guidance include the following.</p> <ul style="list-style-type: none"> ➤ Insurers are expected to assess whether features reducing commensurateness breach the commensurateness between risk transfer and capital release or not. If commensurateness is jeopardised, the risk-mitigating effect of the reinsurance treaty should not be recognised in the Solvency II Standard Formula. ➤ Insurers are expected to include in their ORSA an assessment of the deviations of their risk profile from the assumption underlying the Standard Formula. ➤ Insurers should ensure that commensurateness is observed when considering all risk-mitigating techniques together.
7	European Insurance and Occupational Pensions Authority (EIOPA)	9 April 2026	<p>■ The EIOPA, together with the European Stability Mechanism (ESM), published a discussion paper on natural catastrophe risk management. Key messages of the report include the following.</p> <ul style="list-style-type: none"> ➤ A European natural catastrophe risk pool combined with a loan-based backstop, once developed, would efficiently and significantly reduce the insurance protection gap, while enhancing the private sector’s capacity. That mechanism provides a financial safety net for extreme tail events that exceed the pool’s capacity. ➤ The funding of the pool and the lending capacity of the backstop facility may have to grow over time, given increasing trends of climate-related events. ➤ The mechanism can increase stability in the insurance/reinsurance sector, which may contribute to more stability for insurers’ underwriting policies.
8	European Insurance and Occupational Pensions Authority (EIOPA)	1 April 2026	<p>■ The EIOPA published a report entitled ‘Costs and Past Performance Report’ that analyses costs and performance of EU retail investment products from January 2020 to December 2024. Major findings from a survey against 175 insurers include the following.</p> <ul style="list-style-type: none"> ➤ Landscape of insurance-based investment products (IBIPs): Consumers buy products with low-to-medium risk rating. Bancassurance remained the dominant distribution channel. ➤ Key trends in product performance: Unit-linked products delivered positive net returns averaging from 7.5% to 16.9% with notable disparity across products. Low-to-medium risk unit-linked investments struggled to beat inflation. Profit participation products offered 2.3% net returns in average. ➤ Cost trends: A decrease in costs by 8 bps on average was observed in unit-linked products

				in 2024, which seems consistent with increased focus on Product Oversight and Governance Value for Money supervisory activities.
Americas	9	Canadian Office of the Superintendent of Financial Institutions (OSFI)	14 April 2026	<ul style="list-style-type: none"> ■ The OSFI released its 2026-2027 Annual Risk Outlook (ARO). The ARO identified three top risks for Canada’s financial institutions: (i) real estate secured lending (RESL) risk, (ii) non-bank financial institution (NBFI) risk and (iii) liquidity and funding risk. ■ The ARO also summarises supervisory priorities for financial sectors. Those related to the insurance sector include the following. <ul style="list-style-type: none"> ➤ Business risk: To monitor insurers’ strategic direction, including their integration of AI into core operations, and to assess exposure to geopolitical risks. ➤ Financial resilience: To review insurers’ investment risk, including private credit, to assess its impact on earnings and capital. ➤ Operational resilience: To conduct targeted cyber and technology risk review for selected insurers.
Asia Pacific	10	Australian Prudential Regulation Authority (APRA)	30 April 2026	<ul style="list-style-type: none"> ■ The APRA called for a step-change in managing AI-related risks by financial institutions. Supervisory expectations expressed include the following. <ul style="list-style-type: none"> ➤ IT security: Financial institutions should assess the implications of AI reliance for operational resilience and business continuity. ➤ Governance: Financial institutions should establish consistent governance arrangements that include frameworks and reporting lines to promote safe, responsible and sustainable adoption of AI. ➤ Supplier risk management: Financial institutions should maintain visibility over the full AI supply chain, including material, third-party and fourth-party dependencies.
	11	Insurance Regulatory and Development Authority of India (IRDAI)	8 April 2026	<ul style="list-style-type: none"> ■ The IRDAI updates its guidelines on information and cybersecurity. Newly created/updated guidelines include the following. <ul style="list-style-type: none"> ➤ Governing body: The information Security Risk Management Committee (ISRMC) shall meet at least on quarterly basis. ➤ The Board: The Board of Directors shall provide sufficient budget for information and cybersecurity. ➤ CxOs: The Chief Information Security Officer (CISO) shall not have direct reporting relationship with the Head of IT function and shall not be given any business targets.

Sources:

1. FSB 'Scope of Insurers Subject to the Recovery and Resolution Planning Requirements in the FSB Key Attributes: Final Report'
2. IAIS 'Public consultation of Issues Paper on customers receiving value from insurance products'
3. PRA 'CP8/26 – Funded reinsurance'
4. EIOPA 'EIOPA submits draft technical standards on the functioning of resolution colleges and on reporting requirements for resolution plans under IRRD'
5. PRA 'Prudential Regulation Authority Business Plan 2026/27'
6. EIOPA 'EIOPA opens consultation on the treatment of proportional reinsurance treaties with features that jeopardise the effectiveness of risk transfer'
7. EIOPA 'EIOPA and ESM staff propose mechanism to better manage fallout from outsized natural catastrophes'
8. EIOPA 'EIOPA report shows overall positive net returns, although the wide variation amongst products underscores the importance of target markets'
9. OSFI 'OSFI reintroduces non-bank financial institution risk in its latest Annual Risk Outlook'
10. APRA 'APRA calls for a step-change in AI-related risk management and governance'
11. IRDAI 'IRDAI Information and Cybersecurity Guidelines, 2026'

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