



## Regulatory developments in the global insurance sector

Vol. 71 (May to June 2026)



## Executive summary<sup>1</sup>

Region	No	Organisation(s)	Date	Regulatory developments
Global	1	Financial Stability Board (FSB)	6 May 2026	<ul style="list-style-type: none"> <li>■ <b>The FSB published its report on vulnerabilities in private credit.</b> Messages described in the report include the following. <ul style="list-style-type: none"> <li>➤ Private credit has grown rapidly, driven by its ability to provide tailored financing options for companies, including larger ones. Challenges in monitoring private credit have been arising due to a lack of harmonised definitions, complex valuation practices, various funding structures, etc.</li> <li>➤ Interconnections between private credit funds and banks, insurers and private equity firms are deepening and are giving rise to potential vulnerabilities to the financial system. The private credit markets' complexity, leverage and interconnectedness could amplify stress in adverse scenarios.</li> <li>➤ The FSB continues to look into the private finance ecosystem, which includes assessing vulnerabilities related to interlinkages between a range of non-banks within the ecosystem.</li> </ul> </li> </ul>
Europe	2	U.K. Prudential Regulation Authority (PRA)	21 May 2026	<ul style="list-style-type: none"> <li>■ <b>The PRA revised its supervisory policies for third-country insurance branches.</b> Major revisions include the following. <ul style="list-style-type: none"> <li>➤ Third-country branch subsidiarisation threshold: Increase the threshold of insurance liabilities from GBP 500 million to 600 million</li> <li>➤ Discontinuation of quarterly reporting for all branches</li> <li>➤ Exemption of submission of annual reporting for smaller branches (large branches with at least GBP 1 billion in gross written premiums or 2 billion in branch provisions are required to submit annual reporting)</li> </ul> </li> </ul>
	3	European Insurance and Occupational Pensions Authority (EIOPA)	5 May 2026	<ul style="list-style-type: none"> <li>■ <b>The EIOPA issued its draft technical advice on minimum common standards for insurance guarantee schemes (IGS) in the European Union.</b> The draft advice presents the EIOPA's preferred policy options for the establishment of such minimum common standards for IGS, which includes the following. <ul style="list-style-type: none"> <li>➤ Funding model: To ensure sufficient ex-ante funding, without specifying minimum target levels of such funding at the EU level</li> </ul> </li> </ul>

<sup>1</sup> 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 71 report. It is advised that you refer to the respective original materials for accurate information.

				<ul style="list-style-type: none"> <li>➤ Functioning of IGS: To set a minimal time for policyholders to make their claims and a maximum time for payouts to policyholders</li> <li>➤ Scope of coverage: To cover life, savings and health policies for life insurance and fire and other damage to property, liability insurance, accident, suretyship and sickness insurance for non-life insurance</li> </ul>
Americas	4	New York Department of Financial Services (NYDFS)	21 May 2026	<ul style="list-style-type: none"> <li>■ <b>The NYDFS issued new guidance identifying cybersecurity measures that financial institutions should consider adopting when facing a heightened threat environment.</b> These measures include the following. <ul style="list-style-type: none"> <li>➤ Measures to reduce the attack surface: Expediently identify and remediate known exploited vulnerabilities in firmware, hardware and software</li> <li>➤ Measures to improve threat detection and readiness: Confirm that intrusion prevention, detection and response controls are in use, up-to-date and appropriately deployed</li> <li>➤ Measures to improve resilience and response: Test the integrity, immutability and restorability of back-ups, including validation of recovery time objectives</li> </ul> </li> </ul>
	5	U.S. Federal Financial Institutions Examination Council (FFIEC)	19 May 2026	<ul style="list-style-type: none"> <li>■ <b>The FFIEC proposed to revise the uniform financial institutions rating system, commonly known as CAMELS,</b> to focus on material financial risk and improve the transparency of ratings. Major changes proposed include the following. <ul style="list-style-type: none"> <li>➤ Removal of ‘special consideration’ given to the Management Rating in the Composite Rating</li> <li>➤ Changes to the Management Component Rating, which includes establishing a material financial risk threshold for assigning Management Ratings of 3 or worse based on risk management weaknesses</li> <li>➤ Changes to the treatment of Specialty Review Findings, which allows these findings to influence the CAMELS Composite and Component Ratings to the extent that the findings represent material financial risks, etc.</li> </ul> </li> </ul>
Asia Pacific	6	Monetary Authority of Singapore (MAS)	29 May 2026	<ul style="list-style-type: none"> <li>■ <b>The MAS published its information paper on valuation practices for fund management companies (FMCs)</b> that sets out the MAS’s supervisory expectations for effective governance structures, frameworks, policies and procedures and controls with respect to valuation of funds’ assets. These expectations include the following. <ul style="list-style-type: none"> <li>➤ Governance: FMCs should ensure that valuation matters are overseen by senior management member(s) who are independent from the portfolio management function to</li> </ul> </li> </ul>

			<p>avoid potential conflicts of interest.</p> <ul style="list-style-type: none"> <li>➤ Policies and procedures: FMCs should ensure that there is clear and comprehensive guidance on exceptions handling to ensure consistent and timely treatment of any deviations from approved policies and procedures.</li> <li>➤ On-going price validation checks: FMCs should ensure price validation checks are robust by, for example, calibrating the frequency of stale price reports, adjusting exception tolerance levels and putting in place appropriate processes to detect inconsistent valuation practices.</li> </ul>
7	Australian Prudential Regulation Authority (APRA)	22 May 2026	<ul style="list-style-type: none"> <li>■ <b>The APRA released notes on the life insurance CEO roundtable held in April 2026 where the growing sustainability pressures affecting total and permanent disability (TPD) insurance were discussed.</b> The roundtable was hosted by the APRA together with the Australian Securities and Investments Commission (ASIC), and senior representatives from 19 life insurers and reinsurers participated. Discussions on TPD insurance include the following. <ul style="list-style-type: none"> <li>➤ Product design: Industry participants highlighted that legislative constraints are limiting the scope for product change to address sustainability pressures, but the APRA emphasised that insurers should not delay taking actions in areas that are within their control.</li> <li>➤ Retail market: The APRA emphasised the importance of robust reserving and pricing practices so that assumptions keep pace with the latest claims experience and emerging risk trends.</li> </ul> </li> </ul>
8	Australian Prudential Regulation Authority (APRA)	21 May 2026	<ul style="list-style-type: none"> <li>■ <b>The APRA published its System Risk Outlook report.</b> Key areas highlighted in the report include the following. <ul style="list-style-type: none"> <li>➤ Australia’s financial system: The financial system is resilient and well-positioned to support the economy in a downturn. Stress testing shows the system can withstand severe but plausible shocks.</li> <li>➤ Cyber and technological risks: These risks are intensifying, and governance needs to keep pace. Financial institutions are requested to strengthen their safeguards to manage rapidly emerging risks.</li> <li>➤ Private credit: Risks from private credit appear contained domestically but are growing abroad, which has potential spillovers to Australia.</li> </ul> </li> </ul>
9	H.K. Insurance	8 May	<ul style="list-style-type: none"> <li>■ <b>The IA published its final draft of the proposed amendments to the Insurance Valuation</b></li> </ul>

		Authority (IA)	2026	<p><b>and Capital Rules</b> with the aim of incentivising insurers to invest in infrastructure investment to support local economic development and enhancing the competitiveness of Hong Kong as a global risk management hub. Proposed amendments include the following.</p> <ul style="list-style-type: none"> <li>➤ Infrastructure investment: To introduce preferential capital treatment, such as application of reduction factors, for eligible infrastructure investments</li> <li>➤ General insurance: To change risk factors related to natural catastrophe risk, man-made catastrophe risk and reserve risk as well as correlation factors relating to general business</li> </ul>
--	--	----------------	------	---

## Sources:

1. FSB 'Report on Vulnerabilities in Private Credit'
2. PRA 'PS13/26 – Insurance third-country branches: policy implementation and other updates'
3. EIOPA 'EIOPA seeks feedback on draft technical advice regarding minimum common standards for insurance guarantee schemes across the EU'
4. NYDFS 'DFS Acting Superintendent Kaitlin Asrow Issues Guidance to Regulated Entities on Cybersecurity Considerations in a Heightened Threat Environment'
5. FFIEC 'Agencies Request Comment on Financial Institutions Rating System'
6. MAS 'Valuation Practices for Fund Management Companies'
7. APRA 'APRA and ASIC release notes on life insurance CEO roundtable – April 2026'
8. APRA 'APRA's latest System Risk Outlook highlights resilience as geopolitical and technological risks intensify'
9. HKIA 'Insurance Authority publishes consultation conclusions on enhancements to the Risk-based Capital Regime'

## Contact:

### **Shinya Kobayashi**

Partner  
Financial Services  
Risk Advisory  
Deloitte Tohmatsu LLC

# Deloitte.

## デロイト トーマツ

Deloitte Tohmatsu Group (Deloitte Japan) is a collective term that refers to Deloitte Tohmatsu Group Japan LLC, which is the Member of Deloitte Asia Pacific Limited and of the Deloitte Network in Japan, and firms affiliated with Deloitte Tohmatsu Group Japan LLC that include Deloitte Touche Tohmatsu LLC, Deloitte Tohmatsu LLC, Deloitte Tohmatsu Tax Co., and DT Legal Japan. Deloitte Tohmatsu Group is known as one of the largest professional services groups in Japan. Through the firms in the Group, Deloitte Tohmatsu Group provides professional services in accordance with applicable laws and regulations. With more than 20,000 people in over 30 cities throughout Japan, Deloitte Tohmatsu Group serves a number of clients including multinational enterprises and major Japanese businesses. For more information, please visit the Group's website at [www.deloitte.com/jp](http://www.deloitte.com/jp).

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("Deloitte Global"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). Deloitte Global and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. Deloitte Global and each of its member firm and related entity is liable only for its own acts and omissions, and not those of each other. Deloitte Global does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more. Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of Deloitte Global. Members of Deloitte Asia Pacific Limited and their related entities, each of which is a separate and independent legal entity, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

Deloitte provides leading professional services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets and enable clients to transform and thrive. Building on its 180-year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte's approximately 460,000 people worldwide make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("Deloitte Global"), its global network of member firms, or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of Deloitte Global, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. Deloitte Global and each of its member firms, and their related entities, are legally separate and independent entities.

Member of  
**Deloitte Touche Tohmatsu Limited**

© 2026. For information, contact Deloitte Tohmatsu Group.



**IS 669126 / ISO 27001**



**BCMS 764479 / ISO 22301**

IS/BCMS それぞれの認証範囲はこちら  
をご覧ください  
<http://www.bsigroup.com/clientDirectory>