



Regulatory developments in the global insurance sector

Vol. 72 (June to July 2026)



Executive summary¹

Region	No	Organisation(s)	Date	Regulatory developments
Global	1	Financial Stability Board (FSB)	10 June 2026	■ The FSB published a draft guidance on sound practices for responsible adoption of artificial intelligence (AI). The sound practices proposed include the following. ➤ The board align AI adoption and governance with the financial institution's business model risk appetite and strategy. ➤ Financial institutions implement an effective and systematic approach to assess the materiality and risk of AI use cases throughout AI's lifecycle. ➤ Financial institutions appropriately manage risks from AI third-party use.
	2	Basel Committee on Banking Supervision (BCBS)	2 June 2026	■ The BCBS published a report that analysed ICT risk management practices across jurisdictions to address non-malicious ICT incidents. The objective of the report is to support banks in developing robust ICT risk management frameworks. ■ The most frequently reported ICT risk management practices include the following. ➤ ICT change management to manage the risks arising from changes to ICT systems and infrastructure ➤ Third-party risk management to manage the ICT risks arising from using and relying on third-party services ➤ ICT continuity testing to maintain the banks' ICT business continuity and test the effectiveness and robustness of their business continuity and disaster recovery measures
	3	Financial Stability Board (FSB)	1 June 2026	■ The FSB Plenary discussed vulnerabilities in the recent global financial system, which include the following. ➤ Financial system vulnerabilities: Private credit usage has grown rapidly. Also, powerful frontier AI models have concerned regulators and market participants. ➤ Regulatory and supervisory modernisation: The FSB continues to work on reviewing regulatory and supervisory policies to facilitate economic growth. ➤ NBFIs data challenges: Challenges include risk identification and monitoring frameworks, public disclosure, and cooperation among authorities, including those in offshore financial

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

				centres.
Europe	4	European Insurance and Occupational Pensions Authority (EIOPA)	24 June 2026	■ The EIOPA published its Financial Stability Report for the first half of 2026. Key messages of the report include the following. ➤ The frequency and severity of natural catastrophes continue to highlight the importance of addressing the insurance protection gap in Europe. ➤ Insurers continue to increase their exposure to alternative and less liquid asset classes. Because of this, alternative assets and private credit continue to attract growing attention from supervisors. ➤ Private credit markets continue to expand globally and require close supervisory monitoring.
	5	Bank of England (BoE)	19 June 2026	■ The BoE published a set of scenarios for its private markets system-wide exploratory scenario (SWES) exercise. The narratives of these scenarios include the following. ➤ Year 1: Stress hits public and private markets. Global trade fragments and supply chains are disrupted. ➤ Year 2: There is a deep global recession. Financial conditions tighten. ➤ Years 3 to 5: The global recovery is slow. Advanced economy unemployment rates are at their peak.
	6	European Supervisory Authorities (ESAs)	3 June 2026	■ The ESAs, which are comprised of the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities Markets Authority (ESMA), published their report on major ICT-related incidents. Analysing the information on around 3,000 incidents reported to the supervisory authorities in 2025, the report drew certain conclusions, including the following. ➤ Operational disruptions are increasingly borderless and cross-sectoral. ➤ System failures and external events are the main drivers of major incidents. ➤ A harmonised framework for major incident reporting is key to ensure timely supervisory awareness of ICT risks.
Americas	7	Bermuda Monetary Authority (BMA)	9 June 2026	■ The BMA proposed to amend its rules on (i) Prudent Person Principles, (ii) Insurance Group Supervision Framework and (iii) Conduct of Business. Proposed amendments include the following.

				➤ Prudent Person Principles: Strengthen risk management practices for investment, liquidity and concentration risks ➤ Insurance Group Supervision Framework: Require an insurance group to carry out a group solvency self-assessment ➤ Conduct of Business: Clarify that the insurer holds ultimate responsibilities for activities performed by intermediaries on its behalf
Asia Pacific	8	Australian Securities and Investments Commission (ASIC)	18 June 2026	■ The ASIC called on private credit funds to ensure that their asset valuations are current, accurate and grounded in realistic assumptions based on their concerns associated with the private credit fund sector, which include the following. ➤ Valuations lagging economic reality: Weaker borrower conditions are increasing the risk that reported valuations do not fully reflect underlying economic conditions. ➤ Portfolio concentration: Some portfolios have a higher exposure to a single developer group or related assets. ➤ Conflicts: Current market conditions are increasing conflict risk.
	9	Australian Prudential Regulation Authority (APRA)	17 June 2026	■ The APRA set out its minimum expectations in relation to financial institutions' readiness for geopolitical shocks. These expectations include the following. ➤ Enterprise risk: Geopolitical risk is incorporated into governance arrangements and risk frameworks. ➤ Operational resilience: Operational resilience is embedded in an entity's risk management practices. ➤ Crisis preparedness: Crisis response capabilities are established and maintained.
	10	Australian Prudential Regulation Authority (APRA)	16 June 2026	■ The APRA proposed to update its prudential standard, CPS 510 Governance, to strengthen governance of financial institutions. Requirements proposed include the following. ➤ Board composition and independence: The Board must be comprised by a majority of independent directors at all times and have a chair that is an independent director. ➤ Board committees: Board Audit, Risk and Remuneration Committees must have at least three members who are non-executive directors on the respective Committee. ➤ Tenure: A non-executive director may not be allowed to be a non-executive director for more than 12 years in total.

	11	Monetary Authority of Singapore (MAS)	10 June 2026	■ The MAS proposed to amend its Notices on Technology Risk Management, which covers IT asset management, IT risk assessment and monitoring, change management controls, etc. Requirements provided by the proposed Notice for insurers include the following. ➤ IT asset management: An insurer must maintain a comprehensive and up-to-date inventory of all IT assets. ➤ IT risk assessment and monitoring: An insurer must establish and maintain key risk indicators to effectively monitor the material identified risks. ➤ Change management: An insurer must establish and maintain a framework and process to assess the risks arising from any proposed change to a system.
	12	Reserve Bank of New Zealand (RBNZ)	4 June 2026	■ The RBNZ published its specifications for 2026 Banking and Insurance Stress Tests. The following is an outline of the stress test for life and health insurers. ➤ The stress test is a reverse stress test (RST) whose objectives are to identify risks that can cause significant stress to insurers, etc. ➤ The outcome of the RST is to breach the minimum solvency margin. Insurers are expected to identify scenarios to achieve that outcome. ➤ Insurers are requested to submit the results to the RBNZ, and the RBNZ's recommendations will be published in the fourth quarter of 2026.

Sources:

1. FSB ‘Sound Practices for Responsible Adoption of Artificial Intelligence (AI): Consultation report’
2. BCBS ‘Information and communication technology (ICT) risk management: range of practices’
3. FSB ‘FSB Plenary highlights potential new vulnerabilities to financial stability’
4. EIOPA ‘EIOPA’s Financial Stability Report shows continued resilience in insurance amid geopolitical uncertainty and evolving structural risks’
5. PRA ‘Private markets system-wide exploratory scenario: publication of the stress scenario’
6. EIOPA ‘ESAs publish the first report on DORA major ICT-related incidents’
7. BMA ‘Consultation Paper - Proposed Amendments to Code of Conduct, (Group Supervision) and (Prudential Standards)(Group Solvency Requirement) Rules 2011’
8. ASIC ‘ASIC puts private credit on notice, ahead of 30 June valuations and reporting’
9. APRA ‘APRA sets out minimum expectations to strengthen industry readiness for geopolitical shocks’
10. APRA ‘APRA commences next phase of push to strengthen and streamline governance requirements’
11. MAS ‘Consultation Paper on Proposed Amendments to Notices on Technology Risk Management’
12. RBNZ ‘2026 Banking and Insurance Stress Tests – Scenarios’

Contact:

Shinya Kobayashi

Partner

Financial Services

Risk Advisory

Deloitte Tohmatsu LLC

Deloitte.

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