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Regulatory developments in the global insurance sector

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Executive summary[1]

Region	No	Organisation(s)	Date	Regulatory developments
Global	-	-	-	-
Europe	1	European Insurance and Occupational Pensions Authority (EIOPA)	16 July 2026	■ **The EIOPA published a factsheet on European insurers' exposures to private credit and private equity**. Key characteristics on these exposures include the following. ➢ Private asset exposure by (re)insurers domiciled in the European Economic Area (EEA) amounted to EUR 1.2 trillion (or around 11% of total assets) at year-end 2025. Private equity made up about 6% of total assets and private credit accounted for the remaining 5%. ➢ Life insurers exhibit the highest exposure to private assets with 23% of total investment. ➢ Life insurers tend to lean towards private credit; reinsurers hold a significant share of unlisted equity in the form of participations.
	2	European Insurance and Occupational Pensions Authority (EIOPA)	15 July 2026	■ **The EIOPA published a total of eight sets of guidelines and draft technical standards relating to the review of the Solvency II framework, which includes the guidelines on supervisory powers to remedy liquidity vulnerabilities**. Requirements in the guidelines include the following. ➢ **Reporting order**: When supervisory authorities identify material liquidity risk in an insurer, the insurer should submit formal written communication to the authorities outlining the remedial actions to be taken together with their implementation timeline. ➢ **Activation of supervisory powers**: Supervisory authorities should assess whether there is sufficient evidence that material liquidity risks persist, despite earlier remedial actions, in deciding to activate their supervisory measures. ➢ **Temporary suspension of redemption rights**: Supervisory authorities should assess whether the circumstances justify the exercise of the temporary suspension of redemption rights.
	3	U.K. Prudential Regulation Authority (PRA)	14 July 2026	■ **The PRA released a draft of the rules for single-parent captive insurers in the UK**. Proposed rules include the following. ➢ **Definition**: A UK captive insurer is a fully owned subsidiary incorporated in the UK, 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 73 report. It is advised that you refer to the respective original materials for accurate information.

				purpose of which is to only insure risks of its group entities and material non-group entities which are connected to the group. ➢ **Lines of business**: A UK captive insurer may write compulsory lines of insurance, corporate risks with named individuals and multi-occupancy building insurance only on a reinsurance basis. ➢ **Authorisation**: A firm wishing to operate as a UK captive insurer may need to be authorised by the PRA, with the consent of the Financial Conduct Authority (FCA).
	4	European Insurance and Occupational Pensions Authority (EIOPA)	8 July 2026	■ **The EIOPA published seven supervisory materials related to the implementation of the Insurance Recovery and Resolution Directive (IRRD), which includes guidelines on scenarios and indicators**. Requirements provided by these guidelines include the following. ➢ Severe macroeconomic and financial stress scenarios should include (i) a system-wide event scenario, (ii) an idiosyncratic stress event scenario and (iii) a combination of these two scenarios. ➢ A pre-emptive recovery plan should provide for a range of indicators of different nature, including those related to capital positions, liquidity, asset quality, profitability, market conditions and macro-economic conditions.
	5	European Systemic Risk Board (ESRB)	7 July 2026	■ **The ESRB published a warning on systemic cyber risks stemming from frontier AI models**. Messages expressed include the following. ➢ The rapid development of frontier AI models (FAIMs) with cyber capabilities can be a source of systemic risks to the financial system, generating significant adverse effects on cybersecurity. ➢ The emergent FAIMs increase inherent ICT risks particularly in four areas: (i) time; (ii) the capability of defenders; (iii) concentration and (iv) the capability of authorities. ➢ FAIMs alter three sources of asymmetry in the financial sector: (i) the first between jurisdictions; (ii) the second between defenders and attackers and (iii) the third between better resourced and less well-equipped financial institutions.
	6	European Insurance and Occupational Pensions Authority (EIOPA)	30 June 2026	■ **The EIOPA published its follow-up report to the 2023 peer review on product oversight and governance (POG)**, in which findings from the assessment on the adequacy and effectiveness of the implementation measures taken in response to the 2023 recommended actions were presented. Major findings include the following. ➢ Regulatory/supervisory authorities in the European Union (EU) have strengthened their

				frameworks of POG supervision. ➢ Authorities have made notable improvements in articulating supervisory expectations and conducting supervisory work. ➢ Remaining gaps are concentrated in a limited number of jurisdictions. In these jurisdictions, supervisory frameworks are still under development, granularity of internal guidance remains insufficient and practical implementation of supervisory tools has not yet been fully evidenced.
Americas	7	Office of the Superintendent of Financial Institutions (OSFI)	20 July 2026	■ **The OSFI issued its regulatory notice on using natural catastrophe bonds in the Minimum Capital Test guideline**. Key requirements added include the following. ➢ Natural catastrophe bonds are considered unregistered reinsurance. Natural catastrophe bonds should have an indemnity trigger with the collateral invested in high-quality assets. ➢ Insurers should obtain the OSFI's approval prior to using natural catastrophe bonds to reduce capital required for insurance risk.
	8	Office of the Superintendent of Financial Institutions (OSFI)	13 July 2026	■ **The OSFI published its technology risk bulletin regarding generative and agentic AI** that expresses the OSFI's expectations on the management of AI-related risks. Key requirements included the following. ➢ **Governance and accountability**: Financial institutions should assess whether their governance frameworks adequately address risks from rapid AI adoption, autonomous decision-making and third-party dependencies. ➢ **Information and decision integrity**: Financial institutions should assess the effectiveness of their controls across the end-to-end AI lifecycle, including inputs, prompts, data sources, outputs and downstream decisions. ➢ **Third-party risk management**: Financial institutions should map AI responsibilities and dependencies to critical operations, test AI failure and enhance third-party risk management programmes.
Asia Pacific	9	Insurance Regulatory and Development Authority of India (IRDAI)	31 July 2026	■ **The IRDAI amended its regulations on actuarial, finance and investment functions of insurers**. Major amendments include the following. ➢ **Appointment of Appointed Actuary**: Every insurer shall appoint the Appointed Actuary with prior approval of the IRDAI. Every Indian reinsurer shall appoint the Appointed Actuary for life reinsurance business and general reinsurance business separately.

				➢ **Financial reporting**: General insurers and standalone health insurers shall prepare the Actuary Report, i.e., the Financial Condition Report and IBNR Claims Reserve Report, and submit these reports to the IRDAI. ➢ **Investment**: Insurers may invest a maximum 20% of the debt issued by Special Purpose Vehicle incorporated as company limited by shared and engaged in infrastructure sector. Insurers may also participate in Repo and Government Securities Lending Transactions subject to certain conditions.
	10	Monetary Authority of Singapore (MAS)	7 July 2026	■ **The MAS issued a consultation paper that proposes to establish a legislative framework for a new Protected Cell Company (PCC) corporate structure** with the aim of supporting the growth of alternative risk transfer solutions and deepen Singapore's role as a risk management hub. Key elements of the proposed framework include the following. ➢ Under the rent-a-captive model, the PCC is typically set up and managed by an insurance manager. To accommodate this under the Insurance Act 1966, the definition of 'captive insurer' will be amended to encompass 'a standalone captive insurer' and 'a PCC rent-a captive insurer'. ➢ All assets held by and liabilities incurred by the PCC must be recorded as assets or liabilities of either the Core or a Cell. ➢ PCCs may issue shares and/or debentures on behalf of the Core or a Cell that constitutes the PCC.
	11	Australian Prudential Regulation Authority (APRA)	30 June 2026	■ **The APRA published its report on findings from the System Risk Stress Test (SRST)**, in which four major banks and six large superannuation funds participated. Major findings from the SRST include the following. ➢ The Australian financial system remains resilient to market and liquidity shocks. ➢ The interconnected nature of the Australian financial system can be a stabilising force, but in periods of severe stress such interconnectedness can create vulnerabilities. ➢ Superannuation funds can play a systemic role in the stability of the Australian financial system. Their responses in a stress event can materially affect banks, financial markets and superannuation fund members.

Sources:

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3. PRA ‘CP11/26 – A tailored regime for captive insurance’
4. EIOPA ‘EIOPA publishes seven guidelines and draft technical standards related to the IRRD’
5. ESRB ‘Frontier AI models could strain cyber resilience in the financial system, ESRB warns’
6. EIOPA ‘EIOPA peer review follow-up shows progress in product oversight and governance supervision’
7. OSFI ‘Regulatory notice on using natural catastrophe bonds in the Minimum Capital Test guideline’
8. OSFI ‘Technology Risk Bulletin’
9. IRDAI ‘IRDAI (Actuarial, Finance and Investment Functions of Insurers) (Second Amendment) Regulations, 2026’
10. MAS ‘MAS Consults on Protected Cell Company Framework to Support Growth of Alternative Risk Transfer Solutions in Insurance’
11. APRA ‘System Risk Stress Test’

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