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Insurance supervisors focus on private credit challenges

Perspectives from the conference

The National Association of Insurance Commissioners (NAIC) held its annual international insurance forum in Washington, DC on May 7 and 8, 2026.[1] Domestic and international insurance supervisors focused on the expansion of private credit as a key challenge to oversight. Insurance company executives, academics and technology and operational experts also attended the gathering, during which private credit, asset-intensive reinsurance, and private equity were widely discussed.

5 key insights we learned at the Forum

1 **Private credit in life insurance is a central prudential issue:** Private credit and structural shifts in life insurance remain the central prudential issue among US and international supervisors. Speakers discussed how regulators and industry are thinking about private credit, asset-intensive reinsurance, liquidity, transparency, and whether capital treatment appropriately reflects risk. Treasury Secretary Scott Bessent also convened a meeting on private credit with key state insurance regulators leading NAIC groups on financial condition and risk-based capital (RBC) oversight. Regulators are clearly moving toward deeper, more granular data expectations.[2]

2 **Resilience is an organizing principle for supervision:** Speakers repeatedly tied regulation to resilience—across climate, extreme weather and natural catastrophe risks, cyber threats, operational disruption, and broader financial stability—rather than treating these as isolated issues. Regulators reinforced the need for strong escalation frameworks and real-time response capability. They underscored insurers' role in society, including strengthening and protecting people and institutions using a multidisciplinary approach.

3 **Better data, transparency and governance are central to oversight:** Speakers called for more granular reporting, broader data collection, stronger internal risk management, stress testing, cross-border information sharing, and technology-enabled supervision. Cyber risk is a growing priority, especially as attackers increasingly rely on stolen or spoofed identities rather than traditional system breaches. Cyber risk is viewed as an enterprise issue requiring integrated governance across legal, operations, communications, security, and technology teams.

4 **Protection gaps are widening—and traditional insurance approaches alone won't close them:** Public-private partnerships emerged as a leading, though debated, way to address affordability and availability gaps. Speakers said these models could mobilize capital and expand coverage. Supervisors highlighted the need for coordinated financing and risk-sharing between governments and insurers to reach more consumers across many domains: climate and weather resilience, health, retirement, and microinsurance.

5 **Trust and consumer relevance are strategic priorities:** Across discussions on retirement products, financial literacy, artificial intelligence, cybersecurity, and product design, speakers said insurers must build trust by delivering clear consumer value. Products need to be understandable, useful, and supported by responsible technology use. Confidence in insurers' long-term promises—and in how they deploy new technology—is increasingly seen as critical to industry credibility and growth.

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5 forward-looking compliance insights insurers can take away from the Forum discussions

1 **Explainability—Raise the bar on transparency**: Prepare for expanded reporting requirements and auditability of complex assets. Ensure valuation methodologies and data governance frameworks can withstand scrutiny. Anticipate increased regulatory focus on concentration risk, pricing consistency, and internal controls. This includes data on investments and property markets as analysis becomes more important in models for future risks. Supervisors are hungry for more intelligence and data on third-party frameworks, collateralized loan obligations (CLOs), and ZIP-code level data on homeowners' market coverage.[3] Ensure products are understandable, accessible and aligned with consumer needs. Incorporate financial literacy and disclosure considerations into compliance programs. Be prepared for greater scrutiny of whether products deliver real value, not just meet formal requirements.

2 **Embed liquidity, stress testing and correlation analysis into core governance:** Supervisors emphasized liquidity planning, stress testing, and understanding correlated risk under stress scenarios—especially given structured assets and asset-intensive reinsurance. Insurers should enhance enterprise-wide stress testing frameworks (RBC, Own Risk and Solvency Assessment [ORSA] cash flow testing.). Firms should be able to detect tail risk early, respond decisively, and manage any fallout from the spreading of risk in the marketplace.

3 **Treat private credit and complex structures as governance issues, not just asset allocation decisions:** Regulators are focused on how private credit is governed, overseen, and understood, including recapture risk and structural complexity. Strengthen board-level oversight and documented investment rationale. Insurers with asset-intensive reinsurance and offshore reinsurance should be ready to demonstrate alignment between cedants, reinsurers, and regulators on asset strategy. They should also formalize policies internally around asset-intensive reinsurance, collateral quality, and recapture scenario and be ready to speak with multiple state insurance departments, not just their domiciliary state.

4 **Expand risk management beyond financial risks to operational, cyber, and geopolitical threats:** The scope of risks has broadened significantly to include cyber (identity-based attacks), geopolitical instability, and operational resilience are now core supervisory concerns. The era of siloed risks is over. Integrate cyber, operational, and geopolitical risk into enterprise risk management (ERM) frameworks, and focus on identity risk, breach preparedness, and enterprise-wide resilience exercises to demonstrate clear escalation processes and cross-functional coordination. As one speaker noted, "we are only as good as the weakest link."

5 **Dialogue, dialogue, dialogue:** The meeting underscored that effective oversight in a rapidly evolving risk environment depends on close, continuous collaboration between regulators and industry participants. The importance of transparency, open dialogue, and shared understanding of risk exposures and business practices is more important than ever. Supervision is most effective when paired with industry engagement, data sharing, and aligned expectations. This includes coordination across jurisdictions and between cedants, reinsurers, and supervisors. Speakers reinforced that maintaining trust requires an ongoing partnership and a willingness to engage proactively as market conditions evolve.

Endnotes

1. National Association of Insurance Commissioners (NAIC), "International Insurance Forum," May 2026.
2. US Treasury "U.S. Department of the Treasury Hosts Convening with State Insurance Commissioners on Private Credit and the Insurance Sector," May 7, 2026.
3. NAIC, "Private Credit" accessed May 7, 2026.

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