



Summary of regulatory developments

Updates for March 2026

This memo identifies and summarises any regulatory updates published during March 2026 which may be of relevance to life insurance companies.

Figure 1 summarises the relevant updates identified in March.

FIGURE 1: REGULATORY ITEMS IDENTIFIED IN MARCH WHICH MAY BE OF RELEVANCE TO LIFE INSURANCE COMPANIES

DATE	DESCRIPTION
18-Mar	The Financial Conduct Authority (FCA) and Financial Ombudsman publish Consultation Paper CP26/9 – Modernising the redress system.
18-Mar	The Prudential Regulation Authority (PRA) publishes Policy Statement PS7/26 – Operational resilience: Operational incident and third-party reporting.
18-Mar	The PRA publishes Supervisory Statement SS1/26 – Operational resilience: Incident reporting.
25-Mar	The FCA chief executive sets out how technology could increase pension engagement, streamline transfers and enhance access to advice.
25-Mar	The FCA publishes Consultation Paper CP26/10 – Simplifying the pensions and investment advice rules.
30-Mar	The European Insurance and Occupational Pensions Authority (EIOPA) proposes amendments aimed at easing insurers' supervisory reporting and disclosure requirements.

Updates March 2026

This section highlights articles released in March 2026 which are of interest to life insurance companies.

EIOPA

EIOPA proposes amendments aimed at easing insurers' supervisory reporting and disclosure requirements.

EIOPA finalises [amendments](#) to Solvency II supervisory reporting and public disclosure alongside updates to financial stability reporting and third-country branch supervision guidelines, following the Solvency II review. The package focuses on burden reduction via fewer templates, lower frequency and broader proportionality. The main changes are summarised below:

- Reporting frequency will be reduced for selected items, notably moving detailed MCR calculation templates to annual-only (whilst the MCR result remains quarterly via S.23.01) and making CIU look-through semi-annual.
- A number of annual templates will be deleted to reduce effort, including variation analysis templates, alongside other targeted removals at solo- and group-level.
- Limited new reporting will be added where supervisory needs are not met, including enhanced pension product classification within life obligation reporting (S.14.01) by integrating ECB "add-on" pension classifications.
- Financial stability reporting will be streamlined by raising the in-scope threshold (€12bn to €20bn) and simplifying the associated [Guidelines](#), reducing the number of undertakings required to report.
- Third-country branch supervision will be simplified by reducing and consolidating the relevant [Guidelines](#) and aligning them with the revised reporting framework to remove duplication.
- Proportionality will be expanded for small and non-complex undertakings/groups, including lighter quarterly packages (particularly in Q1 and Q3) and additional exemptions from selected templates.

The revised framework is intended to apply from 30 January 2027.

FCA

- **The FCA and Financial Ombudsman Service publish Consultation Paper CP26/9 seeking views on proposals to modernise the redress framework.**

The proposals seek to ensure that the Financial Ombudsman can resolve complaints more quickly and informally, leading to faster and more consistent resolutions, reduced delays and improved outcomes for all parties. The proposals will also encourage firms to proactively resolve issues. Among the proposed reforms are:

- Two-stage Financial Ombudsman Service process (pre-registration/registration): Introduce an initial triage/info gathering stage before a complaint is formally registered for full investigation so only "case-ready" complaints proceed.
- Case-readiness framework and stage management: Apply a readiness test with supporting guidance and allow complaints to be moved back, held or paused where wider regulatory/legal issues are in play.
- Expanded dismissal grounds: Broaden and modernise the circumstances in which the Financial Ombudsman Service can dismiss a complaint without considering its merits (e.g., abusive/unreasonable conduct, already addressed via regulatory standards/redress schemes, previously decided with no new factual evidence, parallel court/other processes).

The Financial Ombudsman invites [feedback](#) on its Chapter 2 proposals by 11 May 2026.

- **The FCA publishes Consultation Paper CP26/10 – Simplifying the pensions and investment advice rules.**

The FCA publishes Consultation Paper [CP26/10](#) seeking views on proposals to simplify pensions and investment advice rules so firms can provide a broader range of support, improve consumer communications

and deliver more flexible ongoing advice services whilst maintaining appropriate consumer protection. Key proposals include:

- Suitability rules would be simplified by merging Conduct of Business Sourcebooks (COBS) 9 and COBS 9A into a single framework (new COBS 9C) and removing MiFID/non-MiFID and IBIP vs other life/pensions distinctions.
- A more proportionate approach to suitability would be introduced by requiring “sufficient” information to show suitability, scaled to the service and recommendation complexity.
- Financial Guidance [FG17/8](#) (Streamlined Advice) would be withdrawn and replaced with updated case studies on proportionate approaches and what “sufficient” information looks like.
- Guidance would clarify that knowledge and experience assessments are not always needed where they add no benefit whilst supporting customer understanding.
- Risk terminology would be simplified by standardising “attitude to risk,” separating it from loss capacity and noting that complex tools and questionnaires are not always required.
- Suitability reports would be aligned across product types on triggers, timing and content, with an emphasis on concise, consumer-focused reporting and less use as compliance records.
- Ongoing advice requirements would shift from mandated annual reviews to periodic reviews aligned to client needs and the Consumer Duty, alongside clarification on charging and disengaged clients (including when fees should stop).
- Discussion chapters would seek views (without firm proposals yet) on legacy trail commission and on suitability standards for professional clients.

The FCA invites [feedback](#) by 22 May 2026.

▪ **The FCA chief executive sets out how technology could increase pension engagement, streamline transfers and enhance access to advice.**

The FCA chief executive says pensions dashboards and AI tools will increase visibility and engagement, but the system must support varied consumer behaviours with safeguards. He points to the following themes in particular:

- Technology-driven transparency is expected to make pension wealth far more visible, potentially catalysing higher engagement and increased demand for support.
- Operational readiness will be tested as dashboards prompt large volumes of consumer queries, raising expectations of administrators’ service quality.
- More consolidation and transfers are likely, increasing the importance of effective transfer processes and better information/comparability—particularly for non-advised consumers.
- Policy direction favours “risk-aware” empowerment, balancing consumer protection with enabling informed choice (including via Targeted Support going live next month and planned simplified advice proposals).
- Digital tools and AI could reshape support models, with firms developing modellers and personalised journeys to help consumers explore retirement trade-offs at lower cost (supported by FCA innovation initiatives).
- A more holistic retirement framework is needed, as decisions increasingly span pensions, housing wealth and later life lending; the FCA is launching work in this area.
- Wider resilience issues remain in scope, including challenges for renters (no housing wealth) and low take-up of protection products, with FCA work examining relevant markets.

PRA

▪ **The PRA publishes Policy Statement PS7/26 – Operational resilience: Operational incident and third-party reporting.**

The PRA finalises rules and guidance to standardise reporting of operational incidents and material third-party (MTP) arrangements, improving supervisory oversight whilst reducing firm burden. Key points include:

- A standardised approach to operational incident reporting is introduced, aligned across UK authorities and with international standards to improve consistency and comparability.
- Firms are expected to identify and report incidents that meet PRA materiality thresholds, based on potential impacts to UK financial stability, safety and soundness and policyholder protection.
- A phased reporting approach is required, using a single report submitted promptly and then updated as the incident develops, with a final submission once the incident is resolved.
- MTP oversight is strengthened, with firms expected to notify the PRA when entering into or significantly changing material arrangements and to maintain an annual register.
- Reporting is streamlined through simpler templates, clearer guidance and consolidated submission channels to reduce burden whilst improving supervisory insight.

The final rules and expectations are intended to apply from 18 March 2027.

▪ **The PRA publishes Supervisory Statement SS1/26 – Operational resilience: Incident reporting.**

The PRA issues Supervisory Statement [SS1/26](#), setting out expectations for how operational incidents should be identified and reported to support safety and soundness. This provides guidance on the application of PS7/26 above. Key points include:

- An operational incident is an event or a series of linked events that disrupts services to external end users or compromises the availability, authenticity, integrity or confidentiality of their data. Near misses are out of scope.
- Firms must report incidents that could pose risks to UK financial stability and, where relevant, the firm's safety and soundness or an appropriate degree of policyholder protection, using factors such as contagion, reputation, legal and regulatory obligations, service adequacy and data impacts.
- Firms are expected to build threshold assessment into existing incident processes, provide best available information and take reasonable steps to obtain root cause details from third parties.
- Pensions and annuities are explicitly in scope and the PRA highlights system failures that prevent significant numbers of annuity payments as an example of a reportable incident where thresholds are met.

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