

IDEAS | PEOPLE | TRUST

Insurance Regulatory eBulletin

Round up of regulatory developments in December 2025



Welcome to our Insurance Regulatory eBulletin

Welcome to this New Year edition of our Insurance Regulatory eBulletin, which aims to keep you updated with significant regulatory developments up to the end of December 2025 and their implications across the insurance sector.

In December, the PRA wrote to the Prime Minister on steps taken to support the Government's growth agenda, and its view of progress made on 4 out of the 5 actions highlighted by PRA in December 2024. It made a supervisory statement updating expectations for banks' and insurers' climate-related risk management, alongside a Policy Statement clarifying governance, risk, scenarios and proportionality. It opened a consultation on post-implementation adjustments to Solvency UK reporting and disclosure, and updated SS2/25 on transferring risk to SPVs.

On the 15th January 2026 the PRA [released](#) their insurance supervision priorities for 2026. The PRA will continue its focus on key market trends such as pressures in the bulk purchase annuity market, softening underwriting cycles, expansion of delegated authority in the London Market, and operational resilience investment. Cyber risk and increased use of artificial intelligence are highlighted as focus areas.

The FCA extended UK-Gibraltar passporting. It set out changes to improve complaints reporting and issued. They also published research on motor insurance pricing and local area ethnicity, and published consumer research on the Pure Protection market, near-final rules for targeted support on pensions and investments, and a report on the activities of the Mutuals Registering Authority.

EIOPA proposed 'PROTECT', a natural catastrophe risk awareness and prevention tool, and issued final reports on related undertakings and exclusions from group supervision. It is also consulting on revised Guidelines for group solvency and for reporting and public disclosure. Under the Insurance Recovery and Resolution Directive (IRRD), it is consulting on simplified obligations, valuers' independence, contractual stay powers (with 3rd country enforcement highlighted), recovery planning scenarios and valuation of derivative liabilities. It also updated its Opinion on internal models including Dynamic Volatility adjustments (DVA), published its December Financial Stability Report, issued a joint DORA report with the EBA and ESMA on application of DORA to statutory auditors (concluding that statutory auditors should be out of scope for DORA), and released its usual monthly and quarterly Solvency II technical updates.

In corporate governance, the FRC reports that non-Big Four firms now audit 40% of PIEs and has issued its draft Plan and Budget for 2026-27, and has invited consultation on these by 6 February 2026. Finally, the ICO and FCA issued a joint statement on delivering targeted support within data protection and direct marketing rules.

As usual, detailed references to source documents are included I hope you find this helpful in identifying matters relevant to you. Please do not hesitate to contact myself or your usual BDO contact if you'd like to discuss any matter highlighted in this update. For more information about our audit, advisory and tax services to the insurance sector, visit our [insurance services](#) page. I hope you enjoy reading this update.



ALEX BARNES
PARTNER

+44 (0)7903 891 435

alex.barnes@bdo.co.uk

WELCOME TO OUR INSURANCE REGULATORY EBULLETIN.....	2
PRUDENTIAL REGULATION	5
▶ SS4/25 and PS25/5 Enhancing Banks' and Insurers' Approaches to Managing Climate-Related Risks.....	5
▶ CP22/25 UK Solvency II reporting and disclosure: Post-implementation amendments.....	5
▶ Letter to the Prime Minister - December 2025.....	5
▶ SS2/25 Prudential Considerations for Insurance and Reinsurance Undertakings When Transferring Risk to Special Purpose Vehicles.....	5
CONDUCT REGULATION.....	6
▶ PS25/19 Improving the Complaints Reporting process	6
▶ 2025/54 Simplification: Conduct and Product Governance of Non-Investment Insurance Business and Other Amendments Instrument 2025	6
▶ Targeted Clarifications of Handbook Materials	6
▶ PS25/21 Simplifying the Insurance Rules	6
▶ PS25/21 Simplifying the Insurance Rules	6
▶ Research Note for Motor Insurance Pricing and Local Area Ethnicity in England and Wales (and annex).....	7
▶ Regulators Forum Publishes Regulatory Initiatives Grid to Support Innovation of Stability.....	7
▶ Pure Protection Market Study Consumer Research: Summary of Quantitative Outputs.....	8
▶ PS25/22 Supporting Consumers' Pensions and Investment Decisions: Rules for Targeted Support	8
▶ Mutuels Registering Authority Report	8
▶ Operational Resilience.....	8
▶ Passporting Between the UK and Gibraltar	8
EIOPA	9
▶ Protect - A Risk and Prevention Awareness Tool for Natural Catastrophe Risks and Prevention Measures.....	9
▶ This was accompanied when EIOPA published a factsheet on 10 December calling for PROTECT, a tool to help citizens and businesses understand and prevent climate-linked risks from floods, storms, wildfires and earthquakes. PROTECT would provide clear risk scores, practical prevention advice and insurance cover information for property owners, and draws on EIOPA's analysis of current tools and behavioural approaches EIOPA invites further discussion to support adoption across Europe.	9
▶ EIOPA-BoS-25/522 Final Report on Revised Guidelines on the Treatment of Related Undertakings, Including Participations	9
▶ EIOPA-BoS-25/525 Final Report on Guidelines on Exclusions from Scope of Group Supervision - Solvency II Review.....	9
▶ EIOPA-BoS-25/519 Consultation on Draft Revised Guidelines on Group Solvency - Solvency II Review	9
▶ EIOPA-BoS-25/520 Consultation on Draft Revised Guidelines on Reporting and Public Disclosure - Solvency II Review.....	9
▶ EIOPA-BoS-25/526 Final Report on the Revised Opinion on the Supervisory Assessment of Internal Models Including a Dynamic Volatility Adjustment.....	10
▶ EIOPA-BoS-25/586 Consultation on the Proposal for Regulatory Technical Standards on Contractual Recognition of Resolution Stay Powers Under Article 52 of the IRRD	10

- ▶ EIOPA-BoS-25/581 Consultation Paper on the Proposal for Guidelines to Specify Further the Range of Scenarios in Pre-Emptive Recovery Planning..... 10
- ▶ EIOPA-BoS-25/584 Consultation on the Proposal for Guidelines to Specify Further Details on the Criteria on Simplified Obligations Under the IRRD 10
- ▶ EIOPA-BoS-25/585 Consultation on the Proposal for Regulatory Technical Standards on the Independence of Valuers for Resolution Under Article 24(6) of the IRRD 11
- ▶ EIOPA-BoS-25/585 Consultation on the Proposal for Regulatory Technical Standards on the Independence of Valuers for Resolution Under Article 24(6) of the IRRD 11
- ▶ EIOPA-BoS-25/587 Consultation Paper on the Proposal for Regulatory Technical Standards Specifying Methodologies and Principles on the Valuation of Liabilities Arising from Derivatives 11
- ▶ Innovating in Supervision: Building Trust Through Conduct Oversight and SupTech..... 11
- ▶ EIOPA-BoS-25/621 Consumer Trends in Insurance and Pensions 2025: Heatmap with Key Findings 11
- ▶ EIOPA-BOS-25-579 Financial Stability Report December 2025 11
- ▶ JC 2025 85 Joint ESAs Report in Response to the European Commission Consultation Pursuant to Article 58(3) of Regulation (EU) 2022/2554 (DORA) 11
- ▶ Additional EIOPA updates 12
- CORPORATE GOVERNANCE..... 13**
- ▶ FRC Report Highlights Non-Big Four Firms Continuing to Build Presence in PIE Audit Market. 13
- ▶ Draft Annual Plan and Budget 2026-27 13
- INFORMATION COMMISSIONER’S OFFICE 14**
- ▶ ICO call for views on enforcement procedural guidance 14
- ENFORCEMENT ACTION..... 15**
- ▶ PRA / FCA regulatory fines & enforcement round-up 15

Prudential Regulation

SS4/25 AND PS25/5 ENHANCING BANKS' AND INSURERS' APPROACHES TO MANAGING CLIMATE-RELATED RISKS

On 3 December, the PRA [published](#) a Supervisory Statement setting out updated expectations for banks and insurers in managing climate-related risks, effective from 3 December 2025. The statement consolidates previous PRA feedback, incorporates new international standards, and replaces SS3/19. It addresses governance, risk management, climate scenario analysis, data, disclosures, and provides sector-specific guidance for banks and insurers. Firms are required to undertake an internal review of their compliance within six months and apply the expectations in a proportionate manner according to the materiality of their climate-related risk exposures.

This was accompanied by a [policy statement](#) PS25/25. The policy strengthens governance, risk management, and scenario analysis, while clarifying proportionality and materiality in application. It replaces SS3/19 and takes effect immediately, with firms expected to complete an internal review and develop plans within six months.

CP22/25 UK SOLVENCY II REPORTING AND DISCLOSURE: POST-IMPLEMENTATION AMENDMENTS

On 4 December, the PRA [published](#) a consultation paper setting out proposed minor amendments to the PRA Rulebook and other materials relating to UK Solvency II reporting and disclosure following implementation of the requirements set out in PS15/24. The PRA considered that the resulting reforms removed a substantial volume of templates from the previous reporting package. The PRA has received feedback and queries from firms regarding some of the reporting requirements, and as a result it has identified areas requiring minor clarifications, as well as inconsistencies and errors that need to be addressed. The PRA is proposing to: (i) amend reporting and disclosure templates and instructions to address firm feedback and resolve

inconsistencies and errors; (ii) make an additional targeted reporting change; and (iii) transfer the reporting format of the Matching Adjustment Asset and Liability Information Return (MALIR) templates from Excel to eXtensible Business Reporting Language (XBRL). Comments should be submitted by 4 March 2026.

LETTER TO THE PRIME MINISTER - DECEMBER 2025

On 9 December, the PRA [issued](#) an update on actions taken to support the Government's growth agenda, confirming that four of the five changes it committed to in December 2024 have been completed and the fifth is underway. These include simplifying the prudential regime for small banks and building societies, launching the Matching Adjustment Investment Accelerator to boost insurance sector investment, improving the UK framework for Insurance Special Purpose Vehicles, and amending remuneration requirements to enhance competitiveness. The PRA has also begun simplifying regulatory data reporting from banks through its Future Banking Data programme, delivering initial cost reductions. In addition, progress has been made on three joint proposals with HM Treasury and the Department for Business and Trade, including establishing a concierge service for inward investment, rationalising the PRA's 'have regards', and reducing regulatory overlap.

SS2/25 PRUDENTIAL CONSIDERATIONS FOR INSURANCE AND REINSURANCE UNDERTAKINGS WHEN TRANSFERRING RISK TO SPECIAL PURPOSE VEHICLES

On 19 December, the [published](#) the latest version of the supervisory statement (SS2/25), originally issued on 24 July 2025 and subsequently amended through the PRA's LIAF03/25 package on 19 December 2025, setting out its expectations for insurance and reinsurance undertakings transferring risk to Special Purpose Vehicles (SPVs).

Conduct Regulation

PS25/19 IMPROVING THE COMPLAINTS REPORTING PROCESS

On 3 December, the FCA [published](#) a policy statement which summarises the feedback to Consultation Paper 25/13 'Improving the Complaints Reporting Process' (CP25/13), confirms the final rules and guidance, and sets out the next steps for implementation. Comments on Chapter 4 of the policy statement should be submitted by 2 February 2026.

2025/54 SIMPLIFICATION: CONDUCT AND PRODUCT GOVERNANCE OF NON-INVESTMENT INSURANCE BUSINESS AND OTHER AMENDMENTS INSTRUMENT 2025

On 9 December, the FCA [published](#) the 2025 Conduct and Product Governance of Non-Investment Insurance Business and Other Amendments Instrument. Among other things, the modules of the FCA's Handbook of rules and guidance listed in column 1 of this document are amended in accordance with the Annexes to this instrument listed in column 2 of this document. Further, Perimeter Guidance manual (PERG) is also amended in accordance with Annex I to this instrument. This instrument was made effective on 9 December 2025.

TARGETED CLARIFICATIONS OF HANDBOOK MATERIALS

On 9 December, the FCA [published](#) a consultation paper proposing targeted clarifications and simplifications to its rules and guidance to reduce unnecessary complexity and administrative burden for financial firms, while maintaining high standards of consumer protection. The changes include streamlining investment rules for UK UCITS, updating client asset rules (CASS), simplifying insurance and funeral plan requirements, and clarifying references to older principles now covered by the Consumer Duty. The FCA aims to make its Handbook clearer and more accessible, support innovation and growth, and provide better guidance for smaller firms.

PS25/21 SIMPLIFYING THE INSURANCE RULES

On 9 December, the FCA [published](#) a Policy Statement setting out final rules to simplify and modernise insurance regulation. The FCA aims to support growth and innovation by reducing regulatory requirements and resulting processes, while maintaining appropriate consumer protection. Key changes include introducing greater flexibility for firms under product governance rules, removing the mandatory 15-hour Continuing Professional Development requirement, eliminating outdated Employers' Liability notification and reporting obligations, and allowing firms to determine product review frequency based on risk rather than a fixed 12-month cycle. These changes reflect a move away from a one-size-fits-all approach, providing greater protection for those who need it and more flexibility for those who do not, while future-proofing regulation and aligning with the outcomes-focused Consumer Duty. The final rules come into effect immediately upon publication of this policy statement.

PS25/21 SIMPLIFYING THE INSURANCE RULES

On 9 December, the FCA [published](#) a Policy Statement setting out final rules to simplify and modernise insurance regulation. The FCA aims to support growth and innovation by reducing regulatory requirements and resulting processes, while maintaining appropriate consumer protection. Key changes include introducing greater flexibility for firms under product governance rules, removing the mandatory 15-hour Continuing Professional Development requirement, eliminating outdated Employers' Liability notification and reporting obligations, and allowing firms to determine product review frequency based on risk rather than a fixed 12-month cycle. These changes reflect a move away from a one-size-fits-all approach, providing greater protection for those who need it and more flexibility for those who do not, while future-proofing regulation and aligning with the outcomes-focused Consumer Duty. The final rules

come into effect immediately upon publication of this policy statement.

RESEARCH NOTE FOR MOTOR INSURANCE PRICING AND LOCAL AREA ETHNICITY IN ENGLAND AND WALES (AND ANNEX)

On 10 December, the FCA [published](#) a research note titled "Motor Insurance Pricing and Local Area Ethnicity in England and Wales." The report analysed 6.1 million motor insurance policies from 2019 to 2024 to understand differences in premiums between areas with varying proportions of residents from minority ethnic backgrounds. The study revealed that while unadjusted premiums are higher in areas with more minority ethnic residents, most of this difference is explained by expected claims costs and other risk factors, including urbanity and age. After adjusting for these factors using regression modelling, the residual difference is small but statistically significant (e.g., £28 in Luton compared to nearly £300 unadjusted). The FCA noted that this residual may relate to operational costs, uncertainty premia, or unobserved risk factors. It also emphasised that firms must monitor outcomes under the Consumer Duty and ensure compliance with equality legislation.

Alongside this it also [released](#) a set of annexes entitled "Annexes for Motor Insurance Pricing and Local Area Ethnicity in England and Wales." Among other things, the research incorporates data preparation, methodology, and additional analysis to assess the relationship between motor insurance pricing and local area ethnicity in England and Wales.

REGULATORS FORUM PUBLISHES REGULATORY INITIATIVES GRID TO SUPPORT INNOVATION AND STABILITY

On 11 December, the FCA [announced](#) that the latest edition of the Regulatory Initiatives Grid is published. It outlines the regulations pipeline for financial services applicable for two years, and contains 124 live initiatives that represent a 13% reduction from the previous edition. Additionally, the FCA notes that 45 of these initiatives are collaborative, where there is strong collaboration between regulators and government departments.

PURE PROTECTION MARKET STUDY CONSUMER RESEARCH: SUMMARY OF QUANTITATIVE OUTPUTS

On 11 December, the FCA has [published](#) the Pure Protection Market Study Consumer Research: Summary of Quantitative Outputs, based on a nationally representative survey of 14,326 UK consumers. The research examines consumer understanding, engagement, and purchasing behaviour for pure protection products, including Term Insurance, Whole of Life, Over 50s Insurance, Critical Illness, and Income Protection. Key findings indicate that 42% hold a pure protection policy, with affordability, perceived lack of need, and low knowledge cited as main barriers to uptake. The study also highlights that most policyholders feel their needs are met, while recent purchasers are more likely to report characteristics of vulnerability and to have used professional support during the sales process.

PS25/22 SUPPORTING CONSUMERS' PENSIONS AND INVESTMENT DECISIONS: RULES FOR TARGETED SUPPORT

On 11 December, the FCA [published](#) Policy Statement PS25/22 (Supporting Consumers' Pensions and Investment Decisions: Rules for Targeted Support), which sets out the near-final rules for its new targeted support regime. The statement also details feedback received on its proposals and provides the FCA's responses. The FCA states it will formally make the final rules once the Government makes targeted support a new specified activity.

MUTUALS REGISTERING AUTHORITY REPORT

On 11 December, the FCA [published](#) a report setting out a proposed set of recommendations designed to support the sustainable growth of the mutual societies sector. The FCA recommends increasing visibility can help the sector grow. Some steps they will undertake are reducing costs and increasing the speed of decisions, as well as improving support with the launch of the Mutual Societies Development Unit.

OPERATIONAL RESILIENCE

On 11 December, the FCA [published](#) updated information on operational resilience requirements for firms, financial market infrastructures, and the financial sector. Firms in scope were required to ensure they could operate important business services within their impact tolerances by 31 March 2025, following rules in force since 31 March 2022. The FCA outlines expectations for mapping, testing, and remediation of vulnerabilities, and provides insights from recent incidents such as the CrowdStrike outage.

PASSPORTING BETWEEN THE UK AND GIBRALTAR

On 19 December, the FCA [updated](#) its guidance on passporting between the UK and Gibraltar, stating that passporting is now only available for firms operating between these two jurisdictions until 31 December 2026 (extended from 31 December 2025). This transitional arrangement, which may be extended, is based on the Government of Gibraltar maintaining the current level of access for UK financial services. This follows a treasury [announcement](#) in November.

EIOPA

We continue to monitor the European Insurance and Occupational Pensions Authority's (EIOPA), activity and draw your attention to it, where we believe it to be necessary or helpful. This will, we believe, assist those firms operating in the EU.

PROTECT - A RISK AND PREVENTION AWARENESS TOOL FOR NATURAL CATASTROPHE RISKS AND PREVENTION MEASURES

On 3 December, EIOPA [published](#) a report proposing for PROTECT - a natural catastrophe risk awareness and prevention tool designed to help property owners reduce the vulnerability of their buildings to extreme weather events, limit potential losses, and ultimately contribute to the continent's long-term resilience in the face of climate change.

This was accompanied when EIOPA published a [factsheet](#) on 10 December calling for PROTECT, a tool to help citizens and businesses understand and prevent climate-linked risks from floods, storms, wildfires and earthquakes. PROTECT would provide clear risk scores, practical prevention advice and insurance cover information for property owners, and draws on EIOPA's analysis of current tools and behavioural approaches EIOPA invites further discussion to support adoption across Europe.

EIOPA-BOS-25/522 FINAL REPORT ON REVISED GUIDELINES ON THE TREATMENT OF RELATED UNDERTAKINGS, INCLUDING PARTICIPATIONS

On 5 December, EIOPA [published](#) its final report on revised Guidelines on the treatment of related undertakings, including participations. The report sets out the final text of the revised guidelines, explanatory text and a feedback statement on the public consultation. The revised Guidelines include amendments to update legal references and to clarify and streamline the text. In particular, three guidelines were deleted because their content is sufficiently clear from the provisions of Solvency II, and four guidelines have been amended to

reflect changes to the Solvencies II Directive. The Guidelines will become applicable on 30 January 2027.

EIOPA-BOS-25/525 FINAL REPORT ON GUIDELINES ON EXCLUSIONS FROM SCOPE OF GROUP SUPERVISION - SOLVENCY II REVIEW

On 5 December 2025, EIOPA [published](#) its final report on the Guidelines regarding the exclusion of undertakings from the scope of group supervision. The Guidelines provide guidance on the circumstances under which undertakings should not be eligible for exclusion based on Article 214(2) of the Solvency II Directive, where such exclusion would lead to non-application of group supervision under Article 213(2), points (a), (b), and (c) of that Directive. The Guidelines will become applicable on 30 January 2027.

EIOPA-BOS-25/519 CONSULTATION ON DRAFT REVISED GUIDELINES ON GROUP SOLVENCY - SOLVENCY II REVIEW

On 5 December, EIOPA [sought](#) comments on the draft revised guidelines regarding group solvency - Solvency II Review. Among other things, the revised Guidelines on group solvency update the original 2015 text to exhibit the amended Solvency II framework and update provisions to further clarify solvency calculations. Further, the Guidelines considered redundant, unclear, or no longer consistent with the legal framework are proposed for deletion which will result to 63% reduction in the number of individual Guidelines. Comments should be submitted on or before 27 February 2026.

EIOPA-BOS-25/520 CONSULTATION ON DRAFT REVISED GUIDELINES ON REPORTING AND PUBLIC DISCLOSURE - SOLVENCY II REVIEW

On 5 December, EIOPA [published](#) a consultation paper on the proposal for revised Guidelines on reporting and public disclosure. The main objective of the review is to ensure that the guidelines are up to date and in line with the legal framework as amended by the Solvency II review, and to simplify and shorten the guidelines, in particular where they are relevant for insurance and reinsurance undertakings. This consultation paper presents the draft revised Guidelines on reporting and public disclosure and

its explanatory text, taking into account changes stemming from the review of the Solvency II Directive (2009/138/ EC), the review of Commission Delegated Regulation (EU) 2015/35, and practical experience with the application of the Guidelines. The amendments are solely for clarification and streamlining purposes with no intention to reduce supervisory expectations and are not expected to have a material impact on the insurance industry or supervisory authorities. EIOPA invites stakeholders to provide their feedback on the consultation paper by responding to the questions via the online survey no later than 27 February 2026.

EIOPA-BOS-25/526 FINAL REPORT ON THE REVISED OPINION ON THE SUPERVISORY ASSESSMENT OF INTERNAL MODELS INCLUDING A DYNAMIC VOLATILITY ADJUSTMENT

On 5 December, EIOPA [published](#) its final report on the revised [Opinion](#) regarding the supervisory assessment of internal models, including the dynamic volatility adjustment (DVA). The updated Opinion reflects amendments to the Solvency II Directive, introduces a broader prudency principle, and provides additional clarifications on modelling and risk management. EIOPA conducted a public consultation from April to June 2025 and refined the Opinion based on stakeholder feedback, with a focus on proportionality and the scope of modelling. The consolidated Opinion will be published on EIOPA's website and will become applicable on 30 January 2027.

EIOPA-BOS-25/586 CONSULTATION ON THE PROPOSAL FOR REGULATORY TECHNICAL STANDARDS ON CONTRACTUAL RECOGNITION OF RESOLUTION STAY POWERS UNDER ARTICLE 52 OF THE IRRD

On 8 December, EIOPA [published](#) a consultation paper on a proposal for Regulatory Technical Standards (RTS) regarding the contractual recognition of resolution stay powers under Article 52 of Directive (EU) 2025/1 of the European Parliament and of the Council of 27 November 2024, which establishes a framework for the recovery and resolution of insurance and reinsurance undertakings. These RTS aim to establish standardized terms for financial

contracts that would enable resolution authorities to apply stay powers (i.e., powers to suspend or restrict rights and obligations) to contracts governed by laws outside the EU. Ensuring consistent recognition of these powers supports the cross-border enforceability of resolution actions. Comments must be received by 20 March 2026.

EIOPA-BOS-25/581 CONSULTATION PAPER ON THE PROPOSAL FOR GUIDELINES TO SPECIFY FURTHER THE RANGE OF SCENARIOS IN PRE-EMPTIVE RECOVERY PLANNING

On 8 December, EIOPA [published](#) a consultation paper, presenting draft Guidelines aimed at specifying further the range of scenarios of severe macroeconomic as well as financial stress with relevance to insurance and reinsurance undertakings or groups in assessing their pre-emptive recovery plans' credibility and feasibility. EIOPA states that these guidelines are aligned with the scenarios stated in Article 5(7) of Directive (EU) 2025/1 for pre-emptive recovery planning. They are also addressed to supervisory authorities and financial institutions, with application from 30 January 2027. Comments must be submitted on or before 20 March 2026.

EIOPA-BOS-25/584 CONSULTATION ON THE PROPOSAL FOR GUIDELINES TO SPECIFY FURTHER DETAILS ON THE CRITERIA ON SIMPLIFIED OBLIGATIONS UNDER THE IRRD

On 9 December, EIOPA [issued](#) a consultation paper on proposed Guidelines that further specify the criteria for simplified obligations under the Insurance Recovery and Resolution Directive (IRRD). These Guidelines outline eligibility criteria for such simplified obligations. EIOPA further specifies factors such as the nature of business, shareholding structure, legal form, risk profile, size, legal status, interconnectedness metrics, as well as the scope and complexity of activities to be considered when assessing whether an undertaking or group is eligible for simplified obligations. Comments must be submitted no later than 20 March 2026.

EIOPA-BOS-25/585 CONSULTATION ON THE PROPOSAL FOR REGULATORY TECHNICAL STANDARDS ON THE INDEPENDENCE OF VALUERS FOR RESOLUTION UNDER ARTICLE 24(6) OF THE IRRD

On 9 December, EIOPA [issued](#) a consultation paper on the proposal for Regulatory Technical Standards (RTS) on the independence of valuers for resolution under Article 24(6) of the Insurance Recovery and Resolution Directive (IRRD). The RTS set out the conditions under which a candidate valuer is deemed to be independent from both the resolution authority and the entity under resolution and may perform the valuation of an entity's assets and liabilities. Comments should be submitted on or before 20 March 2026.

EIOPA-BOS-25/585 CONSULTATION ON THE PROPOSAL FOR REGULATORY TECHNICAL STANDARDS ON THE INDEPENDENCE OF VALUERS FOR RESOLUTION UNDER ARTICLE 24(6) OF THE IRRD

On 9 December, EIOPA [issued](#) a consultation paper on the proposal for Regulatory Technical Standards (RTS) on the independence of valuers for resolution under Article 24(6) of the Insurance Recovery and Resolution Directive (IRRD). The RTS set out the conditions under which a candidate valuer is deemed to be independent from both the resolution authority and the entity under resolution and may perform the valuation of an entity's assets and liabilities. Comments should be submitted on or before 20 March 2026.

EIOPA-BOS-25/587 CONSULTATION PAPER ON THE PROPOSAL FOR REGULATORY TECHNICAL STANDARDS SPECIFYING METHODOLOGIES AND PRINCIPLES ON THE VALUATION OF LIABILITIES ARISING FROM DERIVATIVES

On 9 December, EIOPA [published](#) a consultation paper on a proposal for Regulatory Technical Standards (RTS) specifying methodologies and principles for the valuation of liabilities arising from derivatives. The consultation proposal was developed in line with EIOPA's views on better regulation and supervision, thus enhancing supervisory convergence through simpler, more efficient frameworks. Comments must be

submitted by 20 March 2026. Comments should be submitted on or before 20 March 2026.

INNOVATING IN SUPERVISION: BUILDING TRUST THROUGH CONDUCT OVERSIGHT AND SUPTECH

On 10 December, EIOPA [published](#) the remarks delivered by Petra Hielkema, EIOPA Chairperson, during the 2025 Asian Forum of Insurance Regulators (AFIR) - 20th AFIR Annual Meeting and Seminar in Hyderabad, India. Hielkema's speech focused on three main points, namely: (i) conduct oversight: the foundation of trust; (ii) SupTech: the engine of modern supervision; and (iii) building a more trusted and resilient supervisory future.

EIOPA-BOS-25/621 CONSUMER TRENDS IN INSURANCE AND PENSIONS 2025: HEATMAP WITH KEY FINDINGS

On 11 December, EIOPA [published](#) a heatmap and accompanying findings on consumer trends in insurance and pensions for 2025. The heatmap reflects aggregated observations identified at the European level.

EIOPA-BOS-25-579 FINANCIAL STABILITY REPORT DECEMBER 2025

On 15 December, EIOPA [published](#) the Financial Stability Report for December 2025. The report analyses key developments and risks for European insurers and occupational pension funds in a landscape marked by fragile and subdued growth, which can largely be attributed to continuing trade-political tensions and elevated debt levels.

JC 2025 85 JOINT ESAS REPORT IN RESPONSE TO THE EUROPEAN COMMISSION CONSULTATION PURSUANT TO ARTICLE 58(3) OF REGULATION (EU) 2022/2554 (DORA)

On 17 December, the European Banking Authority (EBA), EIOPA, and the European Securities and Markets Authority (ESMA) [published](#) a joint report responding to the European Commission's (EC) request under Article 58(3) of Regulation (EU) 2022/2554 (DORA). The report assesses whether statutory auditors and audit firms should be subject to strengthened digital operational resilience requirements through inclusion in DORA's scope or amendments to Directive

2006/43/EC, and provides an overview of the current regulatory framework and the limited supervisory role of these authorities. This document is dated 4 December 2025, but was published on the EIOPA website on 17 December 2025.

ADDITIONAL EIOPA UPDATES

EIOPA has also published the following technical Solvency II related updates:

- EIOPA Publishes Monthly Update of the Symmetric Adjustment of the Equity Capital Charge for Solvency II - End-November 2025 ([link](#))
- EIOPA Publishes Monthly Technical Information for Solvency II Relevant Risk-Free Interest Rate Term Structures - end-November 2025 ([link](#))
- EIOPA published updated reference portfolios for calculating the volatility adjustment to Solvency II risk-free rate term structures, effective from end-March 2026 ([link](#))

Corporate Governance

FRC REPORT HIGHLIGHTS NON-BIG FOUR FIRMS CONTINUING TO BUILD PRESENCE IN PIE AUDIT MARKET

On 4 December, the Financial Reporting Council (FRC) [published](#) its latest Audit Market and Competition Update showing that non-Big Four firms have significantly increased their share of Public Interest Entity (PIE) audits to 40% in 2024, up from 22% at the start of the decade. The report highlights FRC initiatives supporting smaller firms, improving access to audit services, and reducing regulatory burdens, such as the Future of Audit Supervision Strategy and the SME market study. FRC CEO Richard Moriarty emphasized the importance of collective action for a resilient audit market and reaffirmed the FRC's commitment to proportionate regulation and ongoing collaboration with stakeholders. [Click here to view the source document.](#)

DRAFT ANNUAL PLAN AND BUDGET 2026-27

On 15 December, the FRC [published](#) its draft annual plan and budget for 2026-27. The document sets out how the FRC will deliver on their purpose of serving the public interest and supporting UK economic growth by upholding high standards of corporate governance, corporate reporting, audit and actuarial work. The draft also serves as the second part of the FRC's three-year strategy for 2025-28 which launched in 2024, setting out the strategic themes and stakeholder outcomes to which the FRC contributes. While there will be a need to adapt specific activities to respond to emerging needs, the core purpose and strategic objectives remain unchanged as they are the foundation of how they support investor and stakeholder confidence. Feedback was invited by 6 February 2026 from stakeholders.

Information Commissioner's Office

We continue to monitor material being issued by the ICO with a view to highlighting high-level matters that may be relevant to readers.

ICO CALL FOR VIEWS ON ENFORCEMENT PROCEDURAL GUIDANCE

On 11 December, the ICO and FCA [published](#) a joint statement outlining how financial institutions may adopt targeted support while complying with data protection and direct marketing standards. This project permits licensed businesses to provide suggestions to people based on their membership in a group of customers with similar characteristics, with the goal of assisting consumers in navigating their financial life and making tough financial decisions.

Enforcement action

PRA / FCA regulatory fines & enforcement round-up

We have identified key relevant enforcement action during December 2025 and in this respect, the following announcement has been made by the FCA:

Final Notice 2025: Amin Patel & Shah	The FCA issued a Final Notice to Amin Patel & Shah for failing to satisfy the Suitability Threshold Condition, as the firm is not considered fit and proper to conduct regulated activities, having regard to all the circumstances. Specifically, the FCA considers that the firm has failed to be transparent and co-operative in all of its dealings with the FCA and so the FCA is not satisfied that the firm's business is being, or will be, managed in a way that ensures its affairs will be carried out in a sound and prudent way. This has resulted in the cancellation of its Part 4A permission, effective 4 December 2025. In the detail of the notice, it FCA comments that the firm failed to provide the requested documents and confirmation relating to its professional indemnity insurance cover.
Final Notice 2025: Mr Peter Richard Mulvey	The FCA has issued a Final Notice prohibiting Mr Peter Richard Mulvey from performing any function related to regulated financial activities, effective 11 December 2025, because he admitted to serious misconduct while working at an authorised firm, including receiving £175,000 from a vulnerable client into his personal account without proper authority, failing to disclose or keep records of the transaction, and only repaying the money after 18 months. As a result, the Chartered Insurance Institute (CII) expelled him for at least five years, and the FCA concluded that Mr Mulvey lacks the integrity and reputation required to work in financial services, posing a risk to consumers and the UK financial system

Contacts

EXTERNAL AUDIT

ALEX BARNES

Partner & Head of Insurance Audit
alex.barnes@bdo.co.uk

GILES WATSON

Partner
giles.watson@bdo.co.uk

TOM REED

Partner
tom.reed@bdo.co.uk

RUPERT LIVINGSTONE

Partner
rupert.livingstone@bdo.co.uk

ADEEL AJMAL

Director
adeel.ajmal@bdo.co.uk

MZ NETYISI

Director
mz.netyisi@bdo.co.uk

INTERNAL AUDIT

CHRIS BELLAIRS

Partner
christian.bellairs@bdo.co.uk

LUKE PATTERSON

Partner
luke.patterson@bdo.co.uk

SAM PATEL

Partner
sam.patel@bdo.co.uk

REGULATORY ADVISORY

MICK CAMPBELL

Partner
mick.campbell@bdo.co.uk

RICHARD BARNWELL

Partner
richard.barnwell@bdo.co.uk

NICOLA BALL

Director
nicola.ball@bdo.co.uk

CASS

JAMES STEELE-PERKINS

Partner
james.steele-perkins@bdo.co.uk

ACCOUNTING & CORPORATE REPORTING ADVISORY

MARK SPENCER

Partner
mark.spencer@bdo.co.uk

ACTUARIAL

GRAHAM HANDY

Partner & Head of Insurance Advisory
graham.handy@bdo.co.uk

ELINORE O'NEILL

Director
elinore.oneill@bdo.co.uk

GRAHAM CORNISH

Director
graham.cornish@bdo.co.uk

JAMIE BENTLEY

Director
jamie.bentley@bdo.co.uk

WILLIAM DIFFEY

Director
william.diffey@bdo.co.uk

TAX

THOMAS TO

Partner & Head of Insurance Tax
thomas.to@bdo.co.uk

MICHAEL WHITESIDE

Director
michael.whiteside@bdo.co.uk

CORPORATE FINANCE

RAHOEL PATEL

Partner, Head of FS Transaction Services
rahoel.patel@bdo.co.uk

ADAM WHISTANCE

Director & Head of Insurance M&A
adam.whistance@bdo.co.uk

OUTSOURCING

KELLY SHEPPARD

Partner
kelly.sheppard@bdo.co.uk

FOR MORE INFORMATION:

ALEX BARNES

+44 (0)7903 891 435
alex.barnes@bdo.co.uk

GRAHAM HANDY

+44 (0)7876 877 083
graham.handy@bdo.co.uk

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice.

Please contact BDO LLP to discuss these matters in the context of your particular circumstances. BDO LLP, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO LLP, a UK limited liability partnership registered in England and Wales under number OC305127, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. A list of members' names is open to inspection at our registered office, 55 Baker Street, London W1U 7EU. BDO LLP is authorised and regulated by the Financial Conduct Authority to conduct investment business.

BDO is the brand name of the BDO network and for each of the BDO Member Firms.

BDO Northern Ireland, a partnership formed in and under the laws of Northern Ireland, is licensed to operate within the international BDO network of independent member firms.

We will not share your details with third parties other than those agents and service providers used to meet your requirements. To correct your personal details or if you do not wish us to provide you with information that we believe may be of interest to you, please contact us.

© December 2025 BDO LLP. All rights reserved.

www.bdo.co.uk