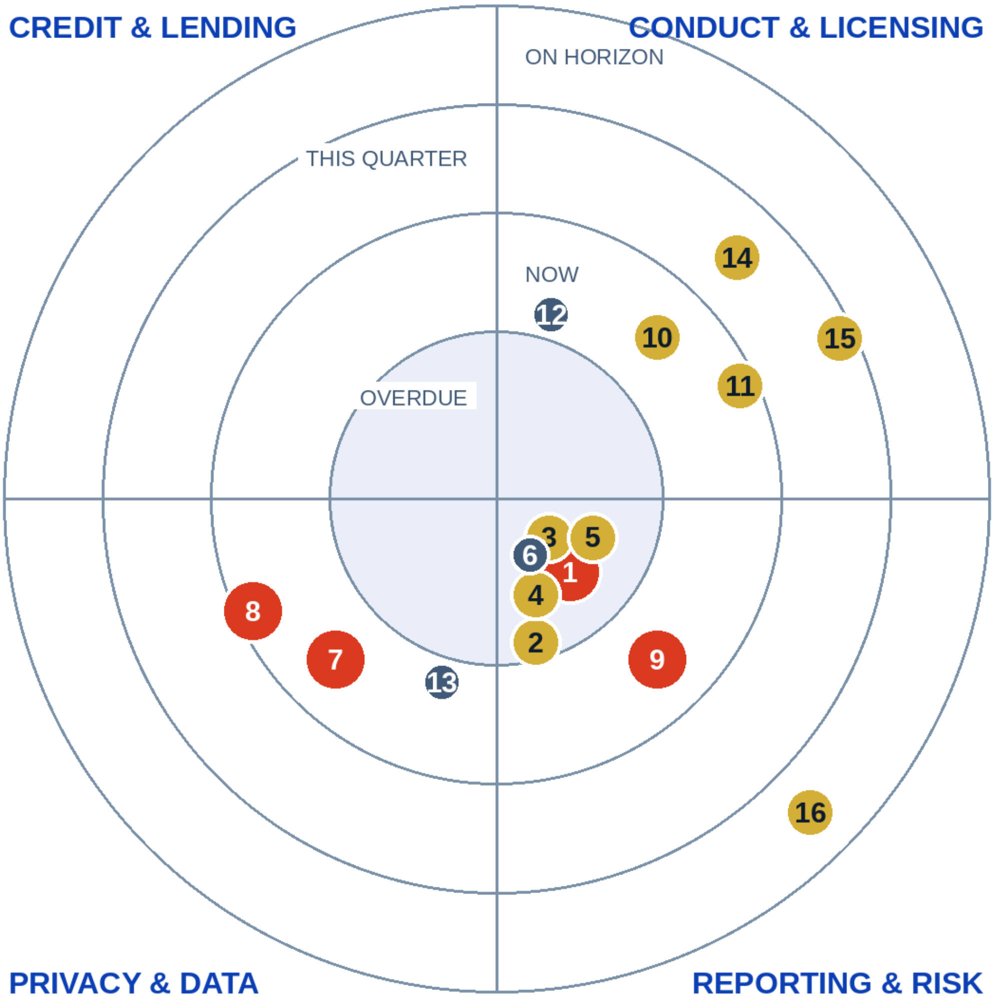
DARK ARTS
EVENT HORIZON

REGULATORY RADAR
AUSTRALIAN INSURERS
JULY-AUGUST 2026

What's moving on the horizon for these firms and what it quietly breaks.

LEAD SIGNALS

Life insurance capital and actuarial maths changed on 1 July: four binding standards now prescribe the calculations, the stress tests and the reporting trail. The same day CPS 230 made operational risk enforceable and the defined terms moved into one standard, 2027 brings a rebuilt reinsurance framework, and privacy, breach reporting, DDO and claims handling precedents from other sectors apply to insurers just as directly.



ANGLE = CATEGORY · DISTANCE FROM CENTRE = WHEN IT BITES · SIZE & COLOUR = SEVERITY

1 **REPORTING & RISK** · OVERDUE **HIGH**

Operational risk rules now bind

WHO: general, life and health insurers and their material service providers
WHAT: operational risk registers, continuity plans and service provider monitoring still living in spreadsheets
WHEN: commenced 1 July 2026. Binding and enforceable now, across every APRA regulated industry.
SOURCE: apra.gov.au

2 **REPORTING & RISK** · OVERDUE **MEDIUM**

Actuarial frameworks became enforceable

WHO: general, life and health insurers
WHAT: report preparation workflows, submission deadline tracking and records of board responses to actuarial advice
WHEN: commenced 1 July 2026. Non acceptance of material advice must be notified to APRA.
SOURCE: apra.gov.au

Email "CHECK" to find out whether any of this touches your systems. Email "RADAR" to subscribe.

3 **REPORTING & RISK** · OVERDUE **MEDIUM**

Capital eligibility rules changed

WHO: life insurers and friendly societies

WHAT: capital calculation engines and fund level monitoring keyed to old instrument eligibility rules

WHEN: commenced 1 July 2026 across statutory and shareholder funds.

SOURCE: apra.gov.au

4 **REPORTING & RISK** · OVERDUE **MEDIUM**

Asset stress tests are prescribed

WHO: life insurers calculating capital against asset risk

WHAT: actuarial systems that cannot run seven prescribed stress components and aggregate them per fund

WHEN: commenced 1 July 2026 as part of the standard method.

SOURCE: apra.gov.au

5 **REPORTING & RISK** · OVERDUE **MEDIUM**

Surrender value maths is prescribed

WHO: life insurers and friendly societies administering policies

WHAT: policy administration and actuarial engines calculating termination, surrender and paid up values the old way

WHEN: commenced 1 July 2026, with methods varying by policy type and issue date.

SOURCE: apra.gov.au

6 **REPORTING & RISK** · OVERDUE **LOW**

Every defined term just moved

WHO: insurers whose systems embed prudential definitions in valuations and reporting

WHAT: capital calculations, classifications and reporting logic keyed to superseded definitions

WHEN: commenced 1 July 2026. One standard now governs interpretation across the frameworks.

SOURCE: apra.gov.au

7 **PRIVACY & DATA** · NOW **HIGH**

Insider access just got expensive

WHO: insurers whose staff and contractors can open policyholder and claims records

WHAT: role based access controls and audit logging that cannot prove who viewed which account, and when

WHEN: determination made: compensation, apology, technical access controls and account level logging all ordered.

SOURCE: oaic.gov.au

8 **PRIVACY & DATA** · NOW **HIGH**

Tracking pixels triggered determinations

WHO: insurers running third-party pixels on quote, claims or policy pages

WHAT: consent mechanisms and data flows quietly shipping sensitive signals to advertising platforms

WHEN: determinations made. The OAIC has told every APP entity to review its pixels.

SOURCE: oaic.gov.au

9 **REPORTING & RISK** · NOW **HIGH**

$10.3m for unreported investigations

WHO: insurers and their AFS licensed distributors under the reportable situations regime

WHAT: breach identification and escalation systems that let investigations go unreported or late

WHEN: penalty ordered by the Federal Court. Trustee accountability is a named 2026 priority.

SOURCE: asic.gov.au

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10 **CONDUCT & LICENSING** · NOW **MEDIUM**

Stop orders over target markets

WHO: insurers issuing retail products with target market determinations under DDO

WHAT: target market determinations that drift from what the product actually is: objectives, liquidity, holding period

WHEN: interim stop orders issued. Private credit products remain in the spotlight.

SOURCE: asic.gov.au

11 **CONDUCT & LICENSING** · NOW **MEDIUM**

Death benefit handling still lagging

WHO: life insurers handling death and TPD claims through super trustees and directly

WHAT: end to end claims tracking, performance targets and member communications ASIC expects to see

WHEN: second review published. Mandatory member service standards are on the government's table.

SOURCE: asic.gov.au

12 **CONDUCT & LICENSING** · NOW **LOW**

Policy wording scrutiny continues

WHO: life and health insurers with pre-existing condition clauses

WHAT: product disclosure and policy wording that can mislead even where terms are not legally unfair

WHEN: appeal dismissed, but the earlier misleading conduct finding stands undisturbed.

SOURCE: asic.gov.au

13 **PRIVACY & DATA** · NOW **LOW**

Company search gets an API

WHO: insurers doing company checks in commercial underwriting and onboarding

WHAT: brittle ASIC Connect lookups and scraped registry data, which now have a supported replacement

WHEN: public beta live, part of the RegistryConnect modernisation programme.

SOURCE: asic.gov.au

14 **CONDUCT & LICENSING** · THIS QUARTER **MEDIUM**

Economic exposure now counts as ownership

WHO: insurers and their investment teams holding positions in listed entities

WHAT: disclosure workflows that only track relevant interests, not economic exposure

WHEN: new obligations commence 4 December 2026. Updated guidance is already out

SOURCE: asic.gov.au

15 **CONDUCT & LICENSING** · THIS QUARTER **MEDIUM**

Three forms become one in December

WHO: insurers and their investment teams lodging substantial holding notices

WHAT: notice generation and registers built around Forms 603, 604 and 605

WHEN: commences 4 December 2026. Legacy forms accepted until 4 June 2027

SOURCE: asic.gov.au

16 **REPORTING & RISK** · ON HORIZON **MEDIUM**

Reinsurance rules modernise in 2027

WHO: general insurers using or considering alternative reinsurance

WHAT: capital models and actuarial workflows built on the outgoing reinsurance framework

WHEN: finalised, commences 1 January 2027. About four months to reconfigure.

SOURCE: apra.gov.au

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