



Summary of regulatory developments

Updates for June 2025

This memo identifies and summarises any regulatory updates published during June 2025 which may be of relevance to life insurance companies.

The following table summarises the relevant updates identified in June.

REGULATORY ITEMS IDENTIFIED IN JUNE WHICH MAY BE OF RELEVANCE TO LIFE INSURANCE COMPANIES

Date	Description
5-Jun	The Financial Conduct Authority's (FCA's) executive director delivers speech on funding companies .
10-Jun	The FCA's chief data, information and intelligence officer delivers speech on Digital Sandbox .
13-Jun	The European Insurance and Occupational Pensions Authority (EIOPA) publishes its 2024 Annual Report .
18-Jun	The FCA's chief operating officer delivers speech on regulation .
26-Jun	The FCA's chief executive delivers speech on financial markets .
26-Jun	The Prudential Regulation Authority (PRA) publishes Insurance Practitioner Panel (IPP): 2024/25 Annual Report .
26-Jun	The PRA publishes its 2024/25 Annual Report .
26-Jun	The PRA publishes its second report on competitiveness and growth .

REGULATORY ITEMS IDENTIFIED IN JUNE WHICH MAY BE OF RELEVANCE TO LIFE INSURANCE COMPANIES

Date	Description
27-Jun	The PRA publishes results from the firm feedback survey 2024 .
30-Jun	The FCA publishes consultation paper (CP) 25/17, 'Supporting consumers' pensions and investment decisions: proposals for targeted support.'
NA	The PRA publishes insurance updates.

Updates for June 2025

This section highlights articles released in June 2025 that are of interest to life companies.

EIOPA

- **EIOPA [publishes its 2024 Annual Report](#).**

The [report](#) details EIOPA's activities and achievements over the past year, in particular:

- Advancing sustainable insurance and pensions, including addressing pension gaps
- Assisting the supervisory community and industry in addressing the risks and opportunities of digital transformation, including by encouraging the adoption of a data-driven culture
- Ensuring effective, consistent prudential and conduct supervision across Europe, especially as cross-border business grows
- Providing high-quality advice and policy analysis that addresses the evolving needs of society and responds to the impacts of emerging financial regulations
- Promoting financial stability by systematically analysing risks, vulnerabilities and emerging threats within the EU's financial sector
- Acting as a model EU authority known for professionalism, efficiency and a strong global reputation

FCA

- **The FCA's [executive director delivers speech on funding companies](#).**

Highlights from the speech include:

- The FCA is actively simplifying rules, improving operational efficiency and responding to industry feedback by reducing unnecessary red tape, streamlining processes and clarifying expectations for firms, without compromising high regulatory standards.
- Innovation is being encouraged through new technologies, digitised authorisations, the [Digital Securities Sandbox](#) and enhanced engagement with both domestic and international stakeholders to support market efficiency and global competitiveness.
- Significant reforms have been made to capital markets, including changes to listing and prospectus rules, making it easier for companies, especially small and growth-oriented firms, to raise capital and access a broader investor base.
- There is a renewed focus on recalibrating the UK's risk appetite, supporting a culture where appropriate risk-taking is encouraged and ensuring consumers have access to affordable advice and guidance to make informed financial decisions for long-term resilience and growth.

▪ **The FCA's [chief data, information and intelligence officer delivers speech on Digital Sandbox.](#)**

Highlights from the speech include:

- The FCA's AI Lab, launched in January, serves as a hub for experimentation and learning, featuring zones:
 - The AI Sprint was a two-day engagement with regulators, technologists and industry leaders to discuss how AI will impact financial services and inform the FCA's approach to AI.
 - The AI Input Zone is a space to share views on what are likely to be the most transformative AI use cases in financial services.
 - The AI Spotlight, which highlights practical use cases across the sector. The FCA invited innovators to present their experiments with AI in financial services and showcase their solutions.
- The FCA unveiled the [AI Spotlight digital repository](#), which is an interactive platform where users can explore real-world AI solutions in financial services.
- The regulator is prioritising an outcome-based, principles-led approach to AI regulation, relying on existing frameworks rather than introducing separate AI-specific rules, while providing practical support to firms navigating AI adoption.
- The FCA is advancing AI innovation through live testing of AI solutions with firms and by launching the Supercharged [Digital Sandbox](#) in partnership with Nvidia and NayaOne, offering advanced computing resources, enriched datasets and expert support for developing and testing AI models.
- The new Supercharged Digital Sandbox will be the fourth zone for the FCA's AI Lab.

▪ **The FCA's [chief operating officer delivers speech on regulation.](#)**

Highlights from the speech include:

- The strategy emphasises the importance of being a proportionate, predictable and purposeful regulator, with a focused approach distilled from 13 previous priorities in 2022 to four key themes.
- Supporting growth remains central, with recent bold reforms such as simplified rules, innovative platforms like Private Intermittent Securities and Capital (PISCES) and a willingness to rebalance risk to unlock investment and maintain the UK's status as a global financial hub.
- The FCA is streamlining its operations by digitising applications, reducing unnecessary data collections and launching tools like My FCA to make regulatory tasks easier for firms, while maintaining high standards and efficient authorisations.
- Consumer protection and financial crime prevention are at the core of the strategy, with a focus on partnerships, technology and the Consumer Duty to help consumers make informed choices and protect markets from increasingly sophisticated criminal threats.

▪ **The FCA's [chief executive delivers speech on financial markets.](#)**

Highlights from the speech include:

- The UK financial sector remains world-leading in areas like fintech and investment management, with strong exports and investor demand, but faces amplified market shocks, increasing international competition and the need to maintain high standards.
- The FCA is shifting towards outcomes-based regulation, promoting flexibility, innovation and accountability, and has introduced reforms to streamline processes, support growth and foster a more collaborative relationship between regulator and industry.
- Addressing criticisms of excessive risk aversion, the FCA is working to balance risk management with growth, reviewing regulatory burdens and advocating for open debate on risk appetite and proportionality, while maintaining integrity as a core value.
- Looking ahead, the FCA aims to leverage opportunities in digital finance and international trade, build on the UK's strengths and invite industry collaboration to ensure the UK remains a resilient and ambitious global financial centre.

- **The FCA publishes CP 25/17, ‘Supporting consumers’ pensions and investment decisions: proposals for targeted support.’**

The CP aims to address the advice gap, whereby only 9% of adults receive financial advice on pensions or investments. The CP introduces targeted support to allow firms to make tailored suggestions to groups of consumers with similar needs to boost consumer confidence, enable better long-term financial planning and support growth by encouraging investment and innovation in the financial sector.

The FCA’s reforms should set the framework for the next 20–30 years and support current and future consumers.

The FCA invites responses via an [online form](#) by 29 August 2025.

PRA

- **The PRA publishes insurance updates.**

The PRA published the following updates in June:

- [List Insurance Stress Test \(LIST\) 2025](#): On 11 June, the PRA published the [slides](#) from the LIST 2025 webinar, which covered objectives, scope, design and planned approach to disclosure.
- [Solvency II](#): On 17 June, the PRA revised its publication and implementation timelines for CP19/24, ‘Closing liquidity reporting gaps and streamlining Standard Formula reporting.’ The final policy statement will be published by the end of Q3 2025 with a target implementation date in the second half of 2026.

- **The PRA publishes IPP: 2024/25 Annual Report.**

The report details how the IPP advocated for insurance practitioners by reviewing and addressing key PRA policy and regulatory developments from March 2024 to February 2025. Examples of items considered include:

- Productive Finance: Measuring Productive Investment
- Review of Solvency II
- Independent Evaluation Office (IEO) – Is the PRA ‘set up for success’ on its new Secondary International Competitiveness and Growth Objective?
- Funded Reinsurance
- Matching Adjustment Investment Accelerator (MAIA)
- Dynamic General Insurance Stress Test (DyGIST) 2026

- **The PRA publishes its 2024/25 Annual Report.**

The report provides information on the PRA’s activities for the period from February 2024 to February 2025. The report also contains the Annual Report of the Prudential Regulation Committee to the Chancellor of the Exchequer regarding the adequacy of PRA resources and the independence of its functions.

The PRA had four key priorities for 2024/25:

- Maintain and build on the safety and soundness of the banking and insurance sectors and ensure continuing resilience.
- Be at the forefront of identifying new and emerging risks and developing international policy.
- Support competitive and dynamic markets, alongside facilitating international competitiveness and growth, in the sectors that it regulates.
- Run an inclusive, efficient and modern regulator within the central bank.

- **The PRA publishes its second report on competitiveness and growth.**

The [report](#) is the second document that the PRA has published on its progress in facilitating UK economic competitiveness internationally and growth over the medium to long term (SGCO). It also outlines the PRA’s secondary objectives to promote competition in markets served by PRA-authorized firms conducting regulated activities (SCO). The report covers SCGO actions from July 2024 to June 2025, not including future plans.

▪ **The PRA publishes results from the firm feedback survey 2024.**

Key messages from the [results](#) of the survey are:

- Average scores were higher than in 2023 for most of the topics covered.
- The most-positive scores were provided for the effectiveness of firms' relationships with the PRA.
- The lowest scores were given for the PRA's regulatory framework, rules and policy, with most responses neither agreeing nor disagreeing.
- Larger firms provided higher scores for supervision teams' understanding of their business and articulation of the risks to the PRA's objectives than smaller firms, which provided higher scores for the communication from supervision teams.
- Some larger firms reported that engagements with PRA specialists can be complex and lengthy in time, for example in relation to model approval processes.
- Firms want better coordination between the PRA and FCA, and the PRA and international regulators, for example in policy development.
- Firms want more transparency in relation to supervisory work plans, the PRA's engagement with other regulators and the provision of rationales for data requests from firms.
- Firms commented on how often supervision teams change and the impact this could have on supervisory relationships.
- Smaller firms would like more targeted supervisory activity and more direct interaction with specialists.

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