



AFM NED Conference

Developments in AFM

Andy Chapman, AFM chair and Martin Shaw, AFM

A year of change

- Difficulties in recent years finding sufficient common purpose amongst AFM members
- AFM members agreed need for change at 2015 AGM
- Board engaged with members about options for the future
- A member EGM determined AFM should continue, with a fresh focus on the interests of smaller mutuals
- From January AFM membership reduced from 47, to 38, with many of largest members leaving.

What now for AFM?

- A renewed focus on the needs and interests of smaller mutuals.
- Changes to the constitution, priorities, and organisational structure
- Selective engagement with larger mutuals, eg on Mutual Deferred Shares and on Mutual Tax
- A shrunken budget and higher subscriptions, but careful use of our reserves and focused activities should retain high value for money for all members

The new AFM Board

Marc Bell

Stuart Bell

Andy Chapman

Elaine Fairless

Alan Goddard

Paul Hudson

Jane Nelson

Paul Osborn

Mike Perry

Russ Piper

Kevin Rogers

Benenden Healthcare Society

Metropolitan Police Friendly Society

Exeter Friendly Society

Compass Friendly Society

Cornish Mutual

Cirencester Friendly Society

The Oddfellows

Foresters Friendly Society

PG Mutual

Sovereign Health Care

Paycare



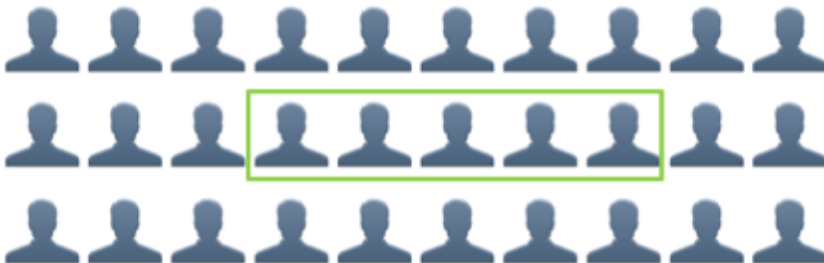
AFM members' assets as a proportion of total UK mutual insurance

Mutual assets = £143 billion

AFM, 2013 assets= £106 billion

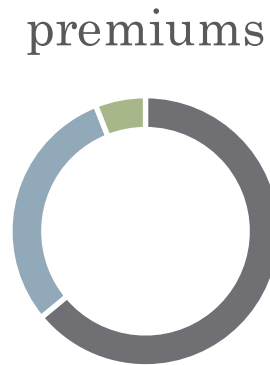
AFM, 2016 assets = £6 billion

But we retain a reasonable proportion of mutual policyholders



The profile of business written has changed *profoundly*

AFM in 2015



- life and savings
- general
- health and IP

AFM in 2016



- life and savings
- general
- health and IP

Redefining our work

Six key priorities:

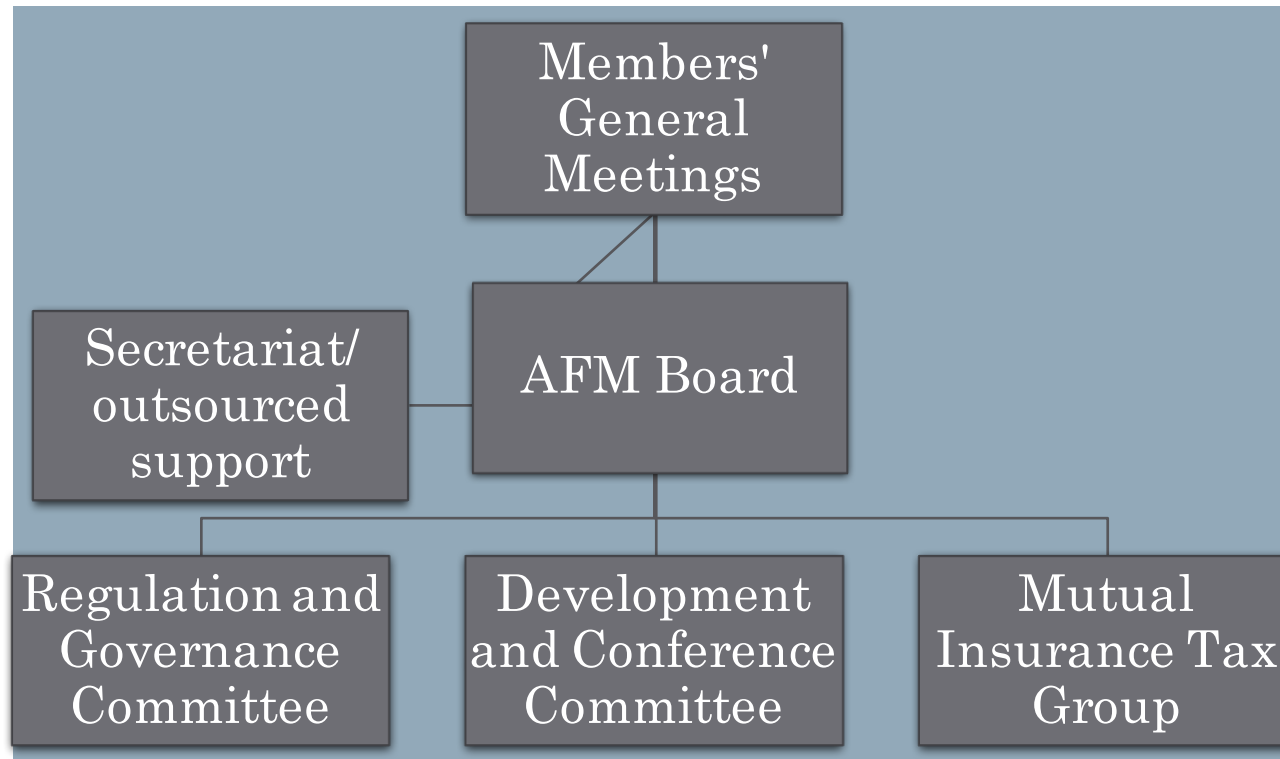
- 1 **Training and development** support to members through events including the AFM conference, and through effective networking of members
- 2 Maintaining regulatory compliance and **communication with the Regulators.**
- 3 Demonstrating a commitment to **high standards of governance.**

Redefining our work

Six key priorities:

- 4 Seeking further opportunities **to work together as a sector**, to improve efficiency, to spread the adoption of good practice, and to deliver better value for customers.
- 5 Maintaining **a strong focus on the Association's income**, and on delivering value to members.
- 6 Working with other parts of the mutual sector **to promote the benefits of corporate diversity** to policymakers and other stakeholders.

Organisational Structure



Reforming the constitution

- One member one vote
- Removing governance code compliance as a condition of membership
- Allow wider membership, subject to shared values
- Absorbing friendly societies reserves into main reserves
- More explicit provisions on winding up

Developments in governance

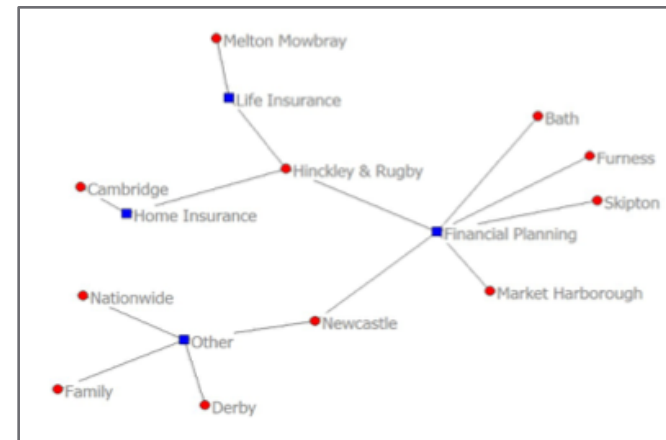
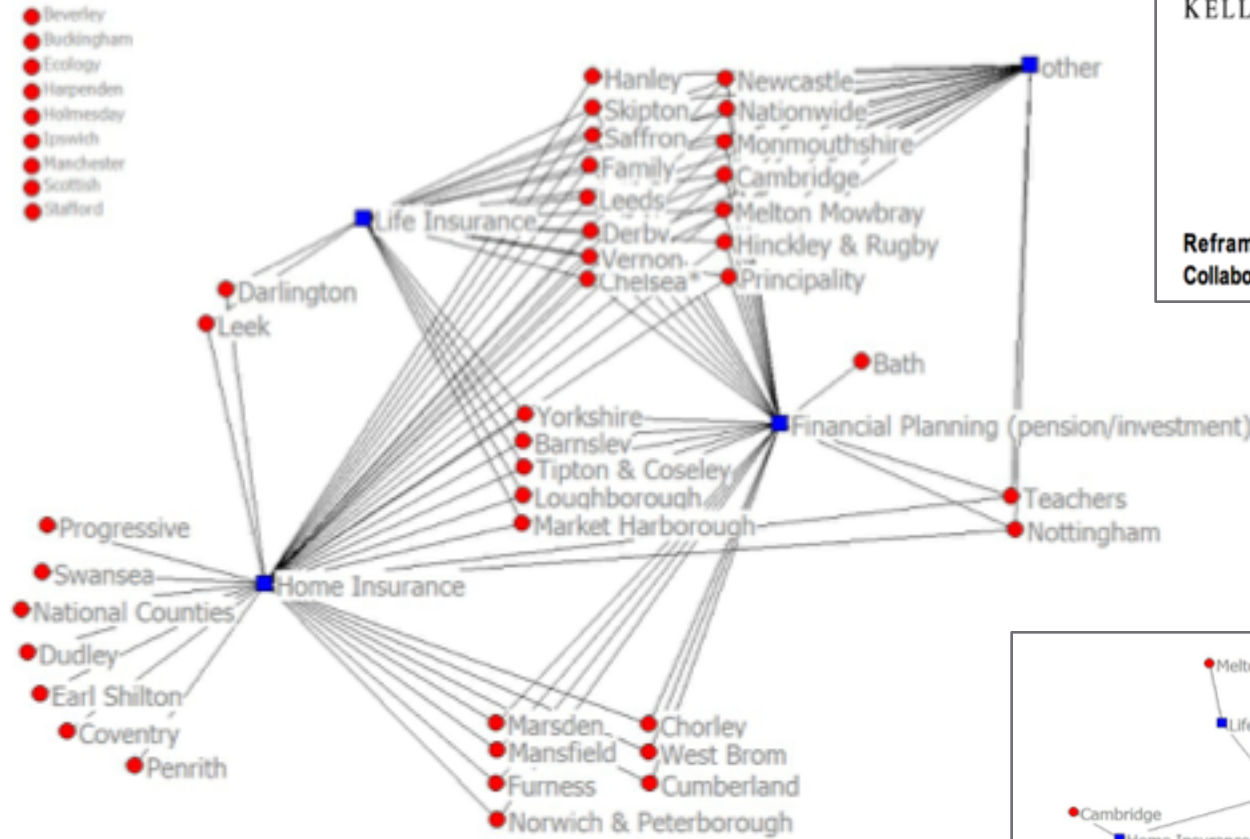
- Solvency 2 and SIMR covered elsewhere
- Annual compliance exercise underway for AFM members
- Increased focus on audit standards, linked to PRA work and new Audit Directive
- Greater focus in report and accounts on Strategy and Viability
- Concerns expressed by regulators about effectiveness of member engagement in some mutuals, and on the accountability of the board

Mutuals working together?



KELLOGG COLLEGE

**Reframing Building Societies and Mutual Insurers:
Collaboration as a source of competitive advantage**



Mutuals working together?

- Solvency 2: Credit rating agencies
- Leadership Development programme
- Other training and e-learning in planning
- The contribution of the sector to savings in the NHS and welfare state
- Good practice in member engagement
- “Together towards tomorrow”: this year’s conference theme.

Read all about it!

MUTUALLY YOURS, MAY 2016 THE NEWSLETTER OF THE ASSOCIATION OF FINANCIAL MUTUALS



AFM Regulation Update

Latest news from the AFM Regulation and Governance Co

Posted by [Martin Shaw](#), 4 April 2016

AFM Development and Conference Newsletter

the latest news from AFM's newest Committee



Welcome to our new-look newsletter. If you have any comments, or would like to be added to the distribution list, please contact martin@financialmutuals.org.



The new AFM Development and Conference Committee met for the first time last week, and is busy looking at how best to support members. Over the next

You're invited!

This year's AFM Conference and AFM will take place on 10 and 11 October, at the Holiday Inn, Stratford upon Avon.

