



Spotlight on Policy

MARTIN SHAW, AFM

OCTOBER 2024



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



HM Treasury

Who are  **afm**
engaging with?



HM Revenue
& Customs



Law
Commission
Reforming the law

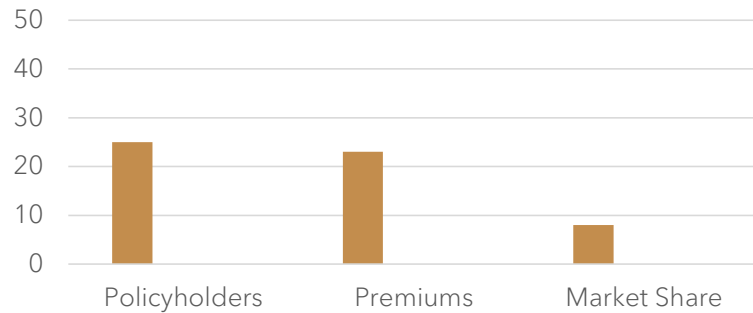


Department for
Business & Trade

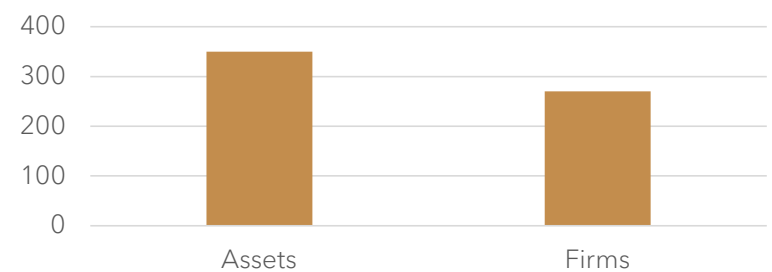
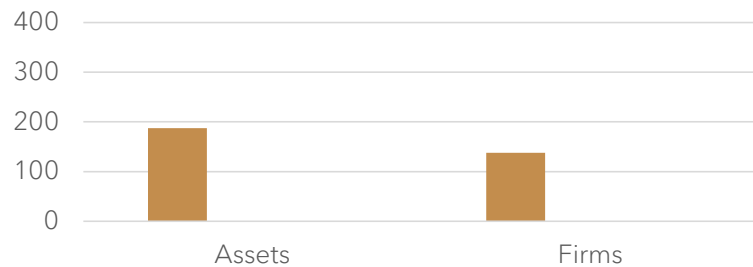
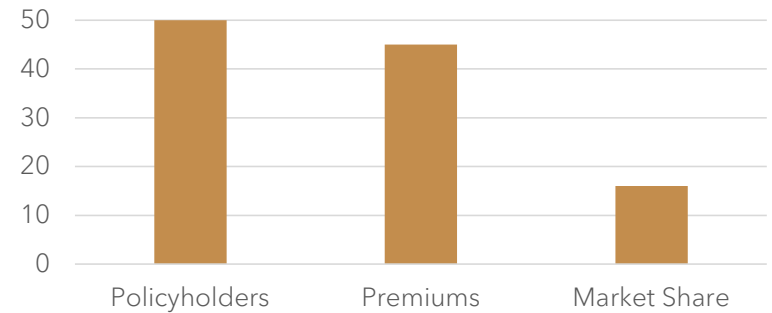
Our primary policy ambition?...

Scale in the mutual insurance sector

TODAY



IN FIVE YEARS TIME?





Tell me more...

CONSUMER DUTY

SOLVENCY 2

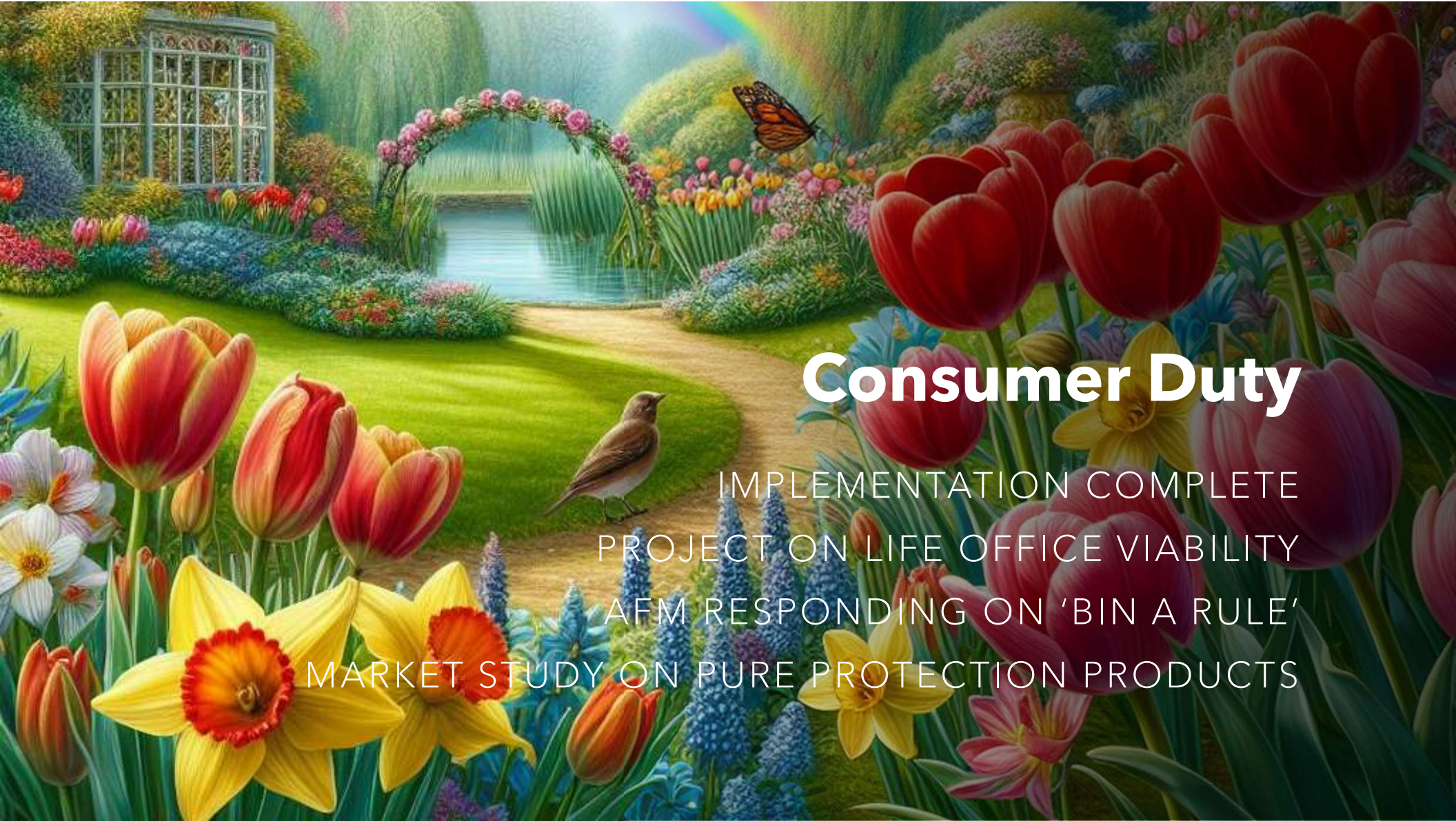
PUBLIC INTEREST ENTITY REGIME

LAW COMMISSION REVIEW OF FRIENDLY SOCIETY

LEGISLATION

AFM CORPORATE GOVERNANCE CODE GUIDANCE

DOUBLING THE SIZE OF THE MUTUAL SECTOR



Consumer Duty

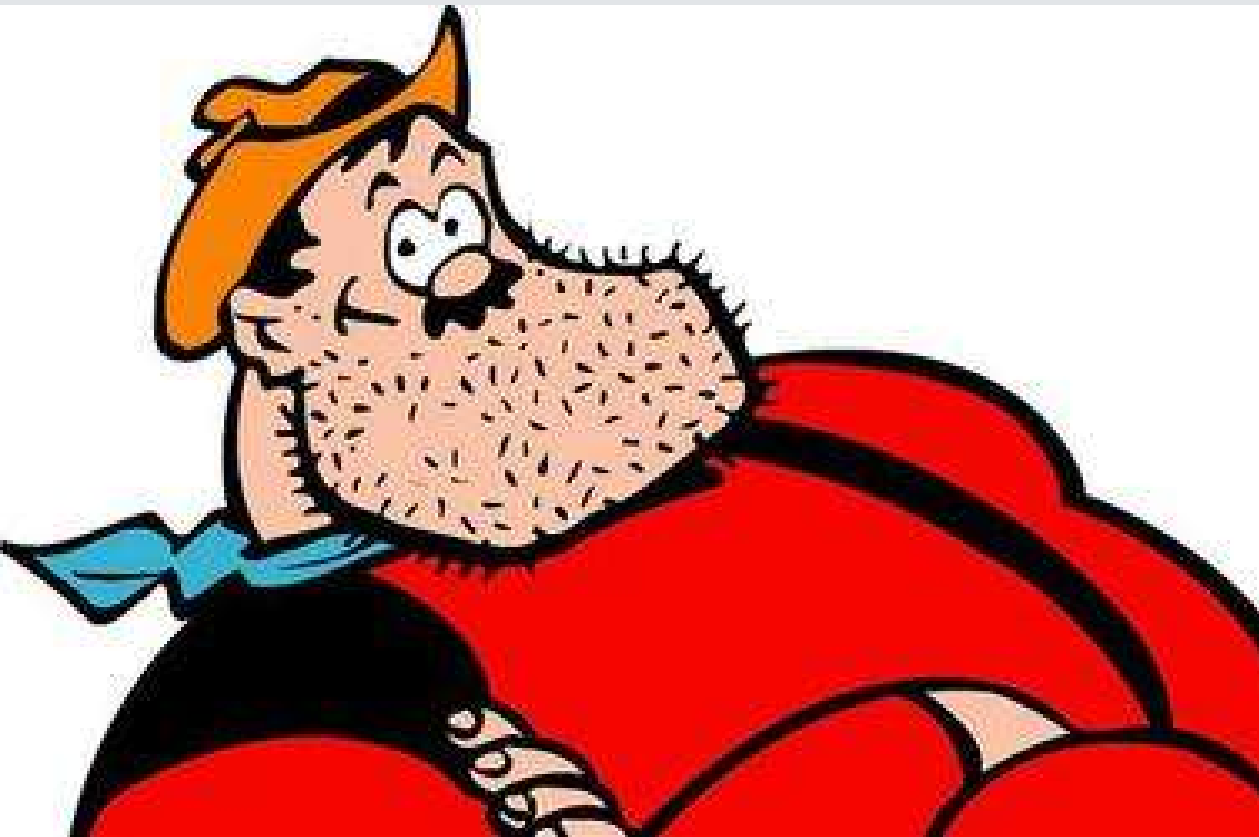
IMPLEMENTATION COMPLETE
PROJECT ON LIFE OFFICE VIABILITY
AFM RESPONDING ON 'BIN A RULE'
MARKET STUDY ON PURE PROTECTION PRODUCTS

Solvency 2

The logo for Solvency UK, featuring the word 'Solvency' in a multi-colored font (red, yellow, green, blue) and 'UK' in dark blue and purple, all enclosed in a white rectangular box with a wavy border.

- Remaining changes to be implemented 31 December
- Includes reporting simplification, and transposing rules to the PRA rulebook
- If you fall below the new threshold, you'll need a VREQ to stay within regime
- PRA indicates potential for greater proportionality in future

Public Interest Entity (PIE) regime



- Availability and cost of audit of great concern
- Report and accounts not the only measure of financial probity
- AFM strengthening our case for exemptions
- Series of recent contacts with Dept for Business and Trade
- Link to Solvency 2 reform

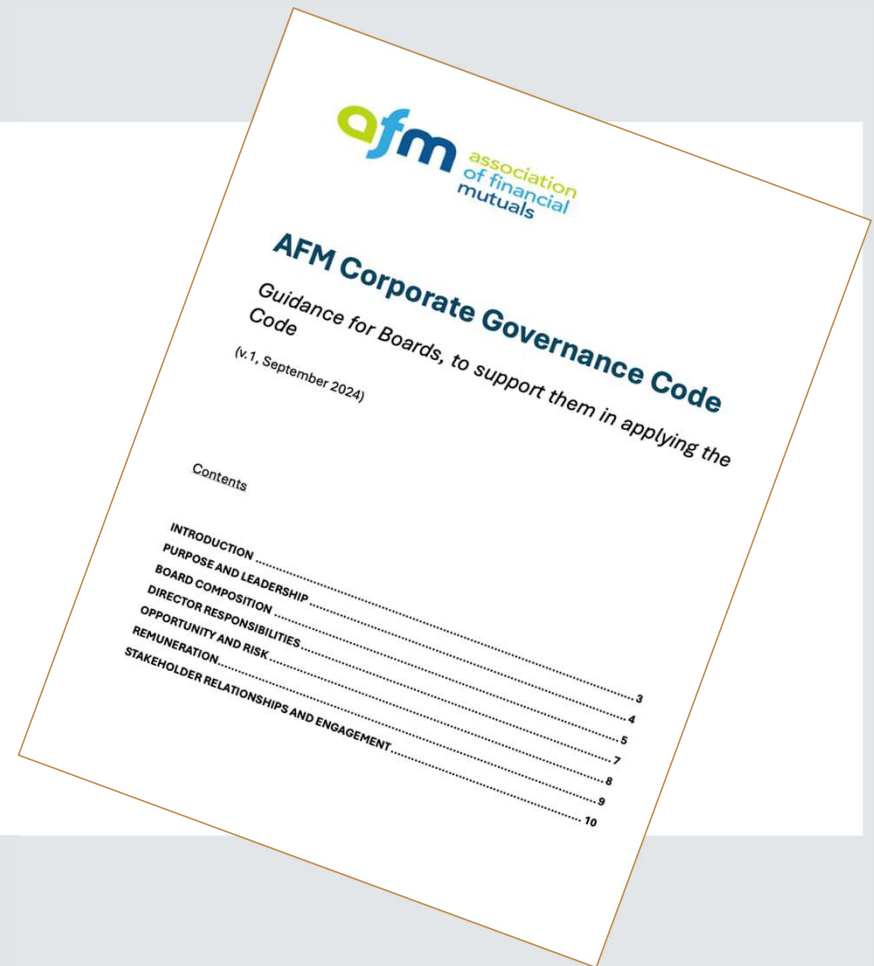
Law Commission review of friendly society legislation

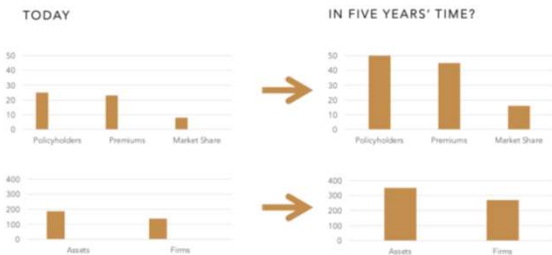
- Wide stakeholder engagement by project team
- Consultation due February 2025
- Final recommendations to Treasury by February 2026
- Possible legislation to enact by end of 2026



AFM Corporate Governance Code Guidance

- Follows member consultation
- Working group generated new guidance
- Plans for further review in 2026
- Take a copy with you





Doubling the size of the Mutual sector

- Manifesto commitment for the new Government
- 69 million memberships of coops and mutuals, and 1.3 million employees
- A well-capitalised, innovative mutual insurance sector can support societal aims including:
 - *Serving the underserved*
 - *Acting on the advice gap*
 - *Addressing protection gap*
 - *Supporting long-term care*
 - *Offering financial education*

Polling question: how does our policy work make you feel?



Gloomy about future prospects



About time you did something useful



The future looks bright



How can you contribute?

- We run two Committees focused on regulatory and policy issues
- Events and work on product-related and role-based topics
- We collect data annually to strengthen our lobbying
- We love helping to solve your problems!



Spotlight on Policy

Martin Shaw, AFM

October 2024