

‘The Two Pillars – Financial and Operational Resilience’

A firm’s ability to continue as a going concern is determined by its proficiency in appropriately balancing both financial and operational resilience considerations in tandem. Our prudential regulation event is intentionally structured to reflect this delicate balancing act as we focus on both topics in equal measure. Attendees will have the chance to hear from experts as they reflect on and discuss both topics distinctly, how they interact to protect policyholders and ensure a firm’s safety and soundness and other related matters. This is an event you would not want to miss.

Financial and operational resilience are the two pillars that support an insurer’s safety and soundness and its ability to adequately protect its customers.

Focus on the quantitative tools that secure a firm’s financial resilience such as capital, stress testing and scenario analysis remains strong. Whether driven by the Solvency UK reform debate, the Prudential Regulation Authority’s (PRA) insurance stress tests or ongoing efforts to mitigate the financial risks posed by climate change, firm’s resilience to financial shocks is firmly in the spotlight.

Insurers must also always remain mindful of the action needed to ensure they do not fall prey to potentially catastrophic operational disruption. This is because a firm’s operational resilience is just as important as its financial resilience. Operational incidents could negatively impact a firm’s ability to serve its policyholders and could ultimately lead to its ruin if severe enough. It is therefore crucial for firms to be able to bounce back when operational incidents occur as they inevitably will. Given the regulatory requirements for firms to have a prioritised plan setting out how they will comply with the requirement to remain within their impact tolerances within a reasonable time by March 2025, this topic cannot take a back seat to financial resilience.

Tuesday 21st November 2023

ABI, One America Square, 17 Crosswall, London, EC3N

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08:30	Registration and networking breakfast
09:00	Welcome
	Charlotte Clark, Director of Regulation, ABI
09:05	Keynote Address One (Q&A)
	Charlotte Gerken, Executive Director, Insurance Supervision, Bank of England
09:35	Panel Session One: Financial Resilience + Q&A
	<p>This panel will focus on the seismic changes we are seeing as the prudential regulation regime is tailored to better fit the unique nature of the UK insurance market, and we build up to the replacement of Solvency II with Solvency UK at the end of 2024. By the time this panel takes place the PRA will already have published a series of consultation papers covering key elements of Solvency UK such as the Risk Margin, the Matching Adjustment, internal models for the calculation of capital requirements, capital add-ons, reporting and disclosure, and so on. When implemented, these reforms are expected to have material impacts on UK insurers' balance sheets, the type of investments they make, the way they interact with the regulator, the way they report data, and their competitiveness on an ever-more interconnected global stage. And although much has already been revealed, there is much more to be decided before Solvency UK go-live – on which the ABI and the UK insurance industry will have much to say.</p> <p>Chair: Charlotte Clark, Director of Regulation, ABI</p> <ul style="list-style-type: none"> • Andrew Bailey, Director of Financial Risk, Just Group plc • Hugh Francis, Director of External Reporting Developments, Aviva plc • James Isden, Partner, Insurance, KPMG • Dr Alan Sheppard, Senior Advisor, Policy, Insurance ED Office, Bank of England
10:15	Networking Break
10:50	Welcome back
	David Otudeko, Assistant Director, Head of Prudential Regulation, ABI
10:55	Keynote Address Two: Fireside chat: (Q&A)
	<p>Chair: David Otudeko, Assistant Director, Head of Prudential Regulation, ABI</p> <ul style="list-style-type: none"> • Michael SicSic, Managing Partner, Sicsic Advisory
11:35	Panel Session Two – Operational Resilience Q&A
	<p>The operational resilience panel will look to explore the most pertinent topics in this space. This will include an exploration of mapping impact tolerances for important business services – the March 2025 deadline is fast approaching, and insurance firms will be working closely with regulators to adhere effectively to this requirement. Furthermore, the FCA/PRA/Bank, are expected in the latter half of 2023 to issue a Consultation Paper on Critical Third Parties. This follows the regulators' joint Discussion Paper (DP) published in July 2022.</p> <p>Chair: David Otudeko, Assistant Director, Head of Prudential Regulation, ABI</p>

- Will Ellis, Head of Operational Resilience, M&G
- Carolyn Gall, Co-Chair of ISORG, Head of Business Resilience. Phoenix Group
- Chris Knox, Global Director, Worldwide Financial Services, Microsoft
- Lulu O’Leary, Partner, Operational Transformation, KPMG in the UK, KPMG

12:20	Closing remarks close
	Xavier Solano, Manager, Prudential Regulation, ABI
12:25	Close