Broadstone

Capital management for mutuals

Practical support

We help mutuals, both insurance companies and friendly societies, understand, manage and make better use of their capital. For these firms, capital decisions are driven by different criteria given the lack of shareholders and are often closely linked to member outcomes, affordability, resilience, growth ambitions and the practical realities of running a highly regulated organisation using limited resources as efficiently as possible.

Our work is designed to be proportionate, practical and useful for Boards. We combine actuarial analysis with experience of Chief Actuary, With-Profits Actuary and Board advisory roles, coupled with risk management and business transformation know-how, helping firms identify realistic actions that can be understood, governed and delivered without creating unnecessary complexity.

Why this matters for mutuals

For mutuals, capital is rarely just a technical measure. It affects pricing, product strategy, bonus philosophy, investment decisions, growth plans, merger options and the confidence of Boards, regulators and members.

Typical challenges faced by smaller insurers include:

- Limited scale, making capital volatility more visible
- Legacy products or closed funds tying up capital and disproportionate management attention compared to the size of the book
- Investment strategy constrained, restricting opportunities for future discretionary benefits and growth
- Growth plans being constrained by solvency cover, operating model or governance capacity
- With-profits estates, inherited capital or future discretionary benefits needing clear, fair and well-governed management
- The need to explain capital decisions clearly to Boards, regulators, members and other stakeholders
- Considering transfers of engagement, mergers, run-off options or other strategic changes
- Ensuring ORSA, risk appetite and capital policies remain proportionate, useful and aligned to the firm's business model

A focused review combined with realistic implementation plans can help Boards see what options are available, what each option is worth, and what the practical implications would be for members, policyholders and the firm's future strategy.

This document is intended for use by professional clients, including insurers, reinsurers, and other institutional stakeholders, and is not directed at retail customers.

How Broadstone can help

We can support firms in many practical ways, from a short review of the current position and provision of ideas, through to detailed analysis, regulatory engagement and implementation support.

Board strategy and governance

- Information and workshops explaining the current capital position, key constraints and realistic options
- Review of capital policy, risk appetite, ORSA and management actions so they are proportionate and useful
- Linking capital planning to member outcomes, pricing, investment strategy and growth

Capital review

- Assessment of where capital is being used, where strain is emerging and what is driving solvency cover
- Quantification of options such as reinsurance changes, investment strategy, management actions, product changes, surplus distribution or capital restructuring
- Prioritised and realistic action plan allowing for expected benefit, complexity, governance requirements and stakeholders

Reinsurance and risk transfer

- Independent review of whether current reinsurance arrangements remain good value and fit for purpose
- Assessment of solvency, value to members, counterparty and governance impacts of alternative structures
- Support with reinsurer engagement, pricing challenge and materials to support the Board's decision making

With-profits, inherited estate and member considerations

- Advice on the availability and use of estates, surplus and future discretionary benefits within the valuation
- Support on bonus philosophy, estate distribution, fairness between policyholder groups and communication
- Practical input from Chief Actuary and With-Profits Actuary perspectives

Strategic options and transactions

- Capital support for mergers, transfers, acquisitions, run-off and exit planning
- Scenario analysis to help Boards compare options
- Support with regulatory engagement, due diligence, independent challenge and stakeholder materials

Selected expertise

Our team combines senior insurance experience with hands-on knowledge of mutuals.

Rob Kerry – Prior to joining Broadstone, Rob was Chief Actuary and Executive Director at Utmost Life and Pensions and was the Director of Capital Development at Aviva UK Life & Pensions. He has extensive experience of designing and implementing capital management actions and risk appetite frameworks, leading major transactions and acquisitions, business planning, regulatory engagement, ORSA development and strategic Board advice. He played a leading role in developing Utmost's BPA proposition and in the integration of acquired life businesses.

Simon Grout – Simon brings extensive senior life insurance experience across capital, risk, valuation and financial management, complementing our existing actuarial and regulatory capabilities. Together with our wider team, he helps clients assess practical solutions that align commercial objectives with regulatory expectations.

Cara Spinks – Cara leads Broadstone's Life and Health team and has substantial experience supporting mutual insurers and friendly societies on capital, governance and regulatory matters. She acts in senior reserved role capacities, including Chief Actuary and With-Profits Actuary roles, and advises Boards on proportionate, practical decisions that balance solvency, member outcomes, fairness, affordability and long-term resilience. Her experience spans ORSA and risk appetite, with-profits management, strategic options, transfers and regulatory engagement.

Broader team capabilities – Our wider Life and Health team combines expertise in actuarial function roles, with-profits management, risk management, ORSA, regulatory reporting, transactions, authorisations, financial modelling and Board advisory work. We can support with both technical analysis and practical implementation.

Why Broadstone

Experience that fits the smaller insurer and mutual market

For over 30 years we have supported insurers across reserved roles, regulatory advice, product development, with-profits support, risk and ORSA work, Board support and actuarial audit. A significant part of our work is with smaller insurers, mutuals and friendly societies, where advice needs to be robust but also proportionate, practical and sensitive to member outcomes. We currently hold outsourced reserved roles for a variety of UK insurers, including Chief Actuary and With-Profits Actuary roles, giving us direct insight into the issues Boards face when making capital decisions.

Our standards

We hold key accreditations illustrating our commitment to quality, security, our people, customers and the environment. We take information security seriously and are ISO27001:2022 and Cyber Essentials+ accredited and audited.

Our commitment to ESG

Broadstone takes sustainability seriously and our latest annual report can be found here Broadstone-2025-26-Sustainability-Report.pdf.

This outlines our core beliefs and the targets we have set the business for the next 12 months and beyond.

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Important information