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Resilience Is the New Strategy

Leading Through Risk Without Borders

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Let's start with you

Four questions for the leaders in this room

- 01 Since this year's crises, has your board actually changed its risk appetite, or only discussed the risks?
- 02 When disruption occurs, what differentiates winners from losers: capital, technology, leadership, or adaptability
- 03 Can an organization be digitally advanced and operationally fragile at the same time?
- 04 If a critical partner failed tomorrow, which services could you continue, and for how long?

Keep your answers in mind. We will come back to them at the end.



Resilience is not about surviving disruption. It is about maintaining trust, performance, and growth during disruption.

The organizations that lead tomorrow will be those that build resilience into strategy today.



1 • Why resilience is a strategic capability

Managing Risk and Sustaining Performance Through Disruption – The Link

Enterprise Risk Management

- Identify and assess risks
- Measure exposure and impacts
- Review risk appetite and limits
- Monitor and report risk positions
- Escalate and respond to emerging threats

Strategic Resilience

- Prepare for severe disruptions
- Understand interdependencies
- Anticipate scenarios
- Agree decisions in advance
- Protect critical services, capital and liquidity
- Recover quickly and capture opportunities

ERM is not obsolete. Resilience builds on it, so the organisation can continue, adapt and recover.



1 · Why resilience is a strategic capability

Resilience is a competitive advantage: it creates value in five ways

1

Revenue protection

Keep selling and serving through disruption

2

Earnings stability

Fewer surprises; more predictable results

3

Capital efficiency

Right-sized buffers; efficient protection

4

Customer trust

Deliver when customers need you most

5

Market share

Grow while competitors retreat

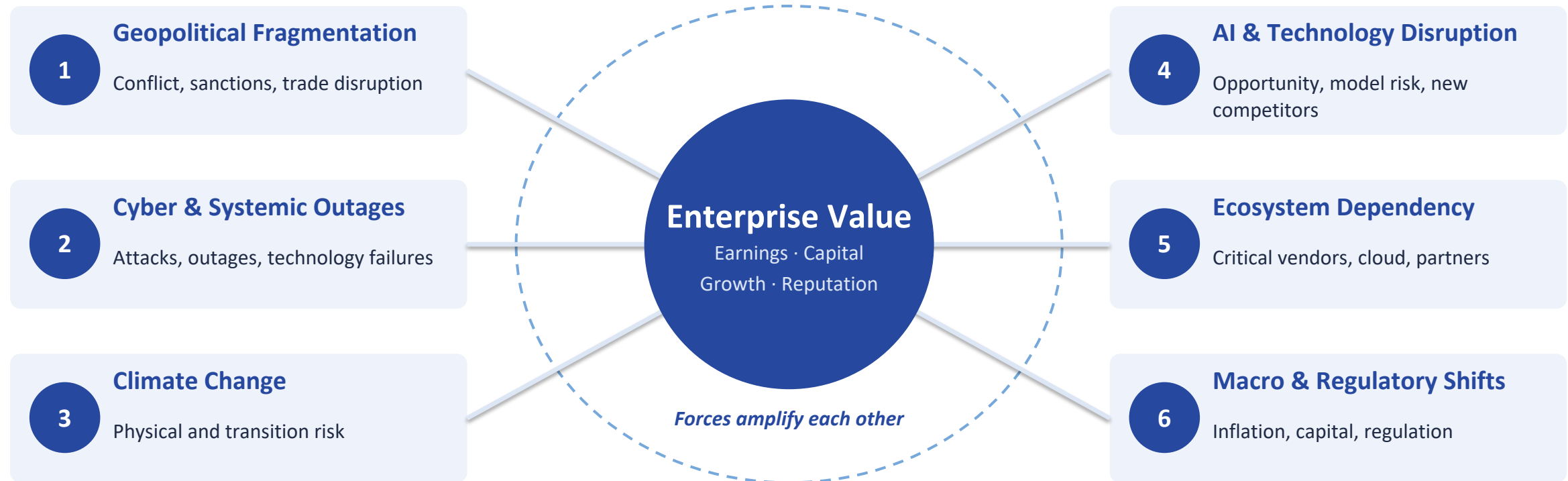
Competitive advantage and shareholder value

Leadership decision: Is resilience funded as a cost centre, or managed as a growth capability?



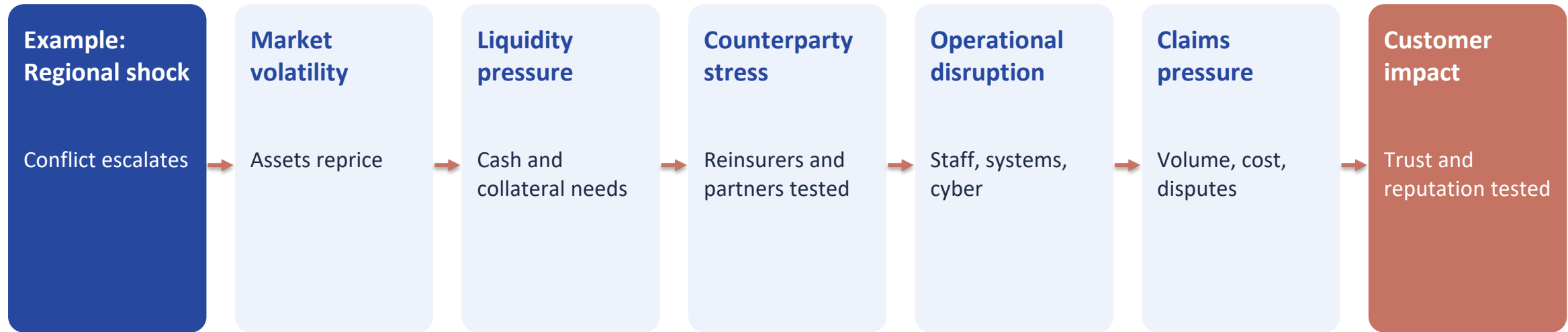
2 · Six forces, one balance sheet

The risk landscape has changed because risks are now faster, larger, and more interconnected



2 · Six forces, one balance sheet

How one event can cross every part of the business



Each step lands in a different area. Together they land on one balance sheet.

Leadership decision: Who owns the decision when multiple risks collide?

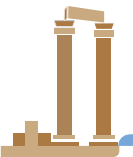


2 · Six forces, one balance sheet

One geopolitical shock, six simultaneous hits to enterprise performance



Leadership decision: What decision would we make differently if this scenario occurred tomorrow?



Cyber & Systemic Outages: a test of resilience, continuity and trust, not just IT

Why it is a business issue

- Critical services can be disrupted within hours
- Customer and medical data are high-value targets
- Attacks intensify with geopolitical tension
- AI accelerates attacks, fraud, and impersonation

An insurer's double exposure

- Our operations, data and critical services
- Silent cyber within traditional policies
- Accumulation risk from shared providers
- Clarity of war and state-sponsored attack exclusions

The question is not whether disruption will occur, but whether customers will notice it.



Ecosystem Dependency: your partners' resilience is now your resilience

Cloud providers

Outage affects multiple critical services simultaneously

Core insurance systems

Underwriting and claims may stop

Claims platforms

Customer experience disrupted

Payment providers

Claims and premiums delayed

Reinsurers

Recovery and capital impacts

Third-party administrators

Operational bottlenecks during crises

Data providers

Pricing and underwriting decisions impaired

Technology vendors

Critical fixes and support unavailable

Outsourcing moves the work, not the accountability.

Leadership decision: If a critical third party failed tomorrow, which services could we continue, and for how long?



Climate Change: Understanding future risk requires both historical insights and forward-looking analysis

Pricing adequacy

Past losses may understate future costs.

Accumulation

Concentrations in flood-exposed locations.

Reinsurance

Cost and availability follow catastrophe experience.

Secondary perils

Risk is increasingly driven by recurring weather events, not only major catastrophes.

Asset-side exposure

Investments affected by physical and transition risk.

Claims inflation

Repair costs surge after widespread events.

Close to home: the April 2024 record rainfall showed that flood is no longer a remote peril in the Gulf.



AI & Technology Disruption: governance should enable adoption

The opportunity

- Better underwriting and pricing
- Faster and more accurate claims decisions
- Enhanced fraud detection
- Higher workforce productivity
- Improved customer experience

The governance challenge

- Accountability for AI-driven outcomes
- Explainable and defensible decisions
- Fairness and bias management
- Third-party AI oversight
- Protection against AI-enabled fraud

Leadership decision: Who is accountable when an AI-supported decision has a material impact?



2 · Six forces, one balance sheet

Macro & Regulatory Shifts: Resilience Is Shaped Before a Crisis Occurs

Oil prices

Stronger economic activity can increase both opportunities and risk exposure.

Interest rates

Global rate decisions can reshape profitability without local action

Claims inflation

Medical, motor and property costs rising faster than general prices.

Capital regimes

Stronger capital requirements influence growth, risk appetite, and financial flexibility.

Regulatory expansion

Expectations are expanding beyond solvency to resilience and conduct.

Consolidation

Capital pressure accelerates mergers in the sector.

Resilience is increasingly determined by decisions made long before a crisis occurs, through pricing, capital, governance and strategy.



3 · What this means for insurers

What this year's regional crisis taught us about resilience

Markets react before losses are known

The first balance-sheet effect came through investment markets.

Clear wording protect capital

Clear war exclusions held; contract certainty decided who paid.

Judgement protected trust

Knowing when to go beyond the contract is a leadership decision.

Not all business lines were affected equally

Some lines held up while others slowed: plan line by line.

Resilient partners strengthened resilience

Strong partners chosen before the crisis held during it.

Resilience requires one enterprise view

Operations, exposure, capital and scenarios reported to the board together.

Resilience is decided before the crisis, and revealed during it.



Resilience turns volatility into predictable earnings and efficient capital

	Reactive insurer	Resilient insurer
Earnings	Results rise and fall with disruptions	More consistent performance
Capital	Capital held mainly for protection	Capital used strategically for growth
Reinsurance	Renegotiated under pressure	Optimized before the market hardens
Investments	Forced to sell in a downturn	Liquidity to hold, or to buy
Customers	Service disrupted during stress	Critical services maintained

The most resilient insurers do not avoid shocks. They absorb them without compromising strategy.



3 · What this means for insurers

In a crisis, liquidity is often tested before capital

What impacts liquidity

- Claims surge after a major event
- Additional cash requirements
- Reinsurance recoveries arrive later than claims
- Selling assets into falling markets

What resilient insurers do

- Hold sufficient liquidity buffers
- Prepare for cash flow disruptions
- Establish contingency funding
- Keep cash available when needed most

Many crises become worse not because organizations lack capital, but because they lack liquidity.



3 · What this means for insurers

Resilient insurers continue to write profitable business when market conditions become challenging.

Capacity when others pull back

Clients and brokers remember who maintained capacity.

Pricing with confidence

A clear view of risk supports disciplined pricing.

New demand

Disruption creates new protection needs and new revenue opportunities (Political violence, trade credit and parametric covers).

A reputation for paying

Trust built during claims becomes a long-term competitive advantage.

Disruption redistributes market share. Resilience decides which side you are on.



3 · What this means for insurers

Rating agencies and supervisors now look for proof, not promises

Rating agencies look for

- Risk management that influences strategic decisions
- Resilient earnings, capital and liquidity under stress
- Demonstrated outcomes, not assertions

Supervisors look for

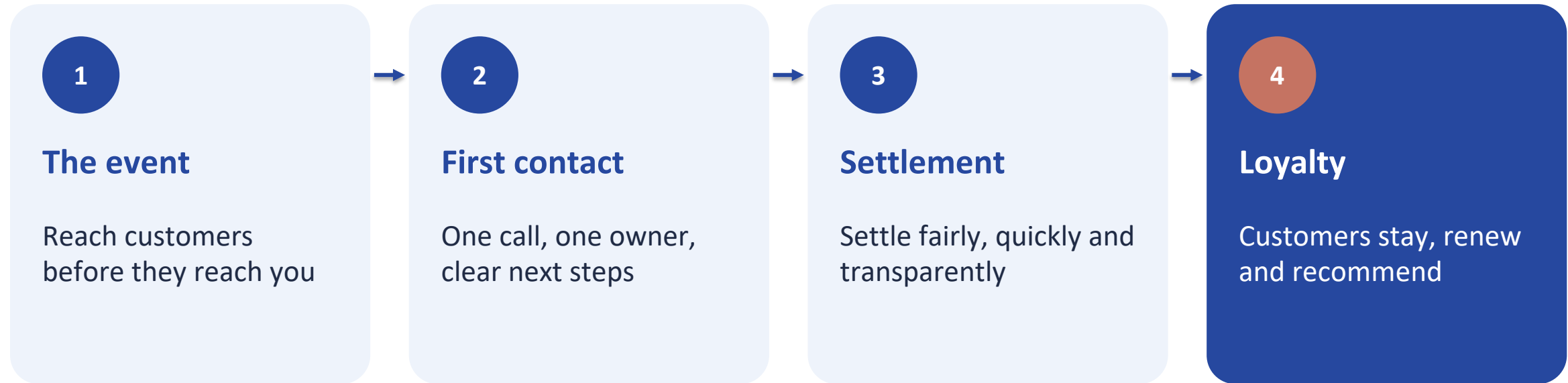
- Tested recovery of critical services
- Clear board ownership and accountability
- Risk appetite embedded in decision-making

The question is no longer whether resilience frameworks exist. The question is whether they work.



3 · What this means for insurers

Customer loyalty is decided in the moment customers need you most



A crisis is the moment loyalty is won or lost. Claims speed is a growth strategy.



4 · Building a More Resilient Organization

Resilience maturity: from compliance to competitive advantage



The goal is not to survive disruption, but to recover faster and decide better than competitors.



4 · Building a More Resilient Organization

A risk appetite that moves with the world

Static appetite

- Set once a year
- Generic limits
 - Revisited after losses
 - Separate from strategy

Dynamic appetite

- Trigger-based and scenario-driven
- Connected to strategy and capital
- Explicit limits for the six forces
- Actions agreed in advance

Review triggers: conflict escalates · critical partner fails · major catastrophe · rating or regulatory change

Leadership decision: Is our risk appetite still aligned to today's reality?

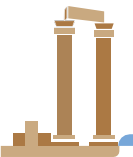


4 · Building a More Resilient Organization

Measuring resilience: what the board should see

What to measure	The question it answers
Recovery time of critical services against tolerance	Availability of critical services under stress
Liquidity under stress scenarios	Can we pay claims when markets are falling?
Earnings volatility through shocks	Are results becoming more predictable?
Claims settlement speed after major events	Do customers trust us when it matters?
Concentration on critical third parties	Which single failure could stop us?
Scenarios tested and decisions pre-agreed	Were we prepared before the disruption occurred?

Evidence, not policies: the board should see how the company performs under stress.



4 · Building a More Resilient Organization

The Next 12 Months: Leadership Priorities for Resilience

The board

- Review resilience alongside risk appetite
- Challenge resilience of critical business services
- Monitor interconnected risks and dependencies
- Seek evidence of resilience, not only compliance

The CEO

- Make resilience a strategic priority
- Embed resilience measures in executive objectives
- Direct investment toward critical services and capabilities
- Balance efficiency with resilience

The CRO

- Drive enterprise-wide resilience coordination
- Integrate risk and resilience decisions
- Promote resilience-focused incentives and metrics
- Measure and report resilience outcomes

Leadership decision: How do we turn resilience from an ambition into a measurable outcome?



Closing

The strategy of this decade

Twenty years ago

Strategy was about efficiency.



Ten years ago

Strategy was about digital transformation.



Today

Strategy is about resilience.

Resilience is not about predicting every crisis.

It is about being ready to make the right decisions when the future does not behave as expected.



Back to our questions

Has your risk appetite changed?

Make risk appetite dynamic, linked to triggers, scenarios, and pre-agreed actions.

When disruption occurs, what differentiates winners from losers: capital, technology, leadership, or adaptability?

Adaptability. Capital and technology help, but leadership and adaptability turn disruption into advantage.

Can an organization be digitally advanced and operationally fragile at the same time?

Digital transformation without resilience creates new vulnerabilities.

Could you continue if a partner failed?

Know your critical partners, and test plan B.





Thank You