

Overview

The Hong Kong actuarial profession body was firstly formed in 1968 as the Actuarial Association of Hong Kong (AAHK) and, 26 years later, its successor, the Actuarial Society of Hong Kong (ASHK) was duly incorporated in January 1994. The ASHK is a membership organization for actuaries in the industries of insurance, consultancy, government and education institutes. The membership of the ASHK is now over 700 and broadly ranges from experienced senior actuaries to actuarial students. The ASHK is governed by an elected Council with President, Immediate Past President, Vice President and 10 Council Members who volunteer on special interest committees. The term of office of the President is one year and afterwards in the capacity of Immediate Past President for another year, term of office of the Vice President is one year, and that of each Council Member is two years.

The Council members in 2011 are:

Position/Committee	Chairperson(s) (Employer)
President	Mr. Jeremy Porter (HSBC Insurance)
Immediate Past President, Strategy & Projects Committee	Mr. Simon Walpole (Deloitte)
Vice President, Professional Matters Committee	Mr. J. Peter Duran (Deloitte)
Asia Regional Support Committee	Mr. Nigel Ke (Manulife)
China Committee	Mr. Stuart Leckie (Stirling Finance)
Education Committee	Prof. Wai-Sum Chan (Chinese University of Hong Kong)
Experience Committee	Mr. Tony Cheng (RGA Reinsurance)
General Insurance Committee	Ms. Queenie Hui (Swiss Reinsurance)
Investment & Risk Management Committee	Ms. Ka-Man Wong (Sun Life)
Life Insurance Committee	Mr. Roddy Anderson (Dah Sing)
Life Insurance Committee	Mr. Sai-Cheong Foong (AIA)
Membership & Publications Committee, Secretary & Treasurer	Dr. Louis Ng (University of Hong Kong)
Retirement Schemes Committee	Mr. Jack Mak (Towers Watson)

Objectives

The objectives for which the ASHK is established, are:

- To increase the value to the community of the actuarial profession
- To encourage and assist the study of actuarial science statistics and any other subjects of interest to members of the actuarial professional
- To promote the general efficiency of, to uphold standards of professional conduct among members
- To regulate the practice by its members of the profession of actuary by issuing from time to time as and when necessary guidance notes and other forms of guidelines or directions
- To discuss and comment on the actuarial aspects of public, social and economic and financial questions which from time to time may be the subject of public interest
- To consider the actuarial aspects of legislation existing and proposed and to take such action as is considered desirable

Activities

The ASHK undertakes a number of activities for members, including:

- Regular newsletters on actuarial matters in Hong Kong
- Circulation of actuarial job advertisements
- Luncheon meetings/evening talks/seminars to encourage the sharing of information and ideas. Speakers from around the world have presented, which has allowed members to keep up to date with actuarial thinking
- Appointed Actuaries Symposium where appointed actuaries have the opportunity to discuss matters relating to the life insurance market in Hong Kong

Membership of the ASHK

There are 3 main classes of members in the ASHK, namely Fellow Members, Associate Members and Student Members. Our current membership stands at 798.

The breakdown of the membership as of January 2011 is:

Fellow Members	473
Associate Members	161
Student Members	164

Membership Analysis (based on membership as of January 2011)

a) By type of employer:

Insurance/Reinsurance Companies	74.33%
Consulting Firms (Insurance and/or Retirement Schemes)	17.52%
Financial Institutions	2.92%
Education Establishment	1.58%
Public/Government Service	1.09%
Others (e.g. Rating/Recruitment Agency)	1.58%
Undisclosed/Not Actively Employed	0.97%

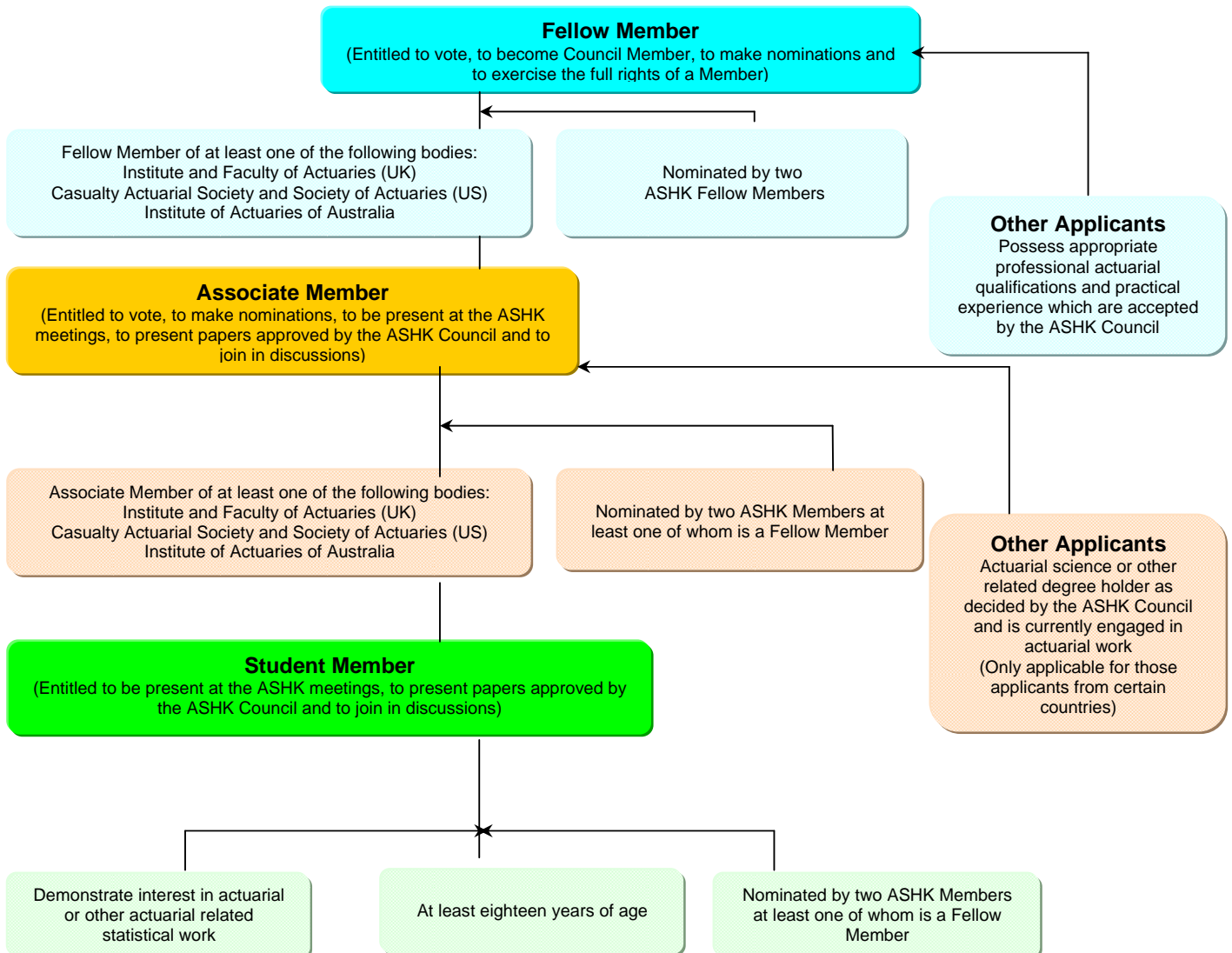
b) By area of work

Life Insurance	67.91%
General Insurance	10.62%
Retirement Schemes	4.81%
General Corporate Management	2.67%
Finance/Investment	6.04%
Others (e.g. Education, IT)	6.04%
Undisclosed	1.91%

c) By overseas actuarial professional bodies (Note: Below are estimated figures only as a member may possess more than one professional designation and we only pick their first designation.)

Society of Actuaries <i>[Fellows (36.72% - some of them may have gained Fellowship from Canadian Institute of Actuaries), Associates (17.54%) and Students (16.42%)]</i>	70.68%
Institute and Faculty of Actuaries <i>[Fellows (FFA – 1.38% & FIA – 9.27%), Associates (0.25%) and Students (2.76%)]</i>	13.66%
Institute of Actuaries in Australia <i>[Fellows (8.15%), Associates (2.63%) and Students (1.38%)]</i>	12.16%
Casualty Actuarial Society <i>[Fellows (1.50%), Associates (0.25%) and Students (0.25%)]</i>	2.01%
Deutsche Akuarvereinigung e.V. (German)	0.38%
Swiss Association of Actuaries	0.25%
Actuarial Association of the Netherlands	0.13%
Dutch Actuarial Society	0.13%
Institut des Actuaire of France	0.38%
Royal Association of Belgian Actuaries	0.13%
Undisclosed	0.13%

How to Become an ASHK Member



The Influence of Actuaries and the ASHK in Industry

Actuaries are multi-skilled strategic thinkers, trained in the theory and application of mathematics, statistics, economics, probability and finance. They have been called financial architects and social mathematicians, because their unique combination of analytical and business skills are used to address a growing variety of financial and social challenges worldwide. Actuaries provide professional services in a wide range of business and social contexts.

- **Life Insurance**

Actuaries have long been recognized for their expertise in managing the solvency of life insurance companies. In Hong Kong, Insurance Companies Ordinance (Cap. 41) requires every insurer authorized to carry on Long Term Business to appoint an actuary to be Appointed Actuary to certify that life insurance companies have sufficient resources available to meet their obligations to policyholders. In addition to this, actuaries in life insurance may find themselves working in a wide range of areas such as product development and marketing, portfolio management, and a range of management roles. Many actuaries occupy management roles in life offices – such as Chief Executive, Investment Manager or Marketing Director.

The ASHK Life Insurance Committee and its working parties have continued their hard work to provide additional professional guidance on AGN3 (Chapter 41), AGN5 (Benefit Illustrations) and AGN7 (Dynamic Solvency Testing). Their results had been presented for discussion through member consultations, at an evening discussion and at the Appointed Actuaries Symposium last year. The work is not over and is expected to continue into 2011.

- **Health Insurance**

Actuaries assist health insurers worldwide to meet their financial obligations despite ever-increasing costs of medical care and accelerating demands for coverage. They are particularly well-equipped to help insurers address the health care needs of the elderly and the chronically ill in a financially responsible way. In the private sector, actuaries are working with other health professionals to model better solutions for private medical insurance, income protection, critical illness, and long-term care insurance. In the public sector, actuaries have long been involved in financial planning for national health services.

- **General Insurance**

Actuaries are deeply involved in the increasingly complex general insurance business, particularly in the areas of pricing analysis, establishing the level of claims reserves and structuring reinsurance programs. Increasingly, actuaries are using sophisticated modeling techniques to help general insurers plan for and address natural disasters and effects of climatic changes.

The General Insurance Committee invited Mr. Pang Chye from Milliman to give a talk on Health Protection Scheme (the Scheme) in December 2010. The audience would have a more in-depth understanding of the Scheme, and also its impact and implications on both the private insurance and health care service markets in Hong Kong.

- **Employee Retirement and Benefit Plans**

Actuaries bring their skills in statistics, mathematical analysis, probabilities and finance to assist employers and governments in providing financial security for the elderly and the retired. Actuaries make recommendations on the adequacy of funding levels for pension plans and provide plan legislation in countries around the world.

- **Investment & Risk Management**

The investment actuary is concerned with maximizing returns on a portfolio of institutional assets subject to the need to consider the consequential risks associated with the chosen investment strategy. Actuaries often specialize in the use of mathematical techniques in carrying out the investment process. This results in actuaries being involved in the provision of specialist services such as portfolio management, asset-liability modeling (including stochastic modeling), performance measurement, investment indices, manager selection, quantitative investment techniques, derivatives and risk control techniques for fund managers.

Recognizing the importance raised by the ever-changing economic climate and financial turmoil and given the sell-out attendance and rave reviews from the previous Regional Conference, the ASHK launched the second Risk Management Regional Conference on 31 Jan – 2 Feb 2010 at the City of Dreams in Macau. A total of more than 230 attendants from the region attended the event.

- **ASHK and Public Policy**

Actuaries take seriously their responsibility to the public and recognize that their unique blend of skills can be enormously beneficial when applied to the general public good. The ASHK provides assistance to the Government, analyzes legislative and regulatory proposals, advises on social trends and suggests solutions to a wide range of social problems.

For instance, the ASHK has published 3 mortality studies and reports for individual insured lives in Hong Kong. The Experience Committee has completed the Hong Kong Assured Lives Mortality and Critical Illness Experience Study from 2002 to 2006 in 2010. They presented the results of the study in an Evening Talk on 29 Nov 10. The study is also available on the ASHK website. An experience study tool created by the Society of Actuaries (SOA) was used to summarise the data enabling the study to be conducted more efficiently.

Also, two working groups were established in 2008 in the areas of climate change and health to increase members' awareness in two very important issues that affect everyone. In the survey carried out by the climate change group, the results indicated that members think that climate change is a genuine phenomenon and the insurance industry should be involved in the mitigation of the issue. Contact has been established with related bodies, NGOs and universities to explore potential cooperation. The health working group charged with providing feedback to the government on the healthcare reform issue is looking to beef up its working group.

- **ASHK and Professionalism**

To maintain a high level of professionalism among members, the ASHK regulates actuarial practice of members by issuing Professional Standards and Actuarial Guidance Notes. The codes of conduct for members are currently:

- Professional Standard 1 (PS1): This standard relates to the statutory duties of an actuary in relation to life insurance companies. In particular it is for:
 - Hong Kong appointed actuaries
 - the actuary as a director or in any other position of authority in relation to an insurance company
 - the actuary as internal advisor to an insurance company
- Professional Standard 2 (PS2): This standard relates to the statutory duties of the actuary in relation to Occupational Retirement Schemes – Actuarial Reports and Certifications.

These two standards are enshrined in Hong Kong laws and it is expected that actuaries comply with these standards when completing their certifications.

In addition, the ASHK has issued additional guidance notes (Actuarial Guidance Notes or AGN) which have been passed by members. These are:

AGN	Title	Comment
3	Additional Guidance for Appointed Actuaries	This guidance note deals with the determination of liabilities and solvency margins under the relevant regulations. It has been written to help actuaries advising Hong Kong supervised long-term insurers.
4	Outstanding Claims in General Insurance Note on Professional Practice	This guidance note applies to actuaries preparing estimates of the liabilities for outstanding claims of a general insurer or reinsurer in Hong Kong.
5	Principles of Life Insurance Policy Illustrations	The purpose of this guidance note is to raise awareness of the issues the ASHK believe should be considered when preparing and using policy illustrations in the sale of life insurance products.
6	Continuing Professional Development	This guidance note is to ensure that members are fully aware of the aims of the Continuing Professional Development (CPD) program and of their professional obligations regarding CPD. [Replaced by new By-Law on CPD]
7	Dynamic Solvency Testing	This guidance note applies to the appointed actuary of a Long Term Insurance Company or Composite Insurance Company when preparing a report on the Insurer's financial condition.
8	Reserving Standards for Investment Guarantees	The guidance note aims to provide the members of the ASHK with guidance on steps to be taken in complying with the regulator's Guidance Note on Reserving Standards for Investment Guarantees.

The ASHK Professional Matters Committee has also developed a due process for adopting Professional Standards and Guidance Notes. This due process was approved as a by-Law of the Society at the EGM.

At the 2007 ASHK AGM the results of the on-site survey conducted with members had indicated strong support for the statutory body project. Taking this step towards statutory body status, we will be able to move our organization forward; we will be able to develop our own identity and shape the profession in Hong Kong. Statutory recognition for the profession is turning out to be a long-term goal of the ASHK.

In terms of opportunities for meeting CPD requirements, members had no shortage of events organized both locally and regionally in 2010. The ASHK organized 4 luncheon meetings and 5 evening talks. In the region, members had the opportunity to attend 2 SOA seminars, Joint Regional Seminar in Asia, Soft Skills Course and Breakfast Meeting.

- **ASHK and International Actuaries Bodies**

There is a worldwide association of profession actuarial associations and individual actuaries known as the International Actuarial Association (IAA). Founded in 1895, and reformed in 1998 with a new constitution, the IAA is the worldwide association of professional actuarial associations, with a number of special interest sections for individual actuaries. The IAA exists to encourage the development of a global profession, acknowledged as technically competent and professionally reliable, which will ensure that the public interest is served. The ASHK has become a full member of the IAA since 1999.

In addition, the ASHK has been working very closely with the Chinese actuarial communities through the Chinese Actuarial Association (CAA) [formerly known as the Society of Actuaries of China] and Chinese Insurance Regulatory Commission (CIRC). The CAA joined the IAA in the ranks of a Full Member on 14 December 2010.

Since 2002, the ASHK has received approval from the CIRC to set up a Chinese actuarial examination centre in Hong Kong. For the Hong Kong Examination Centre, part of the Associateship and Fellowship courses were offered this year to candidates from Hong Kong, Taiwan and elsewhere.

Actuarial Education in Hong Kong

Currently, the ASHK does not organize its own examinations. Our members usually take the examination of the various overseas professional bodies like the Institute and Faculty of Actuaries (UK), the Casualty Actuarial Society and Society of Actuaries (US) and the Institute of Actuaries of Australia.

In respect of training, below are actuarial programs and courses provided by local academic institutions:

- A Bachelor of Science in Actuarial Science offered by the Department of Statistics and Actuarial Science at the University of Hong Kong (Full-Time);
- A Bachelor of Business Administration in Insurance, Financial and Actuarial Analysis offered by the Department of Finance at the Chinese University of Hong Kong (Full-Time);
- A Bachelor of Science in Actuarial Science (Part-Time) and a Master of Science / PgD in Applied Mathematics for Science and Technology (Actuarial and Investment Science) offered by the Department of Applied Mathematics at the Hong Kong Polytechnic University (Full-Time);
- A Master of Science in Mathematics for Finance and Actuarial Science jointly offered by the Department of Mathematics at the City University of Hong Kong and University of Paris Dauphine (Full-Time and Part-Time);
- A Bachelor of Business Administration with a major in Risk and Insurance Management Program offered by the Department of Finance and Insurance at the Lingnan University (Full-Time).

Moreover, the Hong Kong University of Science and Technology has been offering actuarial courses in their Information and Systems Management Department in the School of Business and Management. The Vocational Training Council also offers many short-term courses on insurance which may be of interest to actuarial students and insurance professionals.

To promote the actuarial education and profession to the public, the ASHK together with the Casualty Actuarial Society, the Institute and Faculty of Actuaries, the Institute of Actuaries of Australia and Society of Actuaries also participated in the Education & Career Expo. Actuarial literature, education catalogs, video show and career talk were given to students and the public to enrich their understanding on the actuarial profession.

Contact Us

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