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Actuarial Society of Hong Kong

NEWSLETTER

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New Council Member

At the February Council meeting, the Council agreed to the appointment of Nicholas Crouch of ManuLife to the Council.

Meetings

John Ford gave a talk after lunch on 7 February, describing some of his experiences in his 41 years as a qualified actuary. All who attended will have heard some interesting anecdotes particularly on the practical issues faced by actuaries in Government.

The next meeting will be on 1 March when Bob Callahan, Group Chief Actuary of the Insurance Department in New York will address us after lunch. On 2 March Peter Nowell, Group Chief Actuary of the Prudential will be visiting from the U.K. Mr. Nowell will talk to us about the "disclosure regime in the UK".

Future of the Society

Questionnaires were sent to all Members of the Society before the Lunar New Year holiday. There have already been a number of responses. The deadline is 28 February to return completed forms. We should be well qualified in sampling techniques to assess credibility of results, means, variances etc. from a limited response. However, it is hoped that as close to a 100% response rate will be achieved – fill in the questionnaire **now** and send it to the Society.

New Members

The following new members joined the Society in February:

Name	Company	Membership Status
Gregory Moran	Trowbridge	Fellow
Bonita Leong	ManuLife	Student
Chan Tak Fai	ManuLife	Student
Lau Wing Mei, Joanne	Wyatt	Student

Call for Technical Papers

The Council would like to invite members to prepare actuarial papers for presentation to the Membership during 1995.

At the AGM in December a prize will be awarded to the author/authors of the best paper. The Council will judge the papers (although any individual Council member will stand down in this capacity in the event of a conflict of interest). The following guidelines have been set for a paper:

1. The author must be a member of ASHK. In the case of joint authorship, at least one author must be a member.

2. Papers must be written in English and at least two pages long.

3. The first page of each paper must start with the title, the name(s) and the author(s), institutional affiliation, address, telephone and fax number, and an abstract/summary of the paper.

4. References must be placed at the end of the text. Also, they must be arranged alphabetically, and for the same author chronologically.

5. Manuscripts should be typewritten on one side of the paper, double-spaced with wide margins.

6. Deadline for submission : 30 September 1995.

Two copies of manuscripts are required. Papers for consideration for publication and all enquires should be sent to the Honorary Secretary of the Society.

The prize will be HK$5,000.

A possible result of preparing a paper is that it could then be also presented at the East Asian Actuarial Conference in Tokyo in October. Calls for papers for this conference are likely in Spring, when authors would know if their paper will be appropriate.

Proposed Legislation

The Council has made a submission to the Insurance Authority regarding the proposed Insurance Companies (Amendment) Bill 1995.

The intentions of the Bill are as follows:

(a) define the functions of the Insurance Authority;

(b) confine the disclosure of authorization conditions to those relating to restriction on the classes of insurance business;

(c) confine the separation of assets and liabilities in respect of classes G and H of long term business (relating to retirement schemes business) to business carried on in or from Hong Kong only and enable the Insurance Authority to modify the requirements for separation of assets and liabilities attributable to long term business;

(d) establish a statutory procedure for the transfer of general business from one insurer to another;

(e) enable the Insurance Authority to disclose information to domestic and overseas financial regulators, subject to certain criteria; and

(f) empower the Insurance Authority to relax certain regulations relating to the determination of the value of assets and liabilities of an insurer.

There is concern that in some parts of the new legislation the powers of the Insurance Authority to impose guidelines on parties other than the Commissioner are too wide. The Council will be insisting that the professional status of actuaries in Hong Kong is maintained and that the Society is the recognised body for issuing professional guidance.

Meanwhile, in connection to this kind of issue, the Insurance Committee will be considering the duties of Appointed Actuaries and whether formal guidance is necessary from the ASHK.

Member's Handbook

The handbook is now with the printer and should be distributed within the next month or so.

Retirement Scheme Disclosure Requirements for Listed Companies

The following article was prepared by Philip Hilliard of Coopers & Lybrand, the Society's auditors.

"The Stock Exchange of Hong Kong amended its listing rules in late 1994 to require additional disclosure in the accounts of listed companies in respect of their Defined Benefit Retirement Schemes. These requirements are:

(a) that the nature of the principal scheme or schemes operated by the group is/are defined benefit plan(s);

(b) a brief outline of how benefits are funded;

(c) the employer's pension cost charge to the profit and loss account for the period; and

(d) an outline of the results of the most recent formal independent valuation (which should be as at a date not earlier than 3 years prior to the date to which the issuer's accounts are drawn up) or later formal independent review of the scheme on an on going basis. This should include disclosure of:

  (i) the name and qualifications of the actuary, the actuarial method used and a brief description of the main actuarial assumptions;

  (ii) the market value of the scheme assets at the date of their valuation or review (unless the assets are administered by an independent trustee in which case this information may be omitted);

  (iii) the level of funding expressed in percentage terms; and

  (iv) comments on any material surplus or deficiency (including quantification of the deficiency) indicated by (iii) above.

These requirements should be noted and Members should take care to ensure that any extracts taken from reports issued by them are, in form and context, appropriate in the circumstances. To this end, Members may wish to include a sentence in their reports prohibiting the printing or publishing of any extract without their express written consent."

Members with questions should address them to the ASHK.

Note : Views expressed herein are not necessarily those of the ASHK, Council or its Committees.