

26 September 2008



ACTUARIAL SOCIETY
of
H O N G K O N G
香 港 精 算 學 會

Dear Members,

**Actuarial Society of Hong Kong –
Supplement to AGN3: Additional Guidance for Appointed Actuaries
Exposure Draft**

In 2006, the ASHK Life Insurance Committee conducted a survey regarding the application of the policy valuation regulations set out in Insurance Companies Ordinance (Cap 41). The results showed that currently there is a variety of industry interpretation and application of the regulations in Hong Kong. The Life Insurance Committee concluded that there is a need for more consistency in this interpretation and application and has produced this guidance as a supplement to AGN3. AGN3 is the guideline which deals with the determination of liabilities and solvency margins under the Insurance Companies (Determination of Long Term Liabilities) Regulation and the Insurance Companies (Margin of Solvency) Regulation, and may be found on the ASHK website at [Additional Guidance for Appointed Actuaries](#).

Pursuant to the ASHK By-law on the Due Process for the Development of Professional Standards/Guidance Notes, members of the ASHK are now being given one month to provide any written comments to Council on the enclosed exposure draft. The Chapter 41E Working Party will present a summary of the resulting comments and a subsequent version of the exposure draft in October. Final recommendations will be submitted in November to the ASHK Professional Matters and Life Insurance Committees for approval and thereafter to the ASHK Council for final decision.

Please address all feedback to Ms. Pat Kum (email: patkum@netvigator.com) by close of business day on **Thursday, 23 October 2008**.

Thank you for your time and support.

Yours sincerely,

Foong Sai-Cheong
Co-Chairperson
Life Insurance Committee

Simon Walpole
Co-Chairperson
Life Insurance Committee

Encl.