


The Actuarial Society of Hong Kong
香港精算學會

 1803 Tower One, Lippo Centre,
89 Queensway, Hong Kong

 (852) 2147 9278

 (852) 2147 2497

 www.actuaries.org.hk

 info@actuaries.org.hk

 [The Actuarial Society of Hong Kong](https://www.linkedin.com/company/actuaries-of-hong-kong)



FACT SHEET
2023



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

THE ACTUARIAL SOCIETY OF HONG KONG

The profession body for actuaries in Hong Kong was formed in 1968 as the Actuarial Association of Hong Kong, its successor, the Actuarial Society of Hong Kong (ASHK) was later incorporated in 1994. The ASHK is governed by an elected Council with a President and 12 other Council Members.

The ASHK is a full member of the International Actuarial Association, which has 74 full member actuarial organisations around the world. ASHK is one of the largest such actuarial professional bodies in Asia.

The ASHK sets the Professional Standards outlined in the Insurance (Actuaries' Standards) Rules (Cap. 41, section 129(1)) and the Actuarial Guidance Notes outlined in the various Insurance Authority Guidelines for the actuarial profession in Hong Kong.



2023 Council members

| Position / Committee | Chairperson(s) (Employer) |
|---|---|
| President | Mr. Simon Lam (China Pacific Life) |
| Vice President | Mr. Timothy Wong (AIA) |
| Actuarial Innovation Committee | Ms. Iris Lun (10Life) |
| Financial Reporting Committee | Mr. Steve Cheung* (EY) |
| General Insurance Committee | Ms. Trinity Pong (AXA) |
| Health Committee | Mr. Kevin Lee (i-Brilli) |
| Life Committee | Ms. Flora Chan (Manulife) Mr. Chris Hancorn (AIA) Mr. Alexander Wong (HSBC) |
| Membership & Communications Committee / Secretary & Treasurer | Mr. Timothy Wong (AIA) |
| Pension & Employee Benefits Committee | Mr. Sean Deehan (WTW) |
| Professional Development Committee | Mr. Patrick Au (Deloitte) |
| Professional Matters Committee | Mr. Chris Hancorn (AIA) Mr. Ronald Tse (Generali Life) |
| Strategy & Statutory Path Committee | Mr. Steve Hui Mr. Mark Saunders |

*Non-Council member Committee Chairperson

The ASHK strives to accomplish its mission by:

Representing the actuarial profession in Hong Kong

- ◆ To be the impartial voice of the profession before the public by commenting on actuarial aspects of social, economic and financial issues that may arise from time to time
- ◆ To pursue recognition as a statutory body under the laws of Hong Kong
- ◆ To engage with regulatory, academic, professional and financial sector stakeholders

Developing the actuarial profession in Hong Kong

- ◆ To encourage and uphold the highest standards of professionalism and ethics amongst our members
- ◆ To provide our members with opportunities for Continuing Professional Development through conferences, seminars, lectures and the like
- ◆ To establish a qualification examination for fellow membership
- ◆ To expand our membership to include all qualified actuaries practicing in Hong Kong

Inspiring the actuarial profession in Hong Kong

- ◆ To develop a Young Actuaries' Scheme targeting students and members at the beginning of their careers
- ◆ To nurture young members via experience sharing and mentoring from successful senior actuaries

ASHK mission

"Representing, developing and inspiring the actuarial profession in Hong Kong to serve the public interest"



Membership

There are 4 main classes of members in the ASHK, namely Honorary Members, Fellow Members, Associate Members and Student Members.

Our current membership stands at **1,225**.

The breakdown of the membership as of November 2022 is:

6

Honorary Members

939

Fellow Members

126

Associate Members

154

Student Members

Membership Analysis

By type of employer

| | |
|--|--------|
| Insurance/Reinsurance Companies | 77.53% |
| Consulting Firms (Insurance and/or Retirement Schemes) | 13.32% |
| Financial Institutions | 1.56% |
| Education Establishment | 0.52% |
| Public/Government Service | 1.12% |
| Others (e.g. Broking/Rating/Recruitment Agency) | 1.04% |
| Undisclosed/Not Actively Employed | 4.91% |

By area of work

| | |
|------------------------------|--------|
| Life Insurance | 75.67% |
| General Insurance | 5.80% |
| Finance/Investment | 3.57% |
| Retirement Schemes | 2.53% |
| General Corporate Management | 2.75% |
| Others (e.g. Education, IT) | 4.54% |
| Undisclosed | 5.13% |

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 Committee:

- Promotes and facilitates industry exchanges of view, opinions, research and practice among ASHK members on regulations and guidance that are relevant to Hong Kong life insurance industry.
- Maintains on behalf of ASHK healthy dialogue and relationship with relevant regulatory, industry, and other professional bodies on matters that ASHK has identified as relevant to the members.
- Promotes practical actuarial applications in Hong Kong life insurance industry through research and study.
- Provides recommendations to Council on the development and maintenance of actuarial guidelines and industry practice that affects the profession.



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.

The ASHK Health Committee:

- Focuses on public and private health issues related to healthcare financing and healthcare delivery in Hong Kong. Closely follows industry discussion of the Government-proposed Voluntary Health Insurance Scheme (VHIS)
- Supports formal ASHK activities with a health content.
- Interacts with Health Committees of IAA member actuarial organisations in line with its purpose.

The Influence of Actuaries and the ASHK in Industry



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 ASHK General Insurance Committee:

- Promotes and facilitates industry exchanges of view, opinions, research and practice among ASHK members on regulations and guidance that are relevant to Hong Kong non-life insurance industry.
- Maintains on behalf of ASHK a healthy dialogue and relationship with relevant regulatory, industry, and other professional bodies on matters that ASHK has identified as relevant to the members.
- Promotes practical actuarial applications in the Hong Kong non-life insurance industry.
- Provides recommendations to Council on the development and maintenance of actuarial guidelines and industry practice that affects the profession.



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.

The ASHK Pension & Employee Benefits Committee:

- Supports further knowledge development and sharing amongst ASHK members on regulations and recent developments related to MPF (Mandatory Provident Fund), ORSO (Occupational Retirement Schemes Ordinance) and Group Benefits industry.
- Supports thought leadership, member education, and research within the ASHK on relevant social, economic, and financial issues.
- Supports opportunities to enhance the exchange of information and interactions with other IAA member actuarial organisations in line with its purpose where appropriate.



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 specialise 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.

The Influence of Actuaries and the ASHK in Industry



Big Data

While the use of Big Data in the property and casualty insurance area is more developed than in some of the other areas of actuarial practice, significant advances have been made in recent years in the use of Big Data in health and life insurance. Similar advances in the pension area have not been as noticeable. However, it can be expected that over the next decade, all areas of actuarial practice will be significantly impacted by the use of Big Data.

The ASHK Actuarial Innovation Committee:

- To promote and facilitate exchanges of view, opinions, research and practice among ASHK members on actuarial innovation and technology developments that are relevant to the members.
- To collaborate, on behalf of ASHK, with relevant regulatory, industry, and technology companies on innovation matters relevant to the members.
- To demonstrate the actuarial profession to play major role in supporting innovation and technology developments in Actuarial profession.
- To promote practical applications and practices in Actuarial profession through research and study.
- To provide recommendations to Council on the development and maintenance of actuarial guidelines in response to latest innovative development that affects the profession.



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, analyses legislative and regulatory proposals, advises on social trends and suggests solutions to a wide range of social problems.

The Influence of Actuaries and the ASHK in Industry



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 ASHK Professional Matters Committee:

- Reviews and approves proposed new and amendments to existing By-Laws and Actuarial Guidance Notes, and make recommendations to Council.
- Develops new and update existing Professional Standards and Professional Code of Conduct as requested by Council or deemed appropriate by the Committee.
- Develops new and update existing CPD requirements and perform annual audit of CPD fulfilment on members.
- Organises professionalism courses for members.

The ASHK Strategy & Statutory Path Committee:

- Advocates for enhancing the reputation of the actuarial profession and serves as a critical role in pursuing statutory recognition of the ASHK under the laws of Hong Kong as a long-term goal.
- Represents the ASHK in discussions with regulatory and professional bodies, both in Hong Kong and internationally, on matters relating to statutory recognition.



ASHK and International Actuarial Association

Founded in 1895, and reformed in 1998 with a new constitution, the International Actuarial Association (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.

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s Impacts – Implications to KPIs, external
ications, product and investment strategies





Individuals in Hong Kong may take one of the professional qualifications from various overseas bodies like Actuaries Institute Australia, Casualty Actuarial Society, Institute and Faculty of Actuaries and Society of Actuaries.

To become a Fellow member (FASHK) of ASHK, members must also pass the ASHK Examination. By passing the examination, individuals can demonstrate his/her knowledge and practical appreciation of Hong Kong's actuarial regulatory environment, business practice, professional conduct code, and actuarial guidance notes#.



Employers in Hong Kong list "FASHK/the ASHK Examination Preferred" in their job requirements for actuarial related vacancies and consider the ASHK membership as an advantage under their recruitment criteria.

There are a number of local universities offering academic actuarial science related degree programmes in Hong Kong, e.g.

- Chinese University of Hong Kong
- City University of Hong Kong
- Hang Seng University of Hong Kong
- Hong Kong University of Science and Technology
- Polytechnic University
- University of Hong Kong

#Insurance Authority, Criteria for Individual Persons GL4 (4.7) / GL9 (6.1) - The appointed actuary should also be familiar with the insurance market in Hong Kong.

Actuarial Education in Hong Kong

For more information on actuarial education and the actuarial profession, please contact:

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