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## General Insurance

## EDITORIAL

Dear Readers,

Welcome to the fourth newsletter for 2011!

This is the last newsletter for the calendar year 2011. As per the election results of the Annual General Meeting on December 12, 2011 all the incumbents on the Council will serve at least another year as Council members under the leadership of a new President. The President's Report 2011 and the Message from the New President will give you an indication of how the Society will progress from 2011 to 2012.

The General Insurance Committee has kindly provided two feature articles to discuss the difficult issues of captive domicile and risk margin in Hong Kong. Furthermore, there is an update of the work of the Interest Rate Working Group in which a decision is announced to stop maintenance of the Hong Kong dollar yield curve software.

On behalf of the Publications Committee, I would like to wish you all a Merry Christmas and a Happy New Year.

Happy Reading...

Dr. Louis Ng  
EDITOR

# PRESIDENT'S REPORT 2011

**M**embers, it is my pleasure to present this report to you at the end of my term as President of the Actuarial Society of Hong Kong. This past year, it has been a privilege for me to work with a determined and committed team of Council members. I am pleased to report that we have had an eventful year in 2011, thanks to the support of the Council and the ASHK membership.



**Jeremy Porter**  
MA, FIA  
President 2011

## The Year in Review

The global economy has been put to the test several times in the past decade. The impact of the global financial crisis of 2008 is still being felt today across Asia. Although economic recovery seems to be in sight in Asia, albeit uneven, we as actuaries in Hong Kong should remain vigilant to the unforeseen risks, trials and tribulations that could still affect the fragile economy.

On a personal front, this has been a challenging year for me. The outlook for risk in the insurance industry in Asia is in my view quite challenging, with low interest rates appearing set to remain with us for a considerable time. It will be I am sure a time for us as actuaries to take the lead to ensure sustainability and viability of the businesses for which we work. We should be prepared.

I will now give a brief update on the activities of the committees of the Society during the year. Membership growth has been healthy and now stands at 919 of whom 545 are Fellow members.

The detailed membership figures are shown as follows:

	<u>Membership</u>					
	<u>As at 12/06</u>	<u>As at 12/07</u>	<u>As at 12/08</u>	<u>As at 12/09</u>	<u>As at 12/10</u>	<u>As at 12/11</u>
Fellows	318	358	415	437	494	545
Associates	127	125	149	167	168	175
Students	<u>167</u>	<u>200</u>	<u>170</u>	<u>161</u>	<u>178</u>	<u>199</u>
Total	<u>612</u>	<u>683</u>	<u>734</u>	<u>765</u>	<u>840</u>	<u>919</u>

The occupational split is as follows:

Insurance/reinsurance companies	667
Consulting firms (insurance and/or retirement schemes)	174
Others (including government and investment firms)	72
Unknown	<u>6</u>
	919



The Asia Regional Support Committee formed last year to support the work of actuaries working in Hong Kong with a regional role in Asia have had a busy year compiling data and information for the reserving and solvency tables. The tables are undergoing peer review and it is expected before long the Committee would be able to publish the information collected on the ASHK website.

Our relationship with the China Association of Actuaries (CAA) continues to strengthen. The acceptance of CAA as a full member of the International Actuarial Association late last year, marked the culmination of 12 long years' hard work of the IAA and ASHK China Committees. There were several opportunities for interaction at local and international conferences in the year. For the first time the CAA was officially represented by a delegation from China at the IAA Council Meetings in Sydney in April this year. The IAA China Committee having accomplished its objective was disbanded in Sydney and China matters will be dealt with under a new IAA Asia Committee being formed. Several actuaries from Hong Kong attended the CAA's Annual Meeting in Xiamen in September this year.

The Education Committee has reviewed the society's participation in the Education and Careers Expo and has decided not to participate in the Expo next year. Instead the Committee will use a more direct approach and organize career talks to high school students. A note of thanks goes to the many volunteers and students who devoted their time and energy in supporting the event this year.

Last year, the Experience Committee completed the Experience study on the HK Assured Lives Mortality and Critical Illness data from 2002-2006. This year the Committee planned to conduct a similar study with more recent data, focusing on the critical illness insurance products. Companies have been invited to support the study. Policy by policy seriatim records will be collected and an experience study tool created by the Society of Actuaries (SOA) will be used to summarise the data. Companies can prepare data from December 2011 to February 2012. The compilation of the data will be managed by the Experience Studies Committee. A period of verification, analysis and collation of results by committee members will then follow with a final report targeted for distribution.

On the general insurance front, the General Insurance Committee has prepared several articles on topics such as insurance captives, risk margins and solvency II, some of which would be published in the year end issue of the ASHK Newsletter.

The Investment and Risk Management Committee has had a busy year. Recognising the need to put actuaries in the forefront of risk management, the first ASHK Investment and Risk Management Symposium was organized and held in April. Preparation is underway for the second Symposium scheduled in next March. In addition a second risk management survey is being put together, but the scope of the survey will be narrowed down to cover areas such as regulatory impact, capital risk, currency risk, etc. A decision has been made to withdraw from the ASHK website the software used to generate Hong Kong dollar yield curve due to other alternatives being available. I would like to thank the working group members for their time and efforts spent on developing the software.



On the life insurance front, the Life Insurance Committee continued its work on a number of key areas of guidance to appointed actuaries and actuaries responsible for liability valuation, including the supplement to AGN3, AGN5, additional guidance on AGN7, and AGN8 and regular exchange of views with the Insurance Authority was maintained. A second round of membership consultation on the supplement to AGN3 was circulated and a revised AGN7 on dynamic solvency testing effective 31 December 2011 was issued to members. AGN8 covering the determination of reserves for Class G guaranteed MPF and ORSO business has become obsolete following the comprehensive guidelines on reserving standard for investment guarantees issued by the MPFA and was officially withdrawn in April. After consultation with stakeholders, the Committee confirmed with the Insurance Authority the ASHK's findings that the ASHK's Circular Notice for Appointed Actuaries dated 19 December 2008 remained robust and valid and changes to the Circular Notice were not necessary. The Insurance Authority issued a circular letter to all Appointed Actuaries acknowledging the continued use of the sample approach and parameters up to 2013, after which another review will be conducted. It is expected that the joint working group with HKFI on AGN5 covering benefit illustrations will continue their review process into next year. The 11<sup>th</sup> ASHK Appointed Actuaries Symposium was well attended in November and a keynote speech was delivered by Ms. Annie Choi, Commissioner of Insurance.

Thanks to the contributors, the Membership and Publications Committee has managed to publish three Newsletters to-date on the themes of solvency II, managing catastrophe risks and working overseas respectively. The last issue of the year on general insurance will be published shortly. Members also had the opportunity to brush up on their leadership skills at a soft skills course offered in April and attend a mathematics course jointly organised with Macquarie University in August.

With the By-Law on Continuing Professional Development coming into effect in 2012, the Professional Matters Committee has issued reminders to non-retiring Fellow members of their obligation to meet the CPD requirements in the new year. To help ASHK members meet professionalism requirement, the Committee is also exploring opportunities to conduct a professionalism course with major overseas actuarial bodies. Recently the Committee supported the IAA's initiative to develop International Actuarial Standards by responding to a request for comments on the IAA's International Standard of Actuarial Practice No. 1. Members are strongly encouraged to respond by the end of this year to an online membership survey that was circulated several weeks ago.

During the year, the Retirement Schemes Committee jointly organised a pension talk with the Hong Kong Retirement Scheme Association. The Committee continues its work on reviewing the Professional Standard 2 (PS2) for changes.

In the past year, the Statutory Body Committee under a new Chairman, has been reviewing the status and rationale for the statutory body project with the Committee and the law firm engaged for the project. The Healthcare Working Group has been exploring the possibility of organising a health seminar in Hong Kong. The Climate Change Working Group established in 2007 with an aim for reflecting and researching on how actuaries can allow for climate change in their daily work. The group will identify relevant publications to actuaries in Hong Kong. A high level summary of an academic paper related to pollution levels in Hong Kong and the potential impact on a health insurer's portfolio is available on the ASHK webpage of the working group.

We continue to maintain strong alliance with overseas actuarial bodies. Throughout this year, the Society has had overseas visitors for instance, from the Institute and Faculty of Actuaries, the Institute of Actuaries of Australia and Society of Actuaries and particularly from their respective leadership team presenting talks and networking opportunities for our members.

I am pleased to advise the finances of the ASHK remain robust in the year and US\$2,500 was contributed to the IAA Fund in aid of the development of the global actuarial profession.

Faced with strong membership growth and the raising level of activities in the local society, the amount of time spent by the Joint Office support staff on ASHK matters has been on the increase. Consequently, ASHK has agreed to increase its funding to the Joint Office from 20% to 40% from October this year reflecting the level of staff support the society has been receiving from the Joint Office.





## **Conclusion**

Finally, I would like to express my appreciation and thanks to all our members, volunteers and Council members who have supported me in the activities of the Council and the Society with tireless effort and enthusiasm in the past year.

### **Committee**

Asia Regional Support Committee  
China Committee  
Education Committee  
Experience Committee  
General Insurance Committee  
Statutory Body Project Committee  
Investment & Risk Management Committee  
Life Insurance Committee

Membership & Publications Committee  
Professional Matters Committee  
Retirement Schemes Committee  
Secretary & Treasurer

### **Council Member**

Mr. Nigel Ke  
Mr. Stuart Leckie  
Prof Chan Wai Sum  
Mr. Tony Cheng  
Ms Queenie Hui  
Mr. Simon Walpole  
Ms. Wong Ka Man  
Mr. Foong Sai-Cheong  
& Mr. Roddy Anderson  
Dr. Louis Ng  
Mr. Peter Duran  
Mr. Jack Mak  
Dr. Louis Ng

I would like to offer particular thanks to Mr. Simon Walpole, Immediate Past President and Mr. Peter Duran, Vice President (President Elect) for their support and advice during my term as President.

There is still much work to be done to enhance the standing of our profession in Hong Kong and in the world. I encourage members to continue to step up your support for the profession and make a contribution to the Society and our profession. Best wishes to the incoming President for another successful year ahead. Thank you.

**Jeremy Porter**  
**President**  
**12 December 2011**



# MESSAGE FROM THE NEW PRESIDENT

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**H**onored guests, friends and supporters of the ASHK and most especially my fellow professional actuaries and members of the ASHK, I am deeply honored to accept the presidency of the ASHK for the coming year. I would also like to thank Jeremy Porter for his leadership over the past year. He and his predecessors, Simon Walpole and Sai-Cheong Foong, have led this organization with impressive professionalism and vision.

The Hong Kong business community is unique in the world, bringing together a well-educated community of local professionals with a diverse group of people from all over the world. The ASHK membership mirrors this diversity. As of today we have 919 members, almost 550 of which are fellows. While almost all fellow members are US, UK or Australian qualified, our members literally come from all over the world.

Our diversity is both a strength and a challenge. It is a strength because it allows us to see our business risks and opportunities from multiple valid viewpoints, thereby increasing our understanding and analytical capability. It is a challenge because we lack a common educational grounding and in particular have no formal training in Hong Kong-related regulations and laws.

I see the primary objective of the ASHK as providing educational opportunities for our members. I believe this will continue to be a core function. Currently our members benefit from lunch time and evening talks by visiting and local experts as well as from various courses we have sponsored, ranging from soft-skills to new math. The ASHK Newsletter is often a source of thoughtful commentary and useful information. I want to continue and expand our efforts in the educational field. I would like to see the ASHK widen its sponsorship of educational-related activities, particularly in the areas of professionalism and Hong Kong-specific regulation. Meeting the educational needs of our members must continue to be our highest priority.

A second objective, and one consistent with our educational mission, is upgrading both the professional standards and the professional stature of the Society. Consistent with this objective, this past year the ASHK Council, after public consultation with the membership, instituted CPD requirements for fellow members to be first effective in 2012. For the vast majority of our members we do not expect that these requirements will create any significant additional burden over and above the CPD requirements almost all our members are already subject to, as they require only 15 units of CPD per year. However, I do note that for actuaries whose main practice area includes Hong Kong-related actuarial matters, at least 3 of the 15 hours must be Hong Kong specific.

I see the institution of a CPD requirement as the first in a series of incremental steps aimed at raising the level of professionalism of the ASHK. But that is not enough. I think we need to increase our efforts in three other, related areas as well.

First, we must be seen by the regulator as a truly professional, independent body whose members meet professional standards. Our relationship with the OCI is good, but in my view it needs to be enhanced. Three years ago, the ASHK worked with the OCI on the Circular Notice published by the ASHK on the reinvestment rate. This was, in my mind, a great example of a cooperative relationship. Similarly, the OCI is cognizant of the various actuarial guidelines published by the ASHK. But we need to build on these successes. As has been publicly announced, the OCI is about to undertake a study of Risk Based Capital. It is important that the ASHK provide input to that study. The current Hong Kong reserving standards are modeled on the old UK standards and have evolved little since they were first introduced. I do not believe



**J. Peter Duran**  
PhD, FSA, MAAA

President 2012



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that an RBC framework build on these standards can serve its proper purpose. The concept of RBC is that it, together with reserves, provides adequate assurance of solvency. An RBC framework built on the current reserving system is like putting a new roof on a very old house. It can be done, but wouldn't it be better to make sure the old house isn't in need of repairs, and possibly reconstruction, first? I would hope that the ASHK can have a voice in the coming debate on RBC.



Second, we should seek to raise our public profile. Next year from May 6 to 9 the ASHK will host a colloquium of the International Actuarial Association. This is a perfect opportunity for showcasing the ASHK and the actuarial profession generally among the larger business community and the international actuarial profession as well as for providing additional educational opportunities for our members. While an IAA colloquium will not happen every year, in the future, we hope, as well, to sponsor an annual cameo event modeled on the successful risk conference held in Macau in February 2010.

Third, the ASHK should seek to become a statutory body under Hong Kong law. The Council has had this as an objective for many years now, but we are still far from achieving that goal. I hope to make it a priority this year. There are a number of steps that need to be taken in order for this to happen. We are currently reviewing the Society's Articles of Association. They need to be upgraded. The new CPD requirements were the first step. We intend also to modernize the disciplinary procedures consistent with other professional organizations in Hong Kong and actuarial organizations worldwide. We may also need to review our professional standards and our governance structure more generally. Most important we need to start the legislative process. This is new ground for the ASHK and I expect it will not be straightforward, but I intend to move this initiative forward during the coming year.

One final point; the ASHK exists for its members. We have recently distributed a member survey asking you, the members for your opinions on a number of issues. We plan to take the results of the survey very seriously. As sure as I am that we are doing many things right, I am also sure that there are areas where we can improve. I look forward to being a part of that effort during the coming year and I invite each of you to join me and our other dedicated volunteers in doing so.

Thank you for your attention.

**Peter Duran**  
**President 2012**



# Hong Kong: A struggling captive domicile

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This article was first published in the November 2011 issue of the Asia Insurance Review.

As one of the top financial centers in the world, Hong Kong has favorable business conditions including first class accounting and legal services, high quality banking and investment services, along with a stable political environment and other key factors that could have made it an excellent choice of a captive domicile. The government passed captive legislation in 1997, recognizing the potential direct and indirect benefits of captives to the insurance industry and economy. Unfortunately, the popularity of Hong Kong as a captive domicile never took off due to little demand for captives in the region, the lack of promotion by the Hong Kong government and the strong competition of Singapore which retained its title as the captive domicile of choice in Asia. As of 2011, there are over 5,000 captives operating in the world, of which only 1 captive domiciled in Hong Kong.

## ***Considerations of captive domicile selection***

Besides having a strong business environment, Hong Kong has other key factors of a captive domicile. The common considerations of choosing a captive domicile include:

### ***Insurance Regulatory Environment***

While Hong Kong has been a stable insurance market, it may not have one of the most advanced insurance regulatory systems within Asia. Captive regulation is one of the main reasons why captive owners and managers select a captive domicile. Other factors include capital requirements and operational costs, as well as the recognition of policies issued by the captive to policyholders and as a retrocessionaire to the reinsurance market. Today, leading captive jurisdictions are planning to adopt Solvency II type regulations/initiatives in order to be on par with the EU's advancing regulations.

### ***Capital Requirement***

The minimum capital requirement of captive is HK\$2m (approximately US\$300,000), which is in line with capital requirements in other major captive domiciles.

### ***Operating Expenses***

The operating costs are supposedly lower than overseas captive domiciles and are comparable to that of Singapore. However, this is difficult to substantiate due to the lack of valid Hong Kong examples.





### *Flexibility of Investment*

Owners of captives are accustomed to making available some of the captive's assets through various techniques referred to as "loanbacks". They provide the captive owner the flexibility to transfer some of the captive's assets to the parent company and its affiliates. These loanbacks are, or will be discouraged under some domicile regulations, but not in HK.

### *Expertise*

Although it is lacking in captive experience, Hong Kong has access to captive management expertise through the multinational insurance brokerage companies operating in Hong Kong.

### *Taxation*

The corporate tax in Hong Kong is among the lowest in the world, however unlike other captive domiciles, it does not provide concessionary tax rate and tax exemption for captive. Hong Kong has a 16.5% corporate tax rate. However, it can be reduced by 50% to 8.25% if the business being insured is classified as offshore risks.

### *Success in Singapore*

The competition between Singapore and Hong Kong for the title of leading financial center in South East Asia has lasted for well over fifty years. The Singapore government has demonstrated its commitment to the insurance and captive development since the 1980's.

Australia greatly contributed to the early prosperity and foundation of Singapore's captive business. Compared to other mature captive domicile like Bermuda or Guernsey, Singapore is located nearer to Australia and is in adjacent time zones hence it rapidly attracted Australian companies which has high demand of captives.

Singapore currently has over 60 captive insurance companies operating and is recognized as the top captive domicile in Asia.

### *Taxation*

Singapore provides 10 years of tax exemption to captives accepting offshore insurance business. However, we believe that this tax exemption can be extended.

### *Expertise*

As the leading insurance hub in Asia, Singapore has substantial experience and expertise in property and casualty insurance products and alternative risk transfer tools. Singapore is also an established regional reinsurance hub which enhances the attraction for domiciling captives there.







### ***Reputation***

As the most successful captive domicile in the region, Singapore is an intuitive choice for many companies.

### ***Future of Captives in China***

Traditionally, there has been little interest for Chinese companies to set up captives due to the low cost of insurance, the lack of risk awareness, the low liability environment, the low commercial insurance penetration rate and the high start up cost (relative to the current insurance cost) provided little incentives to companies to set up captives.

The highflying economy in China provides Hong Kong with a second chance to regain momentum as a captive domicile. Over half of the Global 500 companies have a captive insurance company. Few large corporations in China have captives. CNOOC Insurance Limited, a Hong Kong captive, is owned by and insures the international property risk of the parent company, China National Offshore Oil Corporation. A few Chinese corporations have set up captives in Singapore.

Some large Chinese corporations are setting up traditional insurance companies in China rather than setting up a captive. Hua Neng Group, an energy company, and Guangzhou Automobile Group set up full fledged insurance companies as part of their business expansion strategy. These entities will insure their parent company's risks as well as other third party exposures.

The international captive market has been growing significantly in the last 30 years, the sponsor companies have been generally enjoying the benefits which include, but are not limited to, better risk management, tax savings, access to reinsurance capacity and hence lower insurance costs, and availability of coverage on unusual risks.

The continued development of enterprise risk management practices may encourage companies in China to manage their risk more efficiently looking at risk transfer, risk retention and potentially setting up a captive. Chinese corporations with international risk exposures are expected to be the first adopters of captives to deal with their overseas risks. The demand for captives in China will undoubtedly emerge.

### ***Why Hong Kong?***

Mainland China currently has no captive insurance legislation and is lacking in expertise limiting the establishment of captives in the Mainland. Hong Kong is well positioned to





become the captive center of China. Besides being the most established financial center in China (although Shanghai may dispute this claim), Hong Kong has other competitive advantages over overseas captive domiciles that include:

*Support from the government*

The China and Hong Kong governments emphasize the importance of economic and trade cooperation across the border. It is no surprise that Mainland insurance authorities would introduce regulations that highly favor Hong Kong as the Mainland insurance hub.

*Business Experience in China*

Hong Kong and the Mainland have a long business relationship. Hong Kong has extensive knowledge of the culture, business model and regulatory environment in the Mainland.

*Language*

Although English is widely used in China, Chinese remains the main business language. In many companies, bilingual business documents may not be readily available.

***What Hong Kong should consider***

Besides reducing captive tax rate and bringing in captive expertise, Hong Kong should also consider:

*Protected Cell Captive*

As Singapore already has a strong reputation as a captive domicile in Asia, Hong Kong may need to reposition itself. A number of emerging captive domiciles are allowing protected cell captives structures, which is giving them a competitive advantage. A protected cell captive is a single entity composed of individual protected cells, each protected cell collects premium from its parent company and reimburse its loss. The assets and liability of one cell are segregated and protected from other cells, but simultaneously each cell enjoys the savings of sharing of administrative cost and resources. It provides a platform for small to middle sized companies to play in the captive game. Currently, Singapore does not allow protected cell captives.

Protected cell growth has proven to be advancing rapidly in all domiciles that have introduced it. Although no reliable statistics are available we estimate there to be more than 2000 cells operating worldwide as smaller versions of property/casualty captives. It is referred to as the growth area for the mature captive domiciles.

Other new captive concepts to be considered are branch captives and special-purpose financial captives.

#### *Direct Sale*

Hong Kong should work to convince the China Insurance Regulatory Commission to allow Hong Kong captives to write business directly in China. Currently, corporations must purchase insurance from licensed insurance companies. If these corporations want to pass their risks onto its captive they need to use a fronting company and have risk ceded to the (reinsurance) captive either as a participant on the fronting insurer's reinsurance program or passing through by way of retrocession. If the CIRC would allow Hong Kong captives to directly write business in China, this would cut down administrative costs and credit risks.

#### ***China as a stepping stone***

The demand for alternative risk financing mechanisms is expected to grow rapidly with the utilization of risk management in Asia. According to a study by Aon Benfield, only a quarter of the Asian Global 500 companies currently have a captive, and therefore it is foreseeable that demand for captives will emerge. Labuan and Micronesia are new captive domiciles trying to position themselves for the future growth of Asian captives. Hong Kong, in under going insurance regulatory reform, should treasure this "second chance" to promote itself as an attractive captive domicile. The upcoming reformed Hong Kong Insurance Authority should take a more proactive approach on captive business development. The success and captive experience of Mainland Chinese companies will provide incentives for other Asian companies to consider establishing their captives in Hong Kong.



**Ronald T. Kozlowski**  
**Towers Watson**



**Johnny Ho**  
**Towers Watson**



# Risk Margin in Hong Kong

*This article was first published in the November 2011 issue of the Asia Insurance Review.*

## Why Risk Margin?

In a perfect world, Actuaries would be able to determine best estimate reserves which will exactly be equal to the actual future losses incurred by an insurer. Unfortunately, in real life, things are not as simple. There are many uncertainties and surprises which will cause the best estimate reserves to be higher or lower than the actual future losses incurred. For example, past and future claim fluctuations, future economic or environmental conditions, errors in data or incorrect projection models selection.

A risk margin on top of the best estimate reserves provides for situations where the actual future losses may be higher than the best estimate reserves. This extra comfort level helps maintain the financial soundness of insurers and to protect policyholders.

## Risk Margin Determination

There are numerous approaches to determine risk margin. It may be determined as a fixed monetary amount or a percentage of the best estimate reserves. In slightly more complicated form, the reserving actuary carries out an alternative set of reserve projections using more conservative assumptions, such as claim inflation, to arrive at a more conservative reserve estimate. The difference between this conservative reserve and the best estimate reserve represents the risk margin.

Both approaches are simple to implement, but they fail to describe the degree of prudence quantitatively represented by the risk margin. There is little statistical reasoning or basis behind the choice of the risk margin assumptions.

A number of methods have been suggested to estimate the risk margin with more solid statistical basis.

Two commonly used methods which can be easily adapted in Asia are (1) the Mack method and (2) bootstrapping. In addition, there are the cost-of-capital method integrated in the Swiss Solvency Test and the to-be-implemented Solvency II framework in Europe.

## Mack method

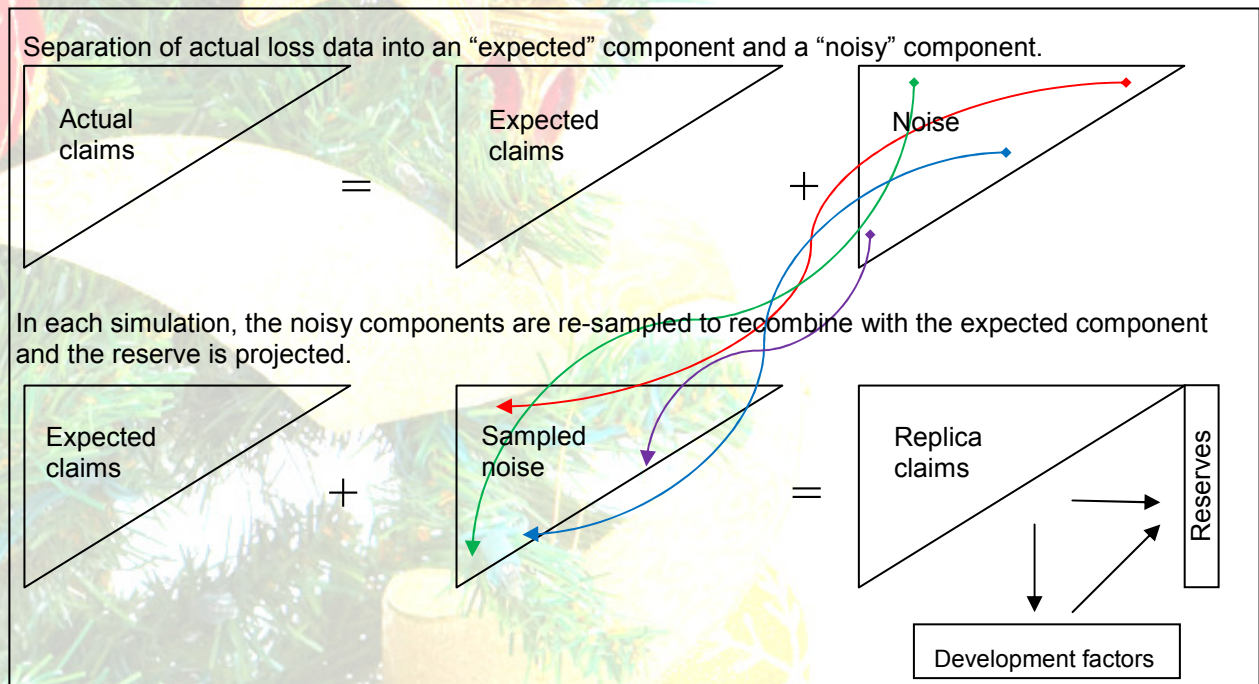
The Mack method is a natural extension of the chain ladder method commonly used for estimating best estimate reserves. The chain ladder method involves using run-off claims data to estimate development factors (measure of the speed of reporting and settling claims), then using the development factor to project the ultimate cost of claims. Subtracting the paid claims from the projected ultimate cost of claims gives the claims reserves of the portfolio. Even without any changes in the claims management process, claims development would still fluctuate over time due to randomness of claims occurrence, claims severity and the speed at which the claims are reported and settled. Therefore the estimation of development factor is inherently uncertain. In statistical term, a number representing the measure of uncertainty is called the standard deviation. The uncertainty in claims development can naturally be used to infer the standard deviation of the ultimate cost of claims and the reserves.

The risk margin may be decided as a certain multiple of the standard deviation of the reserves (e.g. 0.5 times, 1 time, 1.5 times, etc). Furthermore, it can be assumed that the reserves follow a particular statistical distribution to infer a full distribution of the reserves to calculate the level of sufficiency at various levels of reserve. Typically, the range of sufficiency level insurers is interested in for reserving purpose is between 75% to 90 % sufficiency. In this case, a normal distribution may be assumed. For more extreme scenarios, e.g. stress testing purpose, this method is not recommended.



## Bootstrapping

The bootstrapping method is a simulation approach which is also based on the chain ladder method. Each simulation represents a possibility of the future outcome. Based on the idea of chain ladder projection, the actual loss data can be divided into an “expected” component and a “noisy” component, i.e. the expected claims experience and the deviation from this average. In each simulation, the noisy components are re-sampled to recombine with the expected component to create a replica of the actual loss data. This replica loss data triangle is different from the actual one, but has the same statistical property as the actual loss data. The replica claims triangle is used to project the reserves using the chain ladder method. A large number is simulated with each simulation producing a replica of claims triangle and a reserve outcome. All the simulated reserves outcomes are then taken together to form a distribution of the reserve.



Using this approach, the risk margin is typically termed as the additional amount of reserves on top of the best estimate such that the reserves are sufficient to cover the future claims with a reasonably high probability. For example if 10,000 simulations are ran and sorted from lowest to highest, it is possible to obtain the risk margin at 75% level of sufficiency by taking the 7500<sup>th</sup> reserve amount in the list. This is because 75% (7500/10000) of the possible scenarios have a reserve lower than this amount. Subtracting from it the best estimate reserves gives the risk margin.

## Cost-of-capital method

This method originates from the concept that capital is required to support the run off of insurance liabilities. This is because in the event that the best estimate reserves are insufficient, additional money is required to pay off the liabilities. In order for capital providers to absorb this risk, they would require a return above the risk free rate on their capital supporting the liabilities. The risk margin is defined as the present value of this stream of required return.

## Risk margin by country

Most existing and proposed frameworks treat the risk margin as a component of insurance liabilities that is established in addition to best estimate reserves. The risk margin is usually calculated using either the percentile method or the cost of capital method. The following table summarises the risk margin methodology for some countries:



Country	Australia	China	Malaysia	Singapore	UK	US
Required level of sufficiency	75 <sup>th</sup> percentile	75 <sup>th</sup> percentile	75 <sup>th</sup> percentile	75 <sup>th</sup> percentile		
Risk margin methodology	Distribution method <sup>1</sup>	Cost of capital method  Prescribed method <sup>2</sup>			Cost of capital method	Not specified

Amongst these countries, Australia published the risk margins for each class of business in 2004. The table below shows the average risk margins as at June 2004 across the classes of general insurance for direct business in Australia<sup>3</sup>.

Direct class of business	Average risk margins for outstanding claims liabilities (%)	Average risk margins for premium liabilities (%)
Houseowners/Householders	9.98	14.28
Domestic motor vehicle	8.48	11.97
Commercial motor vehicle	16.65	14.97
Travel	9.87	13.38
Fire and ISR	10.5	17.14
Marine	13.37	18.07
Aviation	10.06	14.29
Mortgage	19.9	35.64
Consumer credit	14.25	23.7
Other accident	11.15	16.24
CTP motor vehicle	9.41	12.04
Public and product liability	15.69	17.49
Professional indemnity	11.27	27.2
Employers liability	16.69	13.21
Other	16.59	17.13

<sup>1</sup> The Risk Margin is calculated as the central estimate plus one half of a standard deviation above the mean for the insurance liabilities of the insurer.

<sup>2</sup> The Risk Margin and the unbiased estimate of present value of future cash flows should be in the range of 2.5% to 15%. If data is not available for the above estimations, the Risk Margin can be calculated as 3% of Premium liabilities and 2.5% of Claims liabilities.

<sup>3</sup> The figures in the table are from General Insurance Risk Margins Industry Report October 2005.



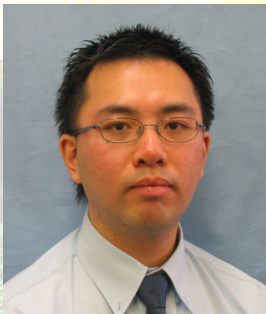
### **Risk margin in Hong Kong**

For Employee's Compensation (EC) and Motor insurance business in Hong Kong, an actuarial review of the reserves is compulsory under the "Guidance Note on Actuarial Review of Insurance Liabilities in respect of Employee's Compensation and Motor Insurance Business" (GN9). For other line of business, an actuarial review of the reserves is not required.

According to GN9, a risk margin in addition to the best estimate reserves of EC and Motor is not compulsory but the reserving actuary can add a risk margin when considered appropriate. In practice, risk margins are usually adopted in international insurers whereas the adoption is not as common in local insurers. Generally these international insurers would also have adopted actuarial review and risk margin for the non-compulsory classes on a voluntary basis. The adopted risk margins differ by line of business and usually range from 7% to 18%. A few insurers estimated these risk margins based on its own data; most of the insurers based the risk margins on industry benchmarks in other countries.



**Cynthia Liu**  
**American International Assurance Co. Ltd**



**Charles Ng**  
**SCOR Reinsurance Co. (Asia) Ltd**



**Grace Yan**  
**Zurich Insurance Company**



# Investment and Risk Management Committee:

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## Update of Interest Rate Work Group

**S**ince 2003, an ASHK Interest Rate Work Group was established and hence developed a program that produces a Hong Kong dollar yield curve of up to 10-year maturity on a daily basis in August 2005. This tool utilizes published data of the Hong Kong Monetary Authority and applies methods of bootstrapping and cubic-spline on an Excel VBA platform.

The tool is a downloadable program to run on individual PCs, which has been made available to all members' access in the ASHK website via the link: <http://www.actuaries.org.hk/publications.php?id=18>. The latest update was conducted in March 2011.

In view of the changing demand for a full Hong Kong dollar yield curve in application, and balancing the availability of other public data and considerations involved in maintaining the program going forward, it is with great regret that the ASHK has made a tentative decision to stop maintaining this tool going forward. In order to provide a transition, we will continue to make the tool available on the ASHK website for members to download a copy **until 30 April 2012**, after which the link above will be withdrawn permanently. It shall be reminded that any subsequent use of the tool by individual members will remain the sole responsibility of the user rather than the Actuarial Society, and members are recommended to apply prudent judgement as to the use of the tool and interpretation of any results produced going forward.

During this transition period, we are also keen to seek your comments on the program. If anyone has great interests in the tool and its application, and considers that the Actuarial Society should continue to maintain it and publicize its use in a certain practice area, please do send through your comments to [actoff@netvigator.com](mailto:actoff@netvigator.com) on or before **15 April 2012**.

With this, the Actuarial Society of Hong Kong, and the Investment & Risk Management Committee, would like to express the most sincere thanks to those who have been involved in developing and maintain this program. It is with your contributions that have served our members' needs and moved good practices forward. The Society and Committee continues to seek your support in ongoing developments.





**Happy Holidays!**

Darwin Rhodes is the leading global specialist within Actuarial & Insurance Recruitment. Since establishing our office in Hong Kong in 2001 we have developed an enviable reputation for providing a first class service to our clients and candidates.

### **What markets do we cover?**

We started solely as an Actuarial recruiter. Our symbiotic relationships with core Insurance clients has led to us branching out to cover other Life and General Insurance related specialist areas such as IT, Marketing, Underwriting & Claims, Sales, Customer Services, Asset Management, Brokerage and Legal & Compliance.

### **What locations do we operate from?**

We have offices in Hong Kong, Shanghai, Sydney, London, New York and Zurich serving our clients in America, Australia, Europe and South East Asia. These offices work closely together to provide comprehensive global searches and aid individuals relocating internationally.

From the Hong Kong office we specifically cover; Hong Kong, Indonesia, Japan, Korea, Malaysia, Singapore, Taiwan, Thailand and Vietnam.

### **Contingent or Retained?**

We are primarily a contingency recruiter. Our long term consistency has led to strong professional relationships with clients where we have developed a relationship more akin to business partner than mere service provider.

We pride ourselves on taking the long term view, prioritizing reputation and credibility over short term gain.

### **Who to contact?**

We have specialist teams that separately cover Life, General Insurance and Pensions Actuarial. Please contact our Hong Kong office to speak to a specialist Actuarial recruitment team for more information.

**Tel: (852) 3101 0930 Fax: (852) 3101 0989**

**Email: [recruit-hk@darwinrhodes.com.hk](mailto:recruit-hk@darwinrhodes.com.hk)**

**Website: [www.darwinrhodes.com.hk](http://www.darwinrhodes.com.hk)**

**4006 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong**



# MEMBERSHIP UPDATE & ACTUARIES ON THE MOVE

## New Members

### Fellow

Danny Yu-Ting CHAN	AIA	FSA (2011)
Ka-Yan CHAN	RGA	FSA (2009), MAAA (2009)
David Wai-Yin CHEUNG	Ace Life	FSA (2010)
Halbert CHIM	AIA	FSA (2011)
Brian Case EVANKO	CIGNA	FSA (2001), MAAA (2002)
Isabelle KERNEUZET	Towers Watson	Fellow of the Institut des Actuaire of France (1995)
Henry Chung-Hang LEUNG	RGA	FSA (2008), FCIA (2009)
Cong-Bin LIM	Prudential	FSA (2010), CERA (2008)
Joseph Kheng-Ghee LIM	AXA China Region	FSA (2011)
Wai-Yoong LEE	AIA	FIA (2011)
Satnam MACLEAN	RSA	FIA (2007)
Peter Ting-Fai MAN	AIA	FSA (2010)
Benjamin Alfred MCDERMOTT	ReMark Hong Kong Ltd	FIA (2000)
Marc SOFER	RGA	FFA (2005), FIAA (2008)
Qi SUN	Sun Life	FSA (2006), FCIA (2007)
Tracia Yee-Boon TAN	CIGNA	FSA (2006)
Jay Yu-Ping TANG	Prudential	FSA (2010)
Andy Ka-Wing TSUI	AIA	FSA (2011)
Edith Wing-Tung WONG	Towers Watson	FIAA (2010)
James Kwang WONG	AXA China Region	FSA (2007)
Kwok-Swan WONG	Prudential	FIAA (2009)
Thaddens Yat-Shan YU	AIA Group	FSA (2011), CERA (2011)
Victoria XIE	HSBC Insurance	FIAA (2010)

### Associate

Billy Hon-Lam CHUI	Ageas	FSA (2011), CERA (2011)
Jiang LUO	AXA China Region	FSA (2011)

### Student

Cheuk CHAN	Manulife (Int'l)	SOA Student
Chi-Lung CHAN	AXA China Region	SOA Student
Tony Ka-Chuen CHAN	Towers Watson	SOA Student
Anthony Pak-Shing CHAN	Prudential	SOA Student
Xiao Meng CHEN	AXA China Region	IoA Student
Ivan Lok-Chun CHEUNG	BOC	SOA Student
Johnny Chung-Yin CHOI	KPMG	SOA Student
Michael Ka-Wah FUNG	-	SOA Student
Catherine Tsz-Kwan HUI	BOC	SOA Student
Linda KUAN	KPMG	CAS Student
Jacky Wai LAU	Manulife (Int'l)	SOA Student
Judith Hill-Kay LAM	RGA	IAAust Student
Jessica Tsz-Ying LAW	ING Life	SOA Student
Hoi-Yi LEUNG	AXA China Region	SOA Student
Jonathan Chun-Ho LI	AXA China Region	SOA Student
Shianna Shuang-Lan LI	Manulife (Int'l)	SOA Student
Ruth Yee-Lok LI	Zurich	SOA Student
Nathan Man-Ho LIU	Towers Watson	SOA Student
Chi-Tak LUI	Ace Life	SOA Student
Jackie Chun-Kuen LUI	Zurich	SOA Student
Eric Kwan-Ho NG	Sun Life	SOA Student
Gareth Siu-Wai NG	CIGNA	SOA Student
Jasmin PANG	Swiss Re	IoA Student
Christine Yue-Ming SHEN	Prudential	SOA Student
Timothy Kin-Lok SHUM	Manulife (Int'l)	SOA Student
Francis Lik-Hang SIN	KPMG	IAAust, SOA Student
Michael Kwun-Ho TSANG	Sun Life	SOA Student
Stephanie Hoi-Ki TSE	Prudential	SOA Student
Zack Man-Shek TONG	HSBC Insurance	SOA Student
Johnny Cheuk-Yin WONG	KPMG	SOA Student
Gigi Chi-Nga WONG	Manulife (Int'l)	SOA Student
Sharon Siu-Ling WONG	Towers Watson	SOA Student
Wyatt Wai-Shan WONG	CIGNA	SOA Student
Daniel WU	KPMG	IAAust Student
Sharon Hoi-Shan WU	Manulife (Int'l)	SOA Student
Jason Chit-Sum YEUNG	ING Life	SOA Student
Wing-Ho YEUNG	Towers Watson	SOA Student
Yuk-Cho YEUNG	RGA	SOA Student
Mei YIN	KPMG	IAAust Student
Tony Tsz-Chung YU	HSBC Insurance	SOA Student
Shelley Yuhao ZHOU	Manulife	SOA Student



# MEMBERSHIP UPDATE & ACTUARIES ON THE MOVE

## Members Upgrade

### Fellow

Lawrence Shing-Chung CHEUNG	Zurich	FSA (2011)
Danny Wai-Kit CHOI	HSBC	FSA (2010)
Roy Tsz-Yeung MAK	KPMG	FSA (2011)
Simon Heung-Lok PANG	Swiss Re	FSA (2011)
Calvin Yu-Ching TANG	AXA China Region	FSA (2011)
George Yiu-Nam TANG	Manulife (Int'l)	FSA (2011)
Eric Kwong-Fai TSANG	ING Life	FSA (2010)
Eric Chi-Hang TSUI	Manulife (Int'l)	FSA (2011)
Hing WU	KPMG	FSA (2010)
Wing-Yin YIM	Towers Watson	FSA (2011)

### Associate

Alexander BOGDANOV	Sun Life	FSA (2011), CERA (2009)
Donald Sze-Long CHAN	Ageas	ASA (2011)
Jason Kwok-Ting CHAN	Sun Life	ASA (2011)
Ryan Ho-Fung	CHENG AXA China Region	ASA (2011)
Ka-Ho CHEUNG	AXA China Region	ASA (2011)
Patrick Hei-Yin CHOW	Sun Life	ASA (2011)
Vicky Ying-Ying CHOW	MassMutual	ASA (2009)
Andy Chun-Kit HO	MassMutual	ASA (2010)
Henry Man-Tat HO	Prudential	ASA (2011)
Jasmine Tan-Ping HUI	MassMutual	FSA (2011)
Joe Kai-Cho KONG	HSBC Insurance	FSA (2010)
Ronald Tik-Chun KWOK	MassMutual	ASA (2009)
Carmen Suet-Wa LAU	Prudential	ASA (2009)
Tim Chun-Tim LI	Prudential	ASA (2011)
Maggie Kit-Yan MAK	HSBC Insurance	FSA (2011)
Jennifer Kin-Wah SHUM	Manulife (Int'l)	ASA (2009)
Eric Yik-Hang SUM	Prudential	ASA (2010)
Tony Pak-Kin TSUI	Prudential	ASA (2011)
Man-Chung WONG	ING Life	ASA (2011)
Johnny Hau-Yin WAT	AXA (Asia Pacific)	ASA (2011), CERA (2011)
Matthew Wai-Kin WONG	Sun Life	ASA (2010)
Oliver Tsz-Sing YU	Prudential	ASA (2011)
Claudia Chui-Man YUNG	Prudential	ASA (2011), CERA (2011)

## Reinstated Members

### Fellow

Joseph King-Yiu CHEUNG	Prudential	FSA (2004)
Bruce HOWE	HSBC Insurance	FIAA (1982)
Wai-San LEE	RG	FIA (2009)
Eric Man-Chun YAU	Barrie & Hibbert	FSA (2007)
Ken Ka-Lun CHAN	AIA	FSA (2005)
Christopher James EDWARDS	Segantii Capital Management	FIAA (1997)
Jason Chi-Sing FUNG	Prudential	FSA (2008)
Eric Yu-Hin HO	AIA	FSA (2005)
Fabien Gerald JEUDY	Sun Life	FSA (1994), FCIA (1995)
Joe Sze-Lim LAM	Manulife	FSA (2008)
Shih-Nin LOW	RG	FSA (1997), MAAA (2000)
Andy Chun WONG	Manulife	FAS (2006)

### Associate

Alex Ka-Hin CHAN	Manulife (Int'l)	ASA (2010)
Stella Pui-Yuk KONG	Prudential	AIAA (1999)
Sharon Hoi-Yee YIU	Zurich	AIAA (2010)

## Market Update

The Management Board of the Authority has recently approved four sets of revised Guidelines:

- Guidelines on Central Securities Depositories (Guidelines I.7)
- Guidelines on Approved Exchanges (Guidelines III.4)
- Guidelines on Equities and Other Securities (Guidelines III.2)
- Guidelines on Equities and Other Securities (Guidelines III.2)

Copies of the revised Guidelines can be downloaded from the Authority's website at <http://www.mpf.org.hk>.







# Strategically placing Actuaries around the globe.

## Expanding Our Operations in Asia!

Whilst a blanket of economic uncertainty has shrouded most of the Western world during the past year or so, the Insurance market in Asia remains strong and continues to develop and evolve at pace. Consequently, it is an exciting time to be an actuary in Asia and we are experiencing a significant increase in the demand for actuaries across the region.

In response to this demand and as part of our continued commitment to Asia we are expanding our presence in the region with additional members joining our team in Hong Kong and a new office opening in Singapore.



**James Lecoutre**, Senior Partner for Asia Pacific, will be spearheading the expansion and growth of this significant market sector, relocating from Australia to our new Hong Kong location at the beginning of 2012. James has many years experience in both the Insurance and Recruitment industries, starting his career in the City of London in 1992 spending 7 years learning the Insurance market, first as a Fine Art and Jewellery broker with Jardines, then as an Underwriter with Reliance National. Entering the recruitment industry in 1999, he joined a start up specialist actuarial recruitment company where he was instrumental in their success as a market leading recruitment firm in London. Prior to moving to Sydney, James also worked for the largest dedicated insurance recruitment firm in London where he was responsible for establishing and growing a specialist actuarial desk. James has been successful in placing actuarial candidates from student to partner level within General Insurance, Life Assurance, Pensions & Investments.

"This is a fantastic opportunity to drive the business 'on the ground' here in Asia, providing greater ability to strengthen current client and candidate relationships as well as forge new relationships in the region" says Lecoutre.

Also joining the team in Hong Kong is Senior Consultant **Bally Binji**. Bally is a Senior Salesperson with over 10+ years of Solution Sales experience. She started her career in the field of Software and Services Sales, providing solutions to leading FTSE 100 companies. In leveraging this core sales background, she transitioned into Executive Search a couple of years ago with a leading global recruiter, where she was responsible for the build of the FX Trading and Corporate Sales desk from scratch. Bally is originally from the UK and has been living in Hong Kong for the last two years. Along with this valuable experience, Bally brings with her an energetic personality and excellent relationship building skills, making her a valuable addition to our Hong Kong team.



**Rachel Eagleton** is the Senior Consultant in our Singapore office. Rachel is a Fellow of the Institute of Actuaries of Australia and has more than 15 years experience in the insurance industry in Asia and Australia. Before moving to Singapore Rachel was the Course Leader for the Institute of Actuaries of Australia General Insurance 3B Course, prior to that she was a Pricing Actuary for QBE Commercial. In Hong Kong Rachel has worked as the Regional Actuary for ING Financial Services. Having worked both in the Life and General Insurance fields, Rachel comes to us with a wealth of actuarial knowledge and an understanding of the specific needs of the Asia markets.

D W Simpson is already well established as a leading recruiter in the Asia region however, with a greater presence in Hong Kong and now Singapore, we are the number one choice for clients looking for suitably qualified actuaries and candidates looking to explore new career opportunities across the region.

*To find out more about what's happening in Asia or for details of suitable opportunities in the region, please contact:*

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EUROPE | ASIA | AUSTRALIA & NEW ZEALAND | MIDDLE EAST | NORTH AMERICA | SOUTH AMERICA



## Actuaries on the Move

### Fellow

Allen Zhao  
David Kar-Chong Lee  
Eric Kwong  
George Kin-Chung Kung  
Grace Ho  
Henry Hon-Fai Ng  
Horace Ko  
Issac Chun-Yam Tong  
Lawrence Shing-Chung Cheung  
Martina Kit-Hung Chung  
Nicola Wing-Cheung Ho  
Pang Chin Chi  
Pinky Shuk-Man Chu  
Rebecca Pui-Kar Chung  
Yeung Kwong Wing

### Associate

Alice Tiu  
Bob Leung  
Cheung Ka Leung  
Claudia Yung  
Enoch Kin-Chung Chow  
Gary Lee  
Jiang Guan Wen Gavin  
Matthew Wai Kin Wong

### Student

Brian Chi-Wai Lai  
Tom Tsz-Hin Yan



## Actuaries' Golf Outing on 16 December 2011



## IAA Colloquium in Hong Kong Sheraton Hong Kong Hotel & Towers May 6-9, 2012

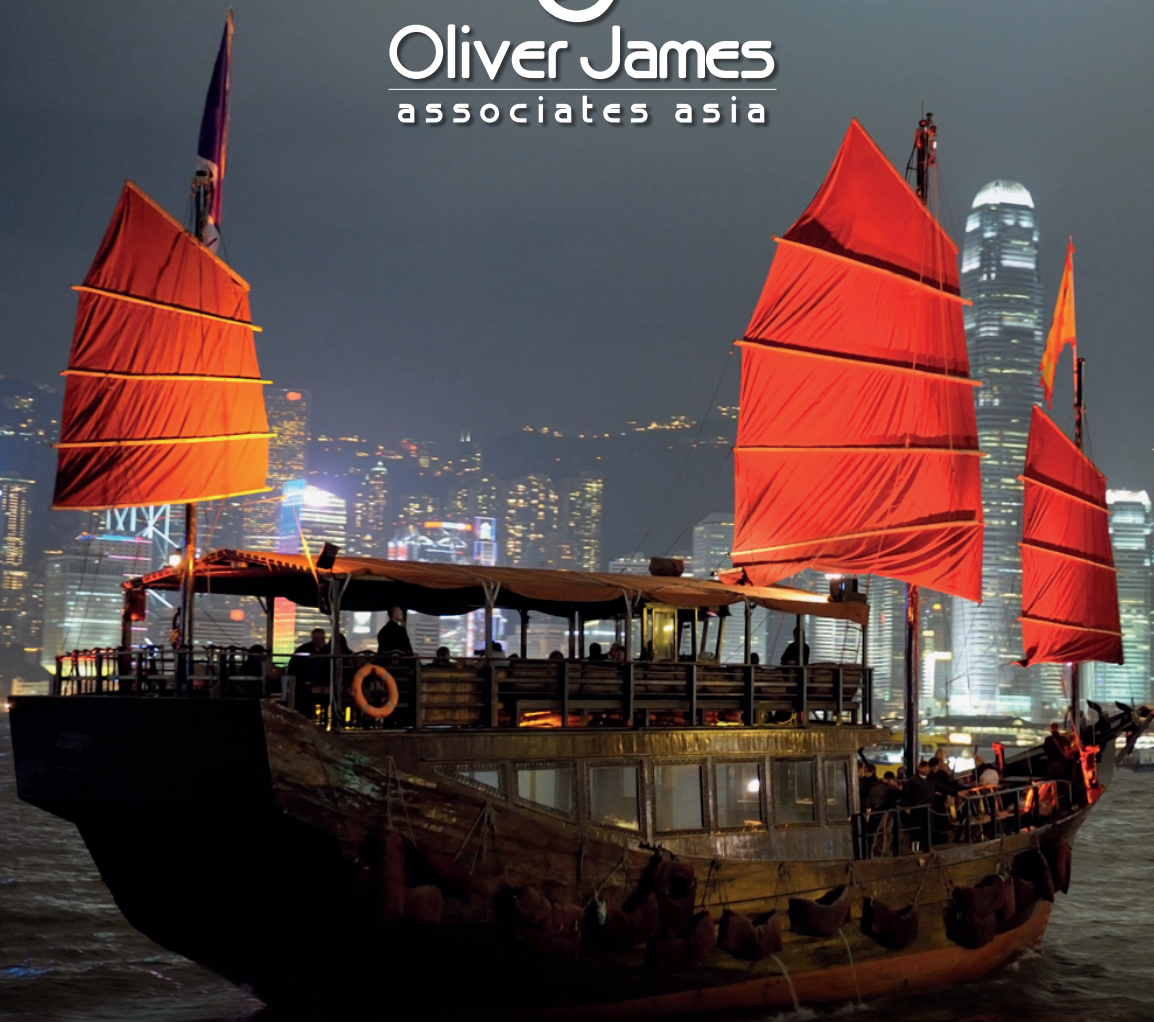
A Colloquium of the International Actuarial Association will be held in Hong Kong from 6 May to 9 May 2012. This event is being organized and hosted by the Actuarial Society of Hong Kong and will be held at the Sheraton Hong Kong Hotel & Towers, Tsimshatsui, Kowloon. This Colloquium represents a joint collaboration of three IAA Sections, namely, International Association of Consulting Actuaries (IACA), Pension Benefits and Social Security Section (PBSS) and Health Section (IAAHS). Participation by IACA includes the Asia Pacific Association of Consulting Actuaries (APACA).

The theme of the Colloquium is *The Actuarial Profession and Social and Economic Development*. The program will include plenary sessions with formal addresses by invited keynote speakers, topical presentations by subject-matter experts, and parallel sessions at which submitted papers will be presented.

[www.actuaries.org/HongKong2012](http://www.actuaries.org/HongKong2012)













Oliver James Associates specialise in recruiting actuaries to the insurance sector throughout Asia. We work on vacancies from newly qualifieds up to executive level, working only with the markets leading multinational firms (Life and Non-Life Insurers, Reinsurers, Brokers and Consultancies).

Our team is made up of senior consultants, each with a minimum of five years actuarial recruitment experience, so we understand your profession. We help candidates throughout their career and we help clients develop entire recruitment strategies. Our strength is in building long-term relationships.

Our presence in Asia is already well established, though we aim to expand rapidly in the years ahead. Our strategy is to become Asia's leading actuarial recruitment firm, but we will never lose sight of what's important – to consistently deliver a high quality of service.

**Jonny Plews**  
**Gary Rushton**  
**Alex Ince**

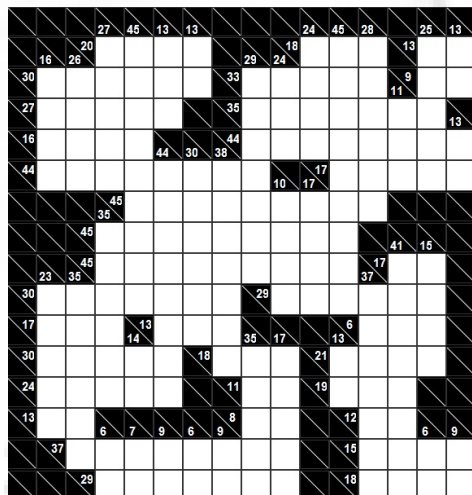
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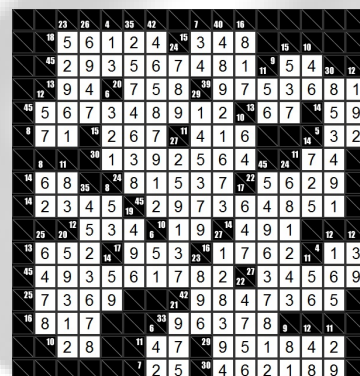
## PRIZE TO GIVE AWAY!

A prize will be presented to the member who submits the first correct entry of **the Kakuro**. Join the game and submit your entry to ASHK Office by email: [actuaries@biznetvigator.com](mailto:actuaries@biznetvigator.com) **NOW !!!**



### How to play:

- Place the digits 1 to 9 into a grid of squares so that each horizontal or vertical run of white squares adds up to the clue printed either to the left of or above the run.
- Numbers below a diagonal line give the total of the white squares below; numbers to the right of a diagonal line give the total of the white squares to the right.
- No digit can be repeated** within any single run. Runs end when you reach a non-white square.



Suggested solution for Sep 2011

## UPCOMING EVENTS in 2012

- |                 |   |
|-----------------|---|
| 19-21 Feb       | • 14th Global conference of Actuaries, Mumbai |
| 15-16 Mar (TBC) | • IAAust ERM Workshop, Hong Kong (TBC)        |
| 27 Mar          | • ASHK Investment & Risk Management Symposium |
| 6-9 May         | • IAA Colloquium, Hong Kong                   |
| 18 Jun          | • SOA EBIG, Tokyo                             |
| Jul (TBC)       | • Joint Regional Seminar in Asia (TBC)        |
| Aug or Sep      | • SOA IFRS and US GAAP, Hong Kong (TBC)       |
| Aug or Sep      | • SOA IFRS and US GAAP, Taipei (TBC)          |
| Nov             | • ASHK Annual Dinner                          |
| Nov             | • ASHK Appointed Actuaries Symposium          |
| Dec             | • ASHK AGM                                    |

Mark your  
Calendar

# ASHK 2nd Investment and Risk Management Symposium 2012

27 March 2012 (Tuesday)

Hong Kong Jockey Club

By Invitation Only



# EVENTS' HIGHLIGHTS

## Luncheon Meeting (3 October 2011)



Speaker : Mr. Tom Rozar, RGA Reinsurance Company

## Evening Talk (13 October 2011)



Speaker : Mr. Fred Rowley, Chair of the CERA Global Association / Former President of the Institute of Actuaries of Australia

## Luncheon Meeting (2 November 2011)



Speaker : Mr. Brad Smith, President of the Society of Actuaries



# EVENTS' HIGHLIGHTS

## ASHK Annual Dinner 2011 (7 November 2011)



Guest Speaker : Prof. KC Chan



There were over 160 members and guests attending the Annual Dinner. We were honoured to have Prof. KC Chan (Secretary for Financial Services and the Treasury) as our distinguished guest speaker and also the VIPs joining us. The ASHK would like to extend sincere thanks to the following companies which had provided raffle draw sponsorship for the 2011 Annual Dinner (in alphabetical order): Ageas Insurance; Barrie & Hibbert; Darwin Rhodes; Deloitte Actuarial and Insurance Solutions; General Reinsurance AG; Hannover Life Reinsurance; HSBC Insurance; ING Asia Pacific; RGA Reinsurance; SCOR Reinsurance and Swiss Reinsurance.



# EVENTS' HIGHLIGHTS

## AA Symposium (8 November 2011)



Guest Speaker : Ms. Annie Choi, OCI



MC: Mr. Michael Lockerman



Ken Buffin - IACA Chairman



Speaker: Mr. Alan Tan



Mr. Mark Saunders and Mr. Roddy Anderson



Speaker: Mr. Paul Melody



Ms. Lyndall Wilson and Mr. Roddy Anderson



Speaker: Mr. Kieren Cummings

## ASHK AGM (12 December 2011)



Mr. Benjamin Mok and Mr. Jeremy Porter



2011 ASHK Council



Mrs. Christine Koo and Mr. Jeremy Porter



Mr. Jeff Malatskey and Mr. Jeremy Porter



Mr. Peter Duran and Mr. Jeremy Porter



# ASHK NEWSLETTER

Volume 04/2011

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## Contributions to the ASHK Newsletter

We welcome members' contribution to the following sections of the ASHK Newsletter: Feature Article, Actuaries on the Move and Puzzle Corner.

Send correspondence to the ASHK Office at the address below. When sending in correspondence which has been created in a word processing program, when possible, email a copy of the file to either the editor's or the coordinators' e-mail address. Publication of contributions will be at editor's discretion.

## Corporate Advertisement

The ASHK will accept corporate advertisements in the ASHK Newsletter provided that the advertisements do not detract from the actuarial profession. Acceptance and positioning of advertisement will be at the editor's discretion.

## File Formats:

Advertisers have to supply the artworks which should be created in MS Word/PowerPoint/JPEG/PDF formats.

## Advertising Rate:

	One Off	Whole Year
Full page	HK\$4,000	HK\$3,600@

To advertise, please contact the ASHK Office by tel: (852) 2147 9418 / 9419 / 9420 or  
e-mail: patkum@netvigator.com / actsoff@netvigator.com / actuaries@biznetvigator.com



**ACTUARIAL SOCIETY**

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