



ACTUARIAL SOCIETY
of
HONG KONG
香港精算學會

THE ACTUARIAL SOCIETY OF HONG KONG

ASHK Newsletter

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Editorial

by Mr. David Waples

Welcome to the second issue of the ASHK Newsletter for 2007.

The theme for this issue is the statutory path project. Peter Luk, who has had great experience in the Hong Kong market and is leading the project, is our contributor for this edition. Peter has highlighted a number of significant points in the current position and future path of the ASHK.

ASHK is a significant professional body with 610 members of whom 311 are Fellows. ASHK has more FSAs than any other jurisdiction in the world outside North America. By comparison with the Singapore Actuarial Society, ASHK has 237 FSAs in Hong Kong versus 28 FSAs in Singapore.

The progress in Singapore is worthy of consideration. The Singapore Actuarial Society achieved statutory recognition three years ago with the active support of their government. This followed the introduction of RBC regulations by the Monetary Authority of Singapore. With these regulations, there was a need to rely on the professional body to introduce guidance notes for appointed actuaries. The SAS made commitments to provide guidance to members, and subsequently the MAS have placed greater reliance on SAS by recognising only the Fellow of the SAS for the statutory appointment of the appointed actuary in the regulations. In the past, MAS regulations recognised Fellows of the major examining bodies (US, UK, Australia).

Over the years, ASHK has not had statutory recognition. As a consequence, it has been possible for individuals to call themselves actuaries without being a member of ASHK. This makes it difficult to impose and enforce professional standards in Hong Kong. In addition, it has been possible to be an appointed actuary without being a member of ASHK. Council has endorsed this project with the intent of elevating the standing of ASHK in Hong Kong.

There is also an article by Dave Sandberg on modernizing the insurance financial process in USA, by the adoption of a principles based approach to regulatory reporting.

Council Update

ASHK Risk Management Conference in Macau, January 2008

The ASHK Council has decided to launch an annual conference to support the development of the profession in Hong Kong. "Risk Management" has been chosen as the theme for the first such conference and so the Investment and Risk Management Committee has already begun sourcing speakers. The proposed dates for the event are 28 and 29 January 2008 and we are hoping to secure a hotel in Macau. The intention is to make the event unique with high quality overseas speakers, giving actuaries in North Asia the opportunity to learn from those at the forefront of developments at a location close to home. We will update you as plans emerge and look forward to receiving your support. Watch this space!



Call for Academic Article from HKU, SASS

The Statistics and Actuarial Science Society of the University of Hong Kong is inviting contributions of Academic Articles for their Year Book which will be published in November 2007. The academic content of the Year Book aims at broadening the readers' horizons in the study of Statistics, Risk Management and Actuarial Science.

Members are welcome to submit articles on any topics on Risk Management or Actuarial Science. Please send your articles to the ASHK office at actuaries@biznetvigator.com by 15 August 2007. Your contribution will definitely advance the learnings of new generations to come.

Feature Article

Author's Profile:

Peter Kin-Yu Luk, FIA, FIAA, FSA, CEO of Plan-B Consulting Ltd, is an ASHK Council Member and the Chairperson of ASHK Strategy & Project Committee Chairperson.

Peter can be contacted at peterluk@peterluk.com

“A statutory body, free from professional liability, could be more proactive in promoting professional standards and disciplining undesirable behavior in the interest of the public.”

Statutory Path Project by Mr. Peter Luk

Ever since the early 1990s when Hong Kong Actuarial Association changed from a social club into a professional body and renamed itself Actuarial Society of Hong Kong (ASHK), we have been thinking about converting the Society into a statutory body. On and off during the better part of the past decade, this idea was promoted and dropped several times. It is about the time that we summarize what we have done in the past on this subject, why we want to do it, where we stand currently and what we shall do in the near future.

WHY

Over the years, ASHK has not had an official status. People can call themselves actuaries without being a member of ASHK. This makes it difficult for us to impose and enforce professional standards in Hong Kong. Even worse, there are appointed actuaries who are not members of the ASHK. This is a reality that many of us consider to be less than desirable.

ASHK is not a small professional body. It has about 600 members with half of them being Fellows and it is a full member of the International Actuarial Association. A recent survey by the Society of Actuaries showed that the ASHK has more FSAs than any other jurisdictions in the world outside North America. For instance, there are 237 FSAs in Hong Kong versus only 28 FSAs in Singapore, whereas ASHK is not a statutory body while the Singapore Actuarial Society achieved statutory recognition recently with the active support of their government.

A statutory body, free from professional liability, could be more proactive in promoting professional standards and disciplining undesirable behavior in the interest of the public. It would elevate the status of its members within the organizations in which they are working thereby helping to ensure that such organizations would follow the best practices in many important areas such as enterprise risk management. It would enable ASHK to evolve into a professional body with its own culture, rather than the current mixture of US/British/Australian traditions.

Below is a table summarizing the pros and cons of pursuing statutory path:

PROS	CONS
<ul style="list-style-type: none">• <i>ASHK membership would be compulsory, at least for signing actuaries (appointed actuaries of life insurance companies, actuaries certifying general insurance reserves, ORSO actuaries, etc.). It may be possible, depending on the wording of the statute, that individuals would only be allowed to call themselves actuaries if they are Fellow members of the ASHK. The advantage is that it will ensure all (signing) actuaries in HK need to meet the minimum standards of the Society.</i>• <i>It should support signing actuaries in having more influence within the companies in which they hold this position.</i>• <i>It should provide the ASHK with an opportunity to improve the standards that it requires of actuaries in HK</i>• <i>In turn, this should lead to a reduced risk of any unprofessional conduct by actuaries within HK</i>• <i>It should elevate the professional image of actuaries in HK</i>• <i>It should lead to the regulator providing more respect for signing actuaries, and the profession generally</i>	<ul style="list-style-type: none">• <i>Implementing this will utilize a significant amount of the Council's time, and the ASHK's financial resources</i>• <i>It will impose a greater responsibility on the ASHK's in ensuring professional standards are adequate and sufficient</i>• <i>It will require more on-going activity (and hence cost) for the ASHK, such as the running of induction courses for new signing actuaries</i>• <i>It may lead to more attention from the regulator</i>• <i>There may be increased risk of litigation, where censure of an actuary is challenged</i>

WHAT WE HAVE DONE IN THE PAST

We have approached the Insurance Authority and our Legco representative separately in the hope that the government could sponsor a bill to convert ASHK into a statutory body. Unfortunately, we have been given to understand the chance of success of this route is very slim as the government budget would most likely be allocated to other projects with much higher priority.

The alternative is to have a private member's bill sponsored by our Legco representative. Bernard Chan has indicated that he would support us, but he is due to retire in about 14 months' time and he indicated that he would not seek re-election. Estimates made in the past indicated that the cost of a private member's bill would be somewhere around HK\$2 to 3 million. Recent indications are that it could be higher than that.

WHERE WE STAND CURRENTLY AND WHAT WE SHALL DO IN THE NEAR FUTURE

We are in the process of talking to some prominent lawyers with a view to ascertaining more accurately the likely cost.

If the cost indications mentioned above is anywhere near true, to go ahead with a private member's bill would mean an increase in annual membership due to cover the cost and this increase could be quite substantial.

With that in mind, we are now also in the process of designing a members' survey to see if our members in general consider this project sufficiently advantageous to the profession to justify the likely cost.

If the members at large decide in favour of this project, the process of a private member's bill will be as follows:-

The law firm that represents us would draft the Preliminary Draft to be circulated to various parties (such as the Financial Services Treasury Bureau, the Securities and Future Commission, etc.)

for comments. Meanwhile, a Legco member will sponsor this bill. The next stage is for Law Draftsman to provide drafts of the Bill (in English and Chinese) for comments and revisions. The Financial Affairs Panel of the Legco will then consider the Bill. The Bill, in its various forms of draft, will be gazetted, debated and voted upon, and if everything goes in our favour, will receive the Chief Executive's assent. Soon afterwards, a Notice will be published in the Gazette stating the incorporation date, when ASHK will become a statutory body.

If the members decide against this project, it would be shelved indefinitely.

Procedures of Passing a Private Bill

1	Draft the Bill and its Chinese version prepared by law firm
2	Submit the Bill together with its Chinese version (and the attached Explanatory Memorandum outlining its terms and the reasons why it is being promoted) submitted to relevant Government Bureau such Department of Justice, Insurance Authority, SFC and MPFA for comments
3	Arrange sponsorship of the Bill by a member of the Legislative Council
4	Initial comments received from the relevant Government Bureau
5	Issuance of Certificate that the Bill conforms to the requirements of form of Bills and the general form of Hong Kong legislation
6	Submit the Bill to the President of the Legislative Council and the Chief Executive for rulings
7	Grant of the Chief Executive's consent for the Bill to be introduced before the Legislative Council
8	Publication of the Bill in the Gazette; Advertise notice of the Bill in newspapers
9	Member sponsoring the Bill sends required documents to the Clerk to the Legislative Council (with copies of the Law Draftsman)
10	Present the Bill to the Clerk to the Legislative Council and introduce to the Legislative Council for its first, second and third readings
11	Present the Bill to the Chief Executive and receive his assent
12	ASHK agrees and appoints a date for the effective date of the incorporation
13	Publish a notice in the Gazette stating the incorporation date
14	ASHK incorporates on the effective date

“It would enable ASHK to evolve into a professional body with its own culture, rather than the current mixture of US/UK/Australian traditions.”

Actuarial Digest

Modernizing the Insurance Financial Process by Mr. Dave Sandberg

Will a principles-based approach simplify reporting regulations and make them more flexible?

I sat down this last Thanksgiving to record and reflect on those things for which I was thankful. One of the major items on my top 10 list is a strong sense of gratitude to be involved with a profession working to modernize an important aspect of insurance financial reporting in the United States. I am referring to statutory reporting and the Principle-Based Initiative that the Academy, the industry and the regulators have been so diligently working on. From my vantage point, what do I see occurring in the United States?

Author's Profile:

Dave Sandberg, FSA, MAAA, is vice president and corporate actuary at Allianz Life Insurance Company of North America in Minneapolis as well as the vice president for the American Academy of Actuaries Life Practice Council.

Dave can be contacted at dave_sandberg@allianzlife.com

Larry Bruning, chief actuary for the state of Kansas and Al Gross, Virginia Insurance Commissioner have been pointing out that our net premium reserve formula—the basis of our current standard valuation law—was established more than 150 years ago by Elizur Wright, an early actuary and commissioner for the state of Massachusetts. They contend that while this conceptual framework is a testament to the power of logical and forward thinking by an actuary, it may also be time to tap into some logical and forward thinking by today's actuaries to update the ideas and strengthen that conceptual framework. There are a complex array of products and associated risks that have developed over the last 20 years that require an improvement to the old paradigm in order to modernize insurance regulation.

Recommended Shift in Focus

It seems to me that perhaps a key change needed is a shift from focusing on formulas and programming to a new emerging focus that centers on the management of processes. These processes then become the foundation for interpretation, recommendations and a review/dialogue that extends to a much larger circle of interested parties, including senior management, the Board and regulators. This shifting of focus will help us realign our work and time, thus, adding value to our profession through our unique professional advantages. This uniqueness centers on our ability to identify, measure and manage risk for public and private needs through common professional standards, training and continued professional development.

Over the years, our profession—both nationally and internationally—has increasingly focused on the utilization of what some countries call an actuarial control cycle (and which is now included in one of the modules recently added to the new SOA syllabus). In the United States, we have more traditionally referred to this as feedback loops, and generalists might label this as a learning environment or cycle.

The statutory reserve requirements and review processes in the current law do not create a learning environment. The financial reporting and review requirements need to allow that type of environment to emerge. The current recommended changes in the draft model law exposed by the NAIC in October of 2006 include:

1. A centralized NAIC process to update reserve requirements uniformly via a Valuation Manual similar to the process that occurs for RBC via the instructions to the annual statement.
In contrast to a top-down approach that would mandate a new valuation framework for the entire company across all lines of business, the manual allows a bottom-up approach to be used by the NAIC to manage the inclusion of principles-based product and risk reporting on an incremental basis. The current life reserve proposal includes sections that address C3 risk requirements while also providing guidance on the margins to be used for C2 risk. Fixed annuity and long-term care reserve proposals are also being developed, and, when completed and approved by regulators, can be included in the valuation manual requirements.

2. Governance is included in the law to strengthen the overall solvency standard (due to increased discretion in setting reserves based on long-term assumptions):
 - Required independent review.
 - The traditional audit function is still needed to verify controls and the appropriate entry of financial transactions into the balance sheet/income statement. The required independent review is for items where judgment has been used. It verifies that both the methodology and the documentation of the basis for the estimate of the margins and assumptions have met a verifiable standard. It is also essentially a pre-release review, though the actual sign-off will likely be shortly after the financials are finalized.
 - One of the opportunities this provides for is that disputes about such items as assumptions will have a third party involvement. Important issues can be identified promptly so that discussion can occur at a professional level such as through a dispute board, focused research or a group to recommend practical solutions.
 - This allows states with limited expertise to know that there has been a professional process used and relied on, just as occurs in the audit function.
 - Required submission of company experience to a central data source.
 - This allows certifying actuaries, regulators and reviewers to have a better context for setting and reviewing assumptions.
 - This process is expected to be overseen by a combined group of regulators, professional groups (SOA and AAA) and industry as has occurred with the Joint Mortality project. The intent is to ensure that there is a purpose to data submission and usage that is cost effective and organized to add value to the risk management process.
3. While not included in this new law, the NAIC is also exploring how to further modernize its own examination and review process. If done prior to the new model law being passed, this allows both the NAIC and industry time to implement any structural support that might be needed prior to implementation.

New Model Timing

The adoption of this new model Standard Valuation Law by the NAIC could well occur in the first half of 2007. This would then allow legislatures to consider and adopt it in 2008 and 2009. If that is the case, the model would be effective for 2009 or 2010 issues for life insurance and any other products adopted by then that are included in the NAIC valuation manual.

This also allows time to work out some of the other implications for the principles-based approach. For example, John White, director of the Securities and Exchange Commission's division of corporation finance, on November 10, 2006, discussed the question of how the SEC staff could review and enforce principles-based rules. While they are the personal comments by the SEC regulator, they reflect his awareness that a principles-based approach is intended to simplify regulation and make it more flexible, as well. "We need to be principles-based in our side of it," he stated, while mentioning that his division staff received training in November focusing on "this very topic."

The other area where further insight will be gained is how this supports Enterprise Risk Management. The SOA is building its messaging around the theme of "Risk is Opportunity." A principles-based approach is an important opportunity for a financial reporting process that is based on risk to be supported by two professional organizations (the Academy and the SOA). These two entities are increasingly able to support and strengthen a risk reporting framework, and I, for one, would be grateful to see this topic covered in a future issue of *The Actuary*.

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Actuarial Resources

The Actuarial Profession has acquired the archives of the Equitable Life Assurance Society that date from the Society's origins in 1762 through to 1950. The information about the archive is now available on the Actuarial Profession website: <http://www.actuaries.org.uk/link/library/elas/index.html>.

The profession intends to preserve the Archive, which is of fundamental importance in the history of actuarial science, and make it available for researchers. The Archive takes a special and complementary place alongside the existing special collections of key texts in demography and mathematics also owned and held by the libraries of the Faculty of Actuaries and Institute of Actuaries.

The report & pictures on the launch reception for the archive can be viewed via the following link: <http://www.actuaries.org.uk/link/library/elas/launch.html>

The catalogue of the display is available to see at: http://www.actuaries.org.uk/files/pdf/library/elas/launch_catalogue_20070403.pdf

New CERA designation

A new designation—the Chartered Enterprise Risk Analyst (CERA)—is now available to help students and business professionals prepare for and seize opportunities in the evolving discipline of enterprise risk management (ERM) within broader financial services, insurance, and pension markets.

The curriculum was carefully developed to meet current and future market needs while providing a rigorous treatment of critical ERM topics, including actuarial approaches to risk. Successful candidates will receive the Chartered Enterprise Risk Analyst (CERA) designation and become an Associate of the Society of Actuaries.

The required examinations will be provided by the SOA and will include the following:

- Exam P (Probability)
- Exam FM (Financial Mathematics)
- Validation by Educational Experience (VEE) Economics
- Exam M (Actuarial Models) segment MFE
- Exam C (Construction of Actuarial Models)
- FSA-level Finance/ERM Exam (Advanced Finance/Enterprise Risk Management)
- FSA-level Finance/ERM Module (Financial Reporting and Operational Risk)
- Associateship Professionalism Course

To learn more about the Chartered Enterprise Risk Analyst designation e-mail SOA at msikaras@soa.org with your questions.

New Members Welcome

Fellows

Vishal AGARWAL, *FIA (2006)*, Mercer Human Resource
Tony Yu-Tian CHEN, *FSA (2006)*, Tillinghast – Towers Perrin
Richard ENGLISH, *FIA (2004)*, Watson Wyatt
Alexandra Frances HEAD, *FIA*, Watson Wyatt
Simon HIRST, *FIA (1988)*, AXA Asia Pacific
Jack Tsz-Kei MAK, *FIA (1998)*, FSAI, MBA, AIA
Frank PEARCE, *FIA (1995)*
Allan SANTOS, *FSA (2006)*, MAAA (2003), FASP, CIGNA
Yin ZHANG, *FCAS (2002)*, MAAA (1999), Zurich

Associates

Yvonne Yee-Mun SIN, *ASA (1980)*, Watson Wyatt
Lai-Peng WOON, *AIAA (1997)*, AXA Asia Pacific

Students

Grace Tam-Yan CHAN, FoA & IoA Student
Wing-Yan CHOW, CAS Student
Dale FOO, IAAust Student
Tony Chi-Hong LAW, SOA Student, Pacific Century
Eric Zhongli LIN, SOA Student
Kwok-Fai MAK, SOA Student, NTUC Income Insurance
Leo Tsz-Leung POON, SOA Student, Swiss Reinsurance
Augustin Gee-Siew TAY, IoA Student, AIA
Kwong-Ming WAN, SOA Student

Membership Upgrade

Fellows

Chun-Nam NG, *FIA (2005)*, AXA Asia Pacific

Actuaries on the Move

Fellows

Danny Ka-Ming CHOW
Paul HEADEY
Vicky Lai-Kan LO

Associate

Frederick Kim-Ho KONG
Yoke Wai GOH
Jeffrey Sze-Tsi LIEW
Sharon Hoi-Yee YIU
Charles Chu-Ming YUEN

Student

Daphne Oi-Yee WONG

Reinstated Members

Fellows

Joe Hey-Yin LAM, *FSA (2004)*, MBA, CFA, HSBC Insurance
John Chi-Ho Lim, *FIA (2000)*, AIAA (2002), AIA
Trevor Charles RAPER, *FIA (1989)*, Telos Capital & Risk Management
Juliana Chung-Lan YIP, *FIA (1998)*, AIA

Student

Keet-Ying LEE, *ASA (2006)*, Manulife

News in the Circle

(We welcome contributions from members)

Traveling with Karen

Our member Karen McIntosh traveled across North and South America in the past 6 months; she also headed to the Antarctica and visited the lovely penguins there! Now Karen would like to share some of her pictures with us:

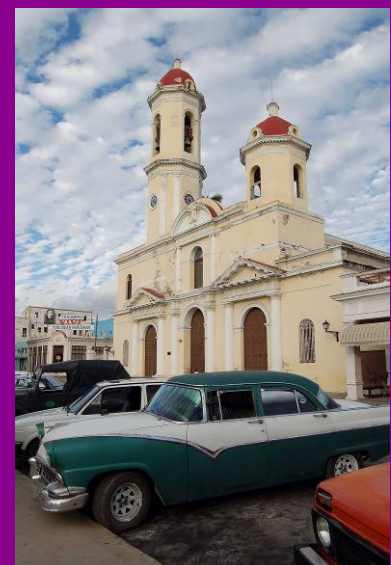


Left: Machu Piccu, Peru, it was truly awe inspiring.



Right: Typical road scene in Peru– not much oxygen in the air at 4,500m.

A provincial town in Cuba



Back: Buffalo eating grass under snow melted by hot springs, Yellowstone, Wyoming, USA

Left: Glacier fed lake in Torres del Paine, Chilean Patagonia, one of the grandest and most inaccessible national parks in the world.

Right: Christmas Day at the massive Perito Moreno Glacier, Argentinean Patagonia.....it's moving forward at 2m per day.



Above: Galapagos Islands: the wildlife is totally unafraid - this mother and baby were sitting in their nest at waist height within touching distance, watching me!



Left: The boat I lived on for 10 days. We smashed through some ice and got the boat stuck. I went for a walk on the ice before we reversed.

Above: penguins, penguins, penguins, as far as the eye can see, all sitting on eggs.

Daddy's little girl



Hi everyone! I'm FSA Alan Lin's daughter and I was born in April this year in Taipei. Everyone says I'm so cute∞ !

Not enough? It's a good news that Karen will be giving a presentation on her trip in the ASHK Annual Dinner on 6 Nov 2007!

ASHK joining Bridge Tournament

The ASHK will be forming a team to join the Inter-Company Bridge Tournament under the Hong Kong Summer Bridge Festival 2007 organized by the Hong Kong Contract Bridge Association. The tournament will be held on 27 Aug in Hotel Miramar, TST. For details of the Tournament, please visit: <http://www.hkcba.org/hkbf/2007/welcome/intercom2007/intercom2007.jsp>.

Events' Highlight

CIRC-IAA Non-Life Seminar, Suzhou, 6-7 June 2007



ASHK Networking Evening, 1 June 2007



Joint Regional Seminar in Asia

Jointly organized by the Society of Actuaries, Faculty and Institute of Actuaries, the Institute of Actuaries of Australia and supported by local actuarial bodies, the seminar for this year was held in the following cities:

Shanghai	(18 - 19 June)
Hong Kong	(20 June)
Taipei	(21 - 22 June)
Singapore	(25 - 26 June)

The theme was "Product Development – Current Trends". Quite a large attendance was attracted to the seminar, 136 persons registered for the seminar in Hong Kong. In Taipei, there were even more --- 180 attendees recorded!

Group discussion



Panel discussion:



Speakers in Shanghai



JOINT REGIONAL SEMINAR 2007 PRODUCT DEVELOPMENT - CURRENT TRENDS 20 JUNE, HONG KONG



Speakers in Hong Kong



In Taipei



A Successful Joint Regional Seminar by Mr. KC Chan

"Product Development – Current Trends" was the theme of the annual Joint Regional Seminar in Asia held from 18 – 26 June 2007 covering Shanghai, Hong Kong, Taipei and Singapore.

This year's Joint Regional Seminar probably saw the highest attendance over the last seven years: Shanghai (92), Hong Kong (136), Taipei (188) and Singapore (154), a clear indication of the successful efforts made over a period of 10 years. The first Asia-focused seminar was organised by the China Region Committee of Society of Actuaries in September 1998 in Hong Kong with "Asian financial crisis" as the theme and this was followed by a Health Seminar in 1999, also held in Hong Kong. The seminar expanded and took on a regional path in 2001 covering 4 cities with sponsorship support from Society of Actuaries, Faculty and Institute of Actuaries and local actuarial organizations and support from the Institute of Actuaries of Australia starting from 2004. The objective of offering quality actuarial seminars in the region aligns well with the objectives of various actuarial professional bodies to provide services to their members. The Joint Regional Seminar consistently received Professional Development credits from SOA and was one of the main sources of CPD for actuaries in the region.

In organising the topic of this year's seminar, the organising committee explored the restructuring of the content by having more vertical coverage of a topic. This is to prepare for the possible change of audience from qualifying actuaries to qualified actuaries in future seminars due to the ending of the PD program of the SOA after October 2007. The organising committee believed the level of the knowledge had to be more advanced in order to meet the CPD needs of members. Hence this year's program was deliberately structured with more in-depth focus on one topic - annuity with guaranteed payout options. In addition, the costing of interest guarantee in insurance products was included. We were very fortunate to have invaluable support from members of the sponsoring organisations: KC Chan, Hubert Mueller, Chen Weihua and Leong Chew from SOA, Mark Saunders, James Creedon, Richard English, David Alexander, Tan Hak Leh and Mike Ross from the Faculty/Institute of Actuaries, and Robert Chen from the Institute of Actuaries of Australia.

In Hong Kong, David Alexander kicked off the seminar by speaking on local product direction. In his speech, he highlighted the under-development of protection products and suggested preferred risk products will be one of the important trends in the future. This was followed by Richard English's presentation demonstrating the need to price for interest guarantee in pricing. Hubert Mueller made two presentations that dealt with the development of GMDB, GMWB, GMAB and GMIB in US, the impact of hedging program on both capital and income, the positive view of rating agencies on hedging program and the practical issues related to the financial reporting gaap related to hedging. Robert Chen showed the audience the practical side of the stochastic modelling including the need to consider stochastic on stochastic and policyholder rational behaviour. Leong Chew shared with the audience the considerations in decision related to outsourcing or building an in-house hedging unit. He ended his presentation with a very useful checklist. KC Chan raised the importance on longevity on annuity products that have lifetime guarantee payouts. His presentation included a picture of global mortality improvement, the cohort effect observed in UK, US and Canada, and the challenges facing actuaries in constructing the mortality improvement scale. Mark Saunders wrapped up the seminar with first a presentation that challenges the actuarial role in product development and then facilitated a panel discussion that saw the panelists sharing their experiences with the audience.

As the chairman of the organising committee, I would like to thank all the speakers for their excellent presentations, the various local actuarial bodies and their members for their full support, Pat Kum and her staff for their valuable advice and support and the organising committee members: Sherry Lu, Mark Saunders, Robert Chen and Alice Cheng (Taiwan) for helping to make the seminar a success once again in Asia. Kudos to all!

Puzzle Corner

Do you know the answers? (Answers on Page 15)

Question 1

PREMIUM
PREMIUM
PREMIUM

PREMIUM

PREMIUM
PREMIUM

Question 2

X PENTS

R U N

SOA President-elect in Asia

Mr. Bruce Schobel, President-elect of the Society of Actuaries visited Asia in June. Bruce participated in the Joint Regional Seminar in Singapore and Taipei and made welcome remarks at the Associateship Professionalism Course in Taipei. During his stay in Hong Kong, the ASHK invited him to give a Luncheon Talk on "Marketing the Actuarial Profession" on 28 June

ASHK Luncheon Meeting on 28 June



SOA China Region Committee dinner with Bruce at AIG Tower



Bruce visited the ASHK office



Bruce in Taipei at the SOA APC and meeting with regulators

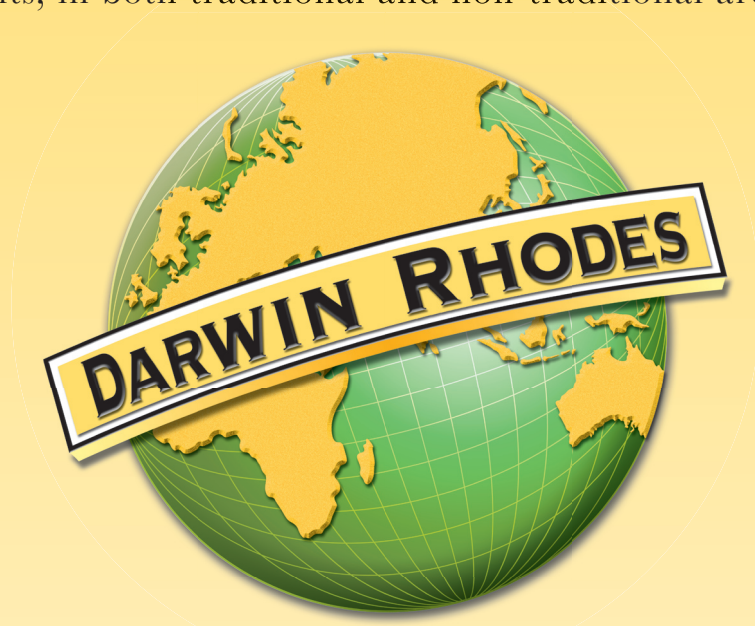


Bruce in Shenzhen, Ping An Life



It's a small world...

Darwin Rhodes has been established since 1996 serving the needs of the actuarial profession, on a global basis. Darwin Rhodes carries out executive search assignments at senior level for clients. Our network of regional offices in the UK and worldwide enables us to identify the right individual to meet our clients' needs. Our team of local recruitment consultants are specialists within their field, including non-life, ALM, life, investments, banking or employee benefits, in both traditional and non-traditional areas.



...Darwin Rhodes can bring you even closer

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Do you Sudoku?

Thousand apologies! We received feedback from members that there were multiple answers for last issue's Sudoku. Sorry for the confusion. Nevertheless, the Sudoku hit is still on! Previously we received the 1st correct entry from Mr. Brandon Szeto from Metlife. Congratulations Brandon! Here is another Sudoku game!

	5	6						
3			6	5			1	
9					4			
					2	5		7
		9		3		8		
7		3	4					
			2					5
	9			8	6			2
						9	6	

How to play: fill in each square with a number so that each row, column and each 3 X 3 block contains 1 to 9

Again, a prize will be presented to the member who submits the first correct entry. Join the puzzling craze and submit your entry to ASHK Office by email:

actuaries@biznetvigator.com **NOW** !!!

One of the solutions for last issue's Sudoku:

6	7	2	8	5	9	3	4	1
1	5	9	4	2	3	7	8	6
3	8	4	7	1	6	5	9	2
5	1	6	9	4	2	8	7	3
9	3	7	5	6	8	2	1	4
4	2	8	3	7	1	9	6	5
2	6	5	1	8	7	4	3	9
7	4	3	6	9	5	1	2	8
8	9	1	2	3	4	6	5	7

Puzzle Corner (Page 13) Answer:

1. Single premium
2. Expense overrun

Message Board (Contributed by members)

Easy Prawn Curry

Serves 4

Ingredients

1kg uncooked medium king prawns
2 tablespoons vegetable oil
1 large brown onion, chopped finely
2 cloves garlic, crushed
3 teaspoons finely grated fresh ginger
¼ cup korma curry paste
1 cup fish stock
1 cup coconut milk
1 teaspoon sugar
½ cup loosely packed fresh coriander leaves

Peel and devein the prawns, leaving the tails intact. Heat oil in a large saucepan, cook onion, garlic and ginger until onion is soft. Add the curry paste, cook, stirring, until fragrant.

Add the prawns to the pan, cook, stirring, for about 1 minute. Add stock, coconut milk and sugar. Bring to the boil, then simmer, uncovered, for about 5 minutes or until prawns are just cooked and sauce has thickened slightly. Serve with coriander and steamed rice.

Banana Frost Cake

Serves: 4

Ingredients

1/2 cup margarine, softened
1 1/4 cups brown sugar
2 eggs
3 squares unsweetened chocolate, melted
2 cups all-purpose flour
1/2 teaspoon baking soda
1/4 teaspoon salt
1 teaspoon baking powder
1 1/2 cups mashed, ripe bananas
1/2 teaspoon vanilla

Beat margarine and brown sugar until light and fluffy. Add eggs one at a time. Beat thoroughly after each. Stir in the cooled melted chocolate. Sift dry ingredients together and add to the batter alternately with the mashed bananas; stir in vanilla.

Pour into 2 greased and floured 9-inch layer cake pans. Bake in preheated 350 degree oven for 35 to 40 minutes, until cake tests done. Frost with a fluffy white frosting.

2007 Up-coming Events

For details, please visit: <http://www.actuaries.org.hk/>

Date	Event
23 Jul – 3 Aug	Actuarial Seminar of East Asia, Toyko
30 Jul - 3 Aug	SEA Health Insurance Conference, Singapore
7 - 9 Aug	SOA US GAAP Seminar, HK
18 - 19 Aug	Shanghai-HK Actuarial Forum, Shanghai
3 - 7 Sep	SOA ALM Seminar, Singapore
6 - 7 Sep	IAA Fund Meeting, Bangkok
23 - 26 Sep	<p><u>IAAust Biennial Convention, Christchurch</u></p> <p>Theme: Adventures at Risk Date: 23 – 26 September 2007 Range of topics:</p> <ul style="list-style-type: none"> • New Global Forces Driving Change in Financial Markets • Risk Management • Global Issues Affecting the Profession <p>*** Deadline for early-bird registration: <u>31 July 2007</u> *** Conference website: http://www.actuaries.asn.au/Events/Conv07intro?eventID=927</p>
9 - 12 Oct	<p><u>14th East Asian Actuarial Conference (EAAC), Tokyo</u></p> <p>Theme: Actuaries in Asia; making a new epoch Date: 9 - 12 October 2007 Venue: Keio Plaza Hotel, Tokyo, Japan</p> <p>*** Deadline for registration: <u>31 August 2007</u> *** Conference website: http://www.eaac14th.com</p>
28 - 31 Oct	23 rd Pacific Insurance Conference, Kuala Lumpur
6 Nov	<p>ASHK 4th Annual Dinner</p> <p><i>Guest-of-Honour: The Honourable Bernard Chan, JP</i></p>
7 Nov	ASHK 7 th Appointed Actuaries Symposium
13 Dec	ASHK Annual General Meeting

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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, News in the Circle, Message Board and Do you Sudoku?*

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.

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