



ACTUARIAL SOCIETY
of
HONG KONG
香港精算學會

THE ACTUARIAL SOCIETY OF HONG KONG

ASHK Newsletter

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AUGUST ISSUE

FEATURES

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Prize to give away -

win our Sudoku & Movie Catchphrase Game!

Editorial

by Mr. David Waples

The Olympics in Beijing highlighted the continuing development in many sporting fields. New techniques, approaches and strategies were employed to lift performances to higher standards. Similarly, in the world of business, new techniques and strategies have been developed to better accomplish targets.

In this edition, three articles are presented that showcase the advance in strategies and techniques. The first article from David Fried, Regional Head of Asia Pacific for HSBC Insurance, identifies strategies that have been successful in developing robust growth for the bancassurance operation. These strategies involved the application of new techniques to a traditional product offering.

The second article by Mark Griffiths captures the development of bancassurance in the Australian market and the lessons for actuaries in pricing products for bancassurers.

The third article focuses on Enterprise Risk Management (ERM). Jonathan Zhao in this interview covers the development of this method. New strategies have come to the fore in the last decade that build upon the actuarial skills of actuaries and has expanded the horizon of actuaries.

In September, Chris Daykin of the Institute of Actuaries will be visiting Hong Kong to discuss annuities and the decumulation phase of retirement. This explores new techniques in place of traditional annuity products.

The Council Update highlights the revised exposure draft for AGN 7 developed by the Working Party, the Statutory Path project and the work of the Climate Change Working Group. These represent the continuing active work of the various committees within the ASHK enabling new concepts to be developed for members.

Council Update



Life Insurance - Action Items

The AGN7 Working Party has recently revised the exposure draft, addressing changes to be made in seven aspects of the existing AGN7:

- 1) Disclaimer Statement;
- 2) Purpose of Report;
- 3) Actuarial Guidance Note Structure;
- 4) Expansion of Scenarios;
- 5) Actuarial Assumptions;
- 6) Recommended Action; and
- 7) Reporting Guideline.

Pursuant to the ASHK By-law on the Due Process for the Development of Professional Standards/Guidance Notes, the Working Party will summarize the resulting comments after member consultation deadline of 1 September 2008. Final recommendations and a subsequent version of the exposure draft will be submitted in October to the ASHK Professional Matters and Life Insurance Committees for approval and thereafter to the ASHK Council for final decision.

Simultaneously, the other three working parties (Liability Valuations under Chapter 41, Benefit Illustrations and AGN8 - Investment Guarantees) are collating feedbacks from actuaries in the industries to make revisions on the AGNs 3, 5 and 8.

The Life Insurance Committee is moving ahead with this year's Appointed Actuaries Symposium scheduled for 4 November 2008. Some suggested topics in the draft program are:

- 1) Reports on Working Parties;
- 2) Healthcare Reform;
- 3) Medical Insurance; and
- 4) Internal Capital Model with Replicating Portfolio

Further details and formal invitation will be sent out in due course.



ASHK Experience Studies

Responses on companies' willingness to participate in the experience studies (Mortality Study, Critical Illness Study and Business Persistency Survey) have been received from most of the key players. The ASHK Experience Committee is now at the point of data collection.

The set-up of the mortality and critical illness studies will follow that of the previous study except for the format in which the data will be collected. In the past, semi-summarised exposure and claims data were collected. This time round, policy by policy seriatim records will be collected. The critical illness study will include the top five causes of claims. The Committee will also look into IBNR and fully-underwritten or simplified-underwritten basis. An experience study tool created by the Society of Actuaries (SOA) will be used to summarise the data. The new data format together with the tool will enable the studies to be conducted more efficiently.

Statutory Path Project

The ASHK has eventually secured a law firm for the legal works of statutory incorporation. The time required for this project will be 2 - 3 years with expected legal cost not exceeding HK\$500,000. Amending the Memorandum & Articles of Association, drafting bill for incorporating the ASHK as a statutory body and lobbying the government departments and seeking support of Legislative Councillors are the essential tasks for the completion of the project.



Climate Change Working Group

In late 2007, a small group of actuaries gathered within the ASHK to reflect on the impact that climate change can have on the work of actuaries in Hong Kong. The group first started with three members and counts now nine members who meet roughly every month and a half.

The creation of this group followed similar groups which have been in existence for a few years, within the Institute of Actuaries, UK and the Institute of Actuaries of Australia.

Many of you may ask why should actuaries be concerned or even interested in climate change?

Climate change is often described as the biggest challenge that the world will face in the 21st century. Climate change will bring and already brings today increasing disruption to weather patterns (heat wave, rain fall, storms, etc), the ecology (loss of species, proliferation of other species such as mosquitoes impacting health, agricultural output, etc), and sea level rise. However occurrence, timing and the amplitude of these disruptions are far from being known with certainty. Nonetheless, when they do occur they can have considerable impact on the assets and liabilities of financial institutions and therefore the work of actuaries. The uncertainty around these occurrences also means a world of opportunities for actuaries as a wide range of future impacts from climate change will have to be estimated and factored in.

The Climate Change Working Group of the ASHK was created first to raise the awareness of the actuarial community in Hong Kong and also to inform the Hong Kong financial community that Hong Kong actuaries are knowledgeable about this issue. The group spent some time in deciding on its objectives:

Short-term goals (by end of 2008):

- 1) Conduct survey within the ASHK to understand current level of interest in the topic of climate change.
- 2) Increase awareness of climate change within the ASHK membership.
- 3) Increase awareness of climate change within the insurance community (e.g. impact to investment market and claims from storms/health etc).
- 4) Understand the objectives of other bodies that exist within Hong Kong who have an active interest in climate change.

Medium-term goals (by end of 2010):

- 1) Increase awareness of the issue within the Hong Kong public (e.g. impact to the economy and health).
- 2) Start to gather data related to climate change.
- 3) Initiate or conduct research on the impact of climate change and environmental issues in general on the work of actuaries.
- 4) Become a credible body for other bodies interested in climate change (e.g. government, NGO's, industry) to come to for 'expert discussion'.

In the first few month of existence, the group has conducted a survey of ASHK member (a response rate of 25% was achieved). Results have shown a real interest in climate change from a large proportion of the members. In particular, it surfaced that ASHK members think that climate change is a genuine phenomenon, that they may be unsure of its impact on the insurance industry but feel that the insurance industry should be involved in the mitigation of the issue.

(To be continued)



Climate Change Working Group (*to be continued*)

Besides the survey, the group also wrote an article in the ASHK newsletter, met with various related bodies such as ASRIA (NGO promoting corporate responsibility and sustainable investment practice in Asia Pacific), CIVIC EXCHANGE (established environmental Hong Kong NGO) or the actuarial department of the Hong Kong University to explore potential cooperation on the topic.

The group has gained in strength and is now entering a new phase as the number of its members has increased; it now has a proper group secretary, and a rotating chairperson. Mr. Louis Perroy who is also a member of a similar group in the UK is leaving Hong Kong to live in Europe and intends to establish stronger links between the UK and Hong Kong groups.

If any of the readers of this article is interested in what the group is doing we will be delighted to welcome you to contribute with us to the mitigation of this important issue. To join our group, please contact Ms. Atlas Lo at atlas_lo@yahoo.com.hk.

ASHK Best Paper Award - Call for Papers

Papers are now being accepted for the 2008 ASHK Best Paper Award. Since its inception in 2003, the intent of this annual award is to recognize ASHK members for their research on actuaries' issues and concerns. The top three winners will be presented with attractive prizes at the Annual General Meeting (AGM) to be held on 15 December 2008 and their papers will be posted on the ASHK website. It is surely a valuable opportunity to enhance your profile and career prospect, SO DON'T MISS OUT!

To be considered for the Award, please refer to the guidelines to authors:

<http://www.actuaries.org.hk/doc/ASHK%20Best%20Paper%20Award%20-%20Call%20for%20Papers%202008.pdf>



ASHK Subscription 2008/09

Subscriptions for the year 1 October 2008 through to 30 September 2009 are now due as follows:

Subscription:	HK\$1,500 for Fellow Member
	HK\$900 for Associate Member
	HK\$400 for Student Member

Entrance fee for Fellow/Associate Member:	HK\$200
Entrance fee for Student Member:	Waived

Subscription renewal notice will be mailed to all ASHK members shortly. Please send your subscription to reach us **before 28 November 2008**. *Kindly note that only members who have paid their subscription fee will be entitled to attend the AGM.* Don't miss the chance of meeting together at the AGM and to avoid any interruption to your membership service, we would appreciate your prompt settlement!

Feature Articles



Author's Profile:

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“This article looks at the success of bancassurance in Hong Kong and the challenges in rolling out to the burgeoning life markets in Asia. HSBC’s success in growing its insurance business in Asia Pacific has largely been fuelled by the rise of bancassurance in the region, which, following an explosive start in Hong Kong, is now rapidly expanding across the rest of Asia.”

Development of Bancassurance in Hong Kong and Asia

By David Fried

Characteristics of Bancassurance

Bancassurance is the sale of insurance products through banks. This model sees insurance as an integral part of a holistic financial wealth management proposition, championed by financial institutions offering a ‘one stop shop’ solution for financial needs. The model allows insurers to leverage the existing distribution capabilities of banks, thereby bypassing the need to build an agency. This plays to banks’ key strengths which include a large network of branches, an established customer base and a trusted brand. HSBC is a good example of a successful integrated bancassurance operation in Hong Kong. The integration of HSBC’s bancassurance operations into its banking operations starts at the strategic level right down to the day to day operations and interaction between insurer and bank.

In Asia, as in other parts of the world, the lack of knowledge and awareness about insurance and its benefits, as well as a cumbersome sales process are barriers to deeper market penetration. In addition, as shown in an HSBC Insurance survey, even in a relatively mature market such as Hong Kong, customers do not buy insurance because they feel they already have sufficient coverage and that they cannot afford another insurance policy. Bancassurance helps mitigate these issues, with banks being able to present insurance as part of a holistic financial planning model and a bank’s brand and financial backing lending an extra layer of credibility and trustworthiness to an insurance offering.



Bancassurance offers players the opportunity to leverage banks’ key strengths in the investments and savings market. Insurance products can offer similar benefits to traditional banking products through the addition of an insurance ‘wrapper’, which adds a protection element around the core savings offering. Such enhancement of a conventional and familiar product may explain why single premium products sell better in a bancassurance channel than regular premium products.

Channeling A Ready Made Captive Market in Hong Kong

Bancassurance has become a powerful business model in Hong Kong – in less than a decade, bancassurance has moved from being a minor channel to the dominant method of distribution. From 2002 to 2007 bancassurance has grown 3 times in size in terms of regular premiums and more than 17 times in the single premium category. By comparison, the overall insurance market doubled and grew 6 times respectively over the same period.

HSBC Insurance has been at the forefront of that growth. Although the company’s roots date back to 1976 in the form of Wardley Swire Assurance, it was only in 1999 that HSBC started making significant inroads leading up to MPF and then follow on from that into driving insurance sales through its bank network. By 2007, HSBC Insurance dominated the bancassurance market with 54 per cent and 44 per cent market share in regular and single premium respectively, achieved by distributing through both HSBC and Hang Seng branches.



From a recent HSBC survey on the insurance market in Hong Kong, it was found that close to eight in 10 people aged 18 to 64 are self-insured. Despite the low penetration of insurance, the same survey found that Hong Kong's demand for insurance is likely to remain robust, as two out of five respondents were still planning to make a purchase soon. Medical and travel insurance are driving this demand.

Six in 10 respondents said their purpose for buying life policies is for "wealth accumulation" and "general protection of family members". A shift in demand from pure protection to wealth management and savings products is evident, highlighting the cross-selling advantage offered by the bancassurance model. In particular, investment-linked insurance products continue to gain popularity with current penetration at 21 per cent and average annual premiums at HK\$17,985.

The same survey found that savings, retirement planning and attractive returns triggered people's purchase or upgrade of life policies over the past 12 months.

Expanding across Asia

This shift in demand from pure protection to wealth management products can be observed across Asia, fuelled by its rapidly emerging middle class.

In order to capture this significant opportunity, HSBC Insurance has taken its learnings from Hong Kong to launch bancassurance ventures across Asia. In the past 3 years, HSBC Insurance has spread its wings to 6 new countries, with investments in Malaysia, Korea, mainland China, India, Vietnam and Taiwan, to complement its existing operations in Hong Kong, Singapore and Macau. The newly acquired regional footprint, achieved by taking a flexible approach to implementing market-specific strategies for each country of expansion, has positioned the company to leverage HSBC's existing bank distribution network. In countries where HSBC's reach is more limited, HSBC Insurance has partnered with significant local players that bring their own distribution potential – such as Canara Bank and Oriental Bank of Commerce in India, and Hana Financial Group in Korea.

HSBC Insurance sets itself ambitious targets to become a top regional bancassurer by continuing to consolidate its market-leading position in Hong Kong as well as transferring technical expertise and sound bancassurance business practices across Asia.



“Bancassurance represents a new way of selling insurance. It is changing the way banks and consumers view insurance and financial services. As more banks and insurers establish partnerships, the rise of bancassurance can only become more pronounced.”

Challenges

While the opportunities in Asia are immense, the region is not without its unique challenges. The countries and territories that make up the region are diverse and require adaptable, market-specific strategies to harness opportunities.

The key challenges are:

- **Market Entry**

Obtaining a license to underwrite insurance can be a key hurdle. However, regulations and protectionist attitudes are easing across the region, notably as part of conditions for WTO entry. In some countries, bancassurers face additional hurdles in the form of limitations on selling insurance through banks, most notably in China and Korea.

- **Tailoring Products**

The nature of bancassurance requires a degree of product tailoring, with greater emphasis on savings than on protection. Understanding the channel mechanics is essential.

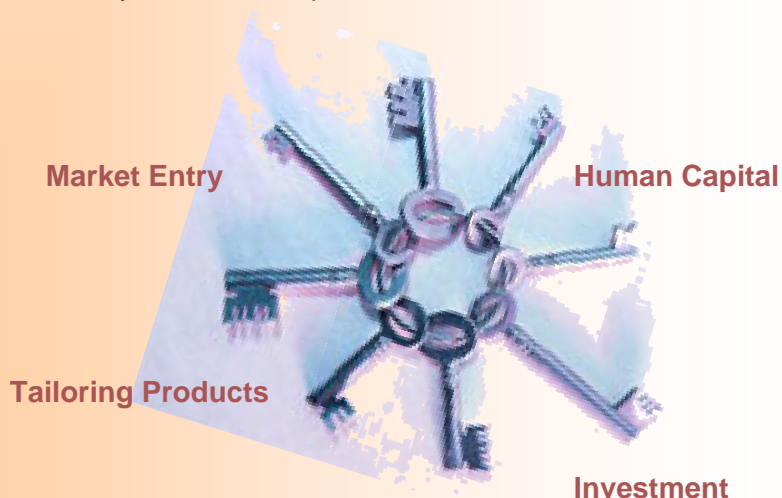
- **Investment**

From an underwriting perspective, the lack of a deep Asian bond market and bonds of long duration make it difficult to match long-term liabilities. The challenge to develop attractive products is made more difficult by the low long-term interest rate environments in Hong Kong, Taiwan and Singapore. This is particularly an issue for foreign insurers who require a minimum rating for investments due to reporting and risk management requirements in their home countries.

- **Human Capital**

On the staffing front, there is a shortage of quality sales people with experience and high ethical standards, which results in caution among customers weary of mis-selling. Overall, finding talented and experienced wealth managers who understand the market and drive innovation is key for the industry.

Bancassurance represents a new way of selling insurance. It is changing the way banks and consumers view insurance and financial services. As products become more commoditised and undifferentiated, other factors such as ease of use and purchase, and branding become more important. As more banks and insurers establish partnerships, the rise of bancassurance can only become more pronounced.



Bancassurance Down Under By Mark Griffiths

The personal financial services market in Australia is highly sophisticated and presents many growth opportunities for companies able to understand what consumers really need and want and to create new ways to meet their needs. In Australia, personal financial services include transaction banking, lending, retirement savings (superannuation), life insurance and property insurance(general insurance).

Over the last 15 years banks have increased their involvement in all aspects of personal financial services. Banks have acquired or developed personal financial services product manufacturing and distribution capability either outright or via joint ventures. They have also entered into distribution agreements with life and general insurers to market products directly to their client base in return for commissions.

Banks command significant market share in the superannuation and life insurance arenas. Despite the banks dominance of most aspects of the financial services market in Australia, non banking services represent a small component of total bank profits. Profits generated from wealth management (life insurance and superannuation) represents between 10% and 20% of the profits sourced in Australia by the major banks.

All the major banks are reporting increased rates of cross sell of insurance and superannuation products to their client base. Westpac is claiming to have increased cross sell rates for personal loan protection from 20% to 29% in the last year, Commonwealth bank is claiming an increase from 25% to 35%.

After fifteen years of effort it is clear that cross selling of insurance and superannuation products via branches and direct marketing to bank clients has not been the major factor in the ability of banks to dominate personal financial services markets.

However significant levels of under-insurance, the advent of new financial institutions such as Industry Funds and significant shifts in technological capabilities are driving change. Cross selling insurance and superannuation products to bank customer bases may well be a significant factor in banks continuing ability to dominate personal financial services markets.

Regulation of Advice Markets is Critical to Bancassurance

In the Australian market personal financial services are distributed using a multitude of channels that are generally focused on specific products. Superannuation and life insurance products are predominately distributed by financial planners, either aligned or non-aligned to the product manufacturer or via "group" sales to employers. General insurance products are generally distributed directly to consumers via call centres or on-line. Mortgage products are distributed directly through bank branches via dedicated sales staff or via mortgage brokers working on commission. Term deposits and other short term savings are sold directly by bank tellers and to some extent online.

The sale of financial products is covered by a wide range of disclosure regulations despite efforts in the early 2000's to harmonise the disclosure regime for financial products and provision of financial product advice.

The provision of personal financial advice is a critical component of the sales process for superannuation, investments and life insurance. In order to protect the consumer the regulations and the structure of the industry have led to an extremely complex and costly compliance regime. There is no room for incidental verbal advice and even relatively simple advice requires lengthy structured documentation to be prepared and issued.



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Banks and Life insurers seeking to adopt bancassurance strategies have had to adapt to these conditions and so have largely run wealth management businesses as autonomous units.

History of Bancassurance in Australia

During the 1990's and early 2000's the major banks purchased some of the major players in life insurance, investments and superannuation. NAB purchased MLC, Commonwealth bank purchased Colonial which had recently acquired L&G, Prudential and Bank of NSW). Westpac purchased BT Funds management and established its own life insurance and general insurance companies. ANZ established a joint venture with ING to further their participation in superannuation, investments and insurance markets.



The two major insurance companies in Australia AMP and AXA (previously National Mutual) both flirted with bancassurance strategies either through joint ventures (NM and Royal Bank of Canada), forming alliances with banks (AMP and Westpac) or establishing their own banking operations e.g. NM Super Member Home Loans and AMP Bank. However at this time neither insurer has a major "bancassurance" presence in Australia.

Superannuation & Banks

Retail superannuation sector represents 36% of total superannuation assets or \$415B. Bank owned entities dominate funds flow into retail superannuation and other long term savings vehicles with at least 40% market share. Virtually all of this business is sold through financial advisers many of whom will be working for a company which is owned by a bank.



To gather superannuation assets banks have generally acquired distribution capability. Banks have then deployed some of this capability in bank branches. Bank customers are referred by bank tellers to licensed financial advisers operating under the banks brand and embedded in a bank branch. Generally the advisers are remunerated by salary plus incentive rather than with pure commission. The product set offered to the customer will depend on the customer's specific circumstances and needs however these products have not been specifically tailored to the bank's customer base. Most product providers offer a basic and fully featured version of their product. The fully featured version is targeted at wealthier consumers and usually involves access to a wider range of investment options and more comprehensive investment reporting.



Percentage based fees are applied to contributions and assets invested. Typically Fees applied to contributions will range from 0%-5% depending on the commission applied by the adviser. Asset based fees will vary according to the asset class the consumer is invested in. Cash investments will attract a lower fee than equity investments. Fees range between 1% and 2%p.a and may include a trail commission of up-to 0.6%p.a. which is paid to advisers.

The provision of financial advice to consumers is highly regulated and is costly to provide. People of relatively modest means are unlikely to seek or be able to afford professional financial planning advice. The planner market has moved increasingly up-market (to

"Banks may dominate the personal financial services markets in Australia, however they have not yet fully exploited the opportunities in their client base for cross selling insurance and superannuation products."

older, wealthier Australians). People referred to a financial adviser would tend to have more than \$100k of investible assets. Some banks will charge for advice on a fee for service basis but many will rely on commissions built into the product to pay for their distribution costs such as adviser salaries.

Life Insurance & Banks

Bank owned life insurers are responsible for around 53% of the \$1.1 billion worth of life insurance sales in Australia. 80% of life insurance sales are made to individuals by:

- Financial advisers on a fully underwritten basis; or,
- Via a group policy held by the individuals employer or superannuation fund on an automatic acceptance basis.

Sales made directly to individuals without the presence of a financial adviser represent around 20% of life insurance sales¹. The majority of these sales are made by life insurers that are not owned by a bank.

However St Andrews Life, an Australian subsidiary of HBOS, provides co-branded life insurance products to a number of second tier banks e.g. Bankwest (another HBOS subsidiary), Bank of Queensland, some credit unions and a major general insurer. St Andrews Life's share of life insurance written premium sold directly to consumers is 8%. Comminsure, a life company owned by Commonwealth bank has 13% share of the direct market and only markets to the Commonwealth Bank client base. There are clearly significant opportunities for banks to market insurance directly to their client base.

General Insurance & Banks

All the major banks in Australia cross sell general insurance products such as home and contents insurance for owner occupiers or landlords taking out home loans.

General insurance is largely sold direct to consumers by the non bank general insurers. The design of products distributed by banks to their client base does not differ substantially from products available from these insurers.

Bank owned general insurance companies sold about 24% of the total \$6.7b personal lines net premium in 2007. However one bank, Suncorp-metway, represents 70% of these sales.

The major banks have not yet dominated sales in the general insurance market place. This reflects the fact that the banks have not purchased any of the major general insurance companies and so their market share is reliant on an ability to cross sell. Westpac claim to have a cross sell rate for Home & Contents insurance of 53% of approved home loans which suggests that market shares may shift rapidly over the next few years.

¹ This figure includes policies effected under a continuation option issued to members of group policies when they leave their current employer. So it may overstate the share of market represented by true direct sales.

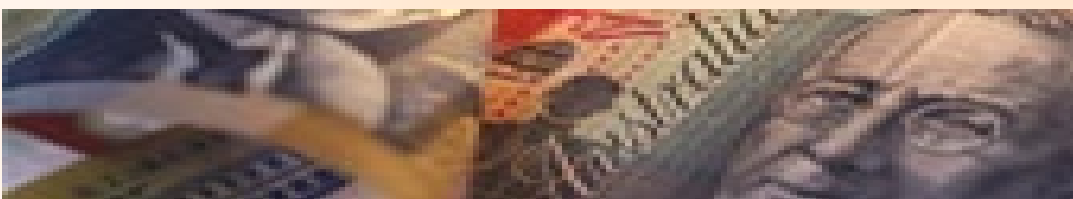
Future Market Developments in Superannuation

Clearly the size of banking profits will ensure that banks are primarily focused on providing banking services for some time to come. However, the bank's status as the mass market consumer's primary financial institution, maybe under threat. The introduction of compulsory superannuation in the early 1990's heralded the establishment of a major competitive force in personal financial services market, the Industry Fund movement. The Industry Funds have had considerable success in gathering the superannuation savings of the mass market consumer. Industry Funds represent 22% (\$221b) of funds under management in superannuation and approximately 10 million member accounts.

The Industry Fund threat will increase if they are able to evolve their product and service offers to fully meet the needs of the baby boomer generation as they enter their retirement. The post retirement superannuation savings market is expected to grow to over \$1000b in today's dollars during the next 15 years. To put this in perspective bank deposits in April 2008 were \$1,180b.

The Industry funds market a no commission, low cost, simple product direct to consumers and through employers within the industries they target. Industry funds have begun to increase general brand awareness spending and to build capability to provide advice on a fee for service basis to consumers.

Banks have begun to develop superannuation products that can be sold without advice or on a limited advice basis. These products should be able to compete with the Industry fund product offering. Westpac's, recently launched, BT Super for life product is an example. The product is modelled on the Industry fund product design, i.e. fees are below 1% per annum and offers age based levels of death and TPD cover without underwriting on an opt in basis. Cover excludes conditions pre-existing for 5 years prior to taking out the cover. Members are also able to obtain more customised levels of insurance on an underwritten basis. The main differentiating feature is that an account can be opened on-line. At this stage the product is only open to people who have a savings account with Westpac. Westpac is achieving considerable success with this product, anecdotal evidence suggests Westpac is processing around 200 applications a day.



Future Market Developments In Life Insurance

The focus by financial planners on older wealthier Australians is leaving large numbers of people without access to good advice. As a result, under-insurance remains a significant issue but also a significant opportunity for companies which can develop the right distribution model. Given these trends, and the significant potential afforded by under-insurance, offering insurance products designed specifically for direct distribution to bank customers represents an opportunity for the banks, which they are seizing.

The typical features of insurance products sold directly by banks are compared to retail (sold by an aligned adviser) and group (sold on a group basis to employers or superannuation funds) risk products are described in Table 1. All these products are essentially annually renewable term insurance products although some are level premium products.

"To establish the profitability of competitive prices of superannuation or life insurance products, Actuaries would generally consider them to be separate businesses from the bank and use the characteristics of those businesses when modelling cashflows and capital requirements."

Table 1 Typical Lump Sum Insurance Product Terms & Conditions

	Cover Type	Underwriting	Max SI	Age at Entry Band	Riders Available
Group Insurance					
Personal Cover	Death only or Death & TPD	Short form questionnaire	2,000,000	15-70	None
Retail Risk Insurance					
Term Insurance	Death	Full personal statement	Unlimited	15-70	Trauma,TPD
Direct Insurance					
Term Insurance – Full Underwriting	Death Only	Full personal statement	500,000	18-60	Trauma,TPD
Term Insurance – Limited Underwriting	Death Only	Short form questionnaire	400,000	18-60	Trauma,TPD
Term Insurance – No Underwriting (over 50's)	Death Only	Auto Accept	25,000	50+	None
Term Insurance – No Underwriting	Death Only	Auto Accept	400,000	17-50	None
Funeral Cover	Death Only	Auto Accept	15,000	19-70	None
Accident Cover	Accidental death	Auto Accept	800,000	24-65	None
Accident Cover	Accidental injury	Auto Accept	300,000	16-60	None
Credit Card Balance Insurance	Death Only	Auto Accept	50000	15-70	None
Mortgage & Loan Cover	Death, disability, involuntary unemployment	Short form questionnaire or auto accept with pre-existing conditions exclusion	750,000	16-60	None

Direct Life products are generally simpler than those sold via an intermediary. As a result, Product Disclosure Statements (PDS) for direct life products are generally shorter and simpler than those for similar products available via planners.

Terms and conditions vary significantly depending on the target market. Mortgage and Loan cover provides a good example of how product is specifically designed for the target market.

For instance NAB markets a mortgage protection product to customers taking out a loan with the NAB. Applications are made by direct mail. The product provides Term Life, Total Temporary Disablement and involuntary unemployment cover with no underwriting. The cover available reduces with age from \$400,000 for a 40 year old to \$150,000 for a 55 year old. This product offers an income benefit of up to \$5,000 per month upon disability due to a critical illness.

Almost all policies exclude self inflicted death or injury and pre existing conditions where no underwriting has been performed. Some mortgage protection policies also exclude conditions arising from drug abuse.

Lessons for Actuaries Pricing Products for Bancassurers

There are many good theoretical reasons to suggest that banc assurance should lead to a lower overall price for a consumer. There should be synergies available in distribution, risk capital and marketing. Lapse rates should be lower for banks that attract a higher share of consumer's wallet because the cost of defection increases as the depth of the relationship increases. These synergies have not become highly evident in the cost structures of the operating businesses.

Perhaps this is not surprising as the wealth management and banking businesses are largely operated as autonomous entities each with their separate distribution channels, product platform and brand cost structures. Bancassurance in Australia has largely been about providing warm leads to the wealth management businesses. Product pricing should reflect the full cost of the business, including the full cost of advisers embedded in bank branches.

Nor do the synergies evident in the actual market prices observed in the Australian market. In a report on direct insurance market in Australia Rice Warner Actuaries compared the typical premiums for direct product with the average premium charged for a fully underwritten and fully featured risk product available via financial advisers and for personal cover available via an Industry Fund with underwriting.

Table 2 Typical Premium Rates for Insurance Products sold by Banks

Sample Premiums Male Non Smoker aged 50 (\$300k of cover except where indicated)		
		Premium \$
Group Insurance	Personal cover^	907 (average)
Retail Risk Insurance	Fully underwritten *	709 (Average)
Direct Insurance	Term Insurance - Full Underwriting	712 -1,184
	Term Insurance - Limited Underwriting	738 -2,132
	Term Insurance - No underwriting (14k cover)%	517
	Funeral Cover (15000 cover)	264- 771
	Accidental Death Cover (No Underwriting)	396 -705
	Credit Card Balance Insurance (No Underwriting)	540- 888
	Mortgage & Loan Cover\$	540-1,350
* Premium is coin median		
^Premium is average from RWA group insurance comparator and includes TPD cover		
%Only 1 product caters for over 50's		
\$Single premium products have been converted to annual equivalent		



Insurance products sold directly to consumers have been priced to reflect the unique underwriting approaches and the type of cover provided under the contract. Funeral cover for over 50's is only provided by one company and is very expensive, \$517 for \$15,000 of cover, this may reflect the absence of underwriting. However there is some anecdotal evidence that the risk premium for products sold directly represents only a small component of the overall premium. It seems that a large component of premium is devoted to marketing products, perhaps larger than the cost of commission in traditional distribution channels which is in the order of 20-30% of annual premium.

Summary

Banks may dominate the personal financial services markets in Australia, however they have not yet fully exploited the opportunities in their client base for cross selling insurance and superannuation products. This is not likely to change until regulations governing provision of product advice and disclosure are altered to reduce the cost of providing advice. To establish the profitability of competitive prices of superannuation or life insurance products, Actuaries would generally consider them to be separate businesses from the bank and use the characteristics of those businesses when modelling cashflows and capital requirements.



(Note: The views expressed in this article are solely the views of the author and not of the employer.)

Risk and Capital Management RESEARCH CONFERENCE

Institute of Actuaries of Australia

Risk and Capital Management has become the focus of financial service providers from insurers to superannuation funds to investment managers. Risk management in insurers has been developing motivated by the potential impact of Solvency II while economic capital requirements have focussed attention on new techniques in financial modelling and their applications. At the same time there is an increasing convergence between insurance and financial markets in modelling and managing risk and capital.

To discuss and debate these issues, the Institute of Actuaries of Australia will convene a **Risk and Capital Management Research Conference** on **Monday, 22 September 2008** at the Amora Hotel in **Sydney**.

The diverse program featuring local and international speakers includes sessions on:

- Risk analysis and scenario generation for risk linked securities
- Risk management processes in general insurers in Australia and New Zealand
- New approaches to modelling multivariate risks using copulas
- Behavioural finance and superannuation risk analysis
- Economic capital for general insurer reserve risk, underwriting risk and combined risks
- Economic capital for equity risk and links with credit risk

For more information and how to register, view the **Conference Webpage**: <http://www.actuaries.asn.au/events/rconf08intro?eventID=1613> or click here for the **Brochure**: <http://www.actuaries.asn.au/NR/rdonlyres/F47A46D7-A4C8-4ACF-ACB5-23960D7665EF/4162/FINALRCMConf08PRE31.pdf>

Kindly take note that deadline for registration is **5 September 2008**.

Interview with an Actuary



Interviewee Profile:

Jonathan Zhao, FCA, FCIA, FSA, MAAA, Partner and Actuary for Ernst & Young, Global Financial Services

Risk Management in the Asian Insurance Industry

*Interview with Mr. Jonathan Zhao.....*By Hussain Ahmad and Wendy Fu, Towers Perrin

There is no doubt that Enterprise Risk Management (ERM) is the buzz-term for actuaries across the globe these days. While the concept has existed for a long time, last half a decade or so has seen a dramatic rise in interest in ERM from academics and corporations alike. Indeed, anyone involved with the business of risk in any organization, insurer or otherwise, is talking about ERM.

The idea is simple: instead of focusing on and managing all the risks affecting a company individually, we should consider their combined effect, as there may be natural hedges against certain risks within the organization. The application of this idea however, is anything but simple.

Actuarial societies are making every effort to ensure that the skills of the profession remain relevant to the evolving needs of the commercial enterprises, by not only modifying their education syllabi to include material on "risk management", but also offering special risk management study tracks, as well as holding seminars and conferences to make sure members take leading positions in the risk management space.

Experience of some of the large companies who started implementing enterprise-wide risk management systems and changing their organization cultures over a decade ago, shows that while the process may be lengthy and challenging, it is implementable; and more importantly, it is not only rewarding, but is a must in today's increasingly complex environment.


Now, driven largely by regulators and rating agencies, smaller companies across the globe are starting to look into ERM as well. As Europeans lead the way with Solvency II compliance, we talk to Jonathan Zhao, Partner and Actuary at Ernst & Young, Global Financial Services in Hong Kong about what ERM means to Asian, and specially Chinese, companies.

Q1: Thank you for meeting us today. Insurance companies in China seem to have caught an interest in ERM recently. What do you think is driving that interest?

A: As Chinese companies grow and try to improve themselves, there is some genuine interest in better risk management by following global best practice. There are companies that want to benchmark themselves against their counterparts in the more developed markets.

However, for most companies, like in other parts of the world, risk management is driven by regulation; whether it is to comply with the China Insurance Regulatory Commission (CIRC) requirement to supply Annual Risk Reports starting year-end 2007, or to pass internal or external audits. The problem with this approach is that work is only done to an extent that is needed to comply with the requirements. For example, companies will do simple stress tests based on arbitrary scenarios instead of performing more meaningful stochastic analysis and file the report. They don't want to know how to actually use the information obtained; and there is no real objective to the exercise other than to get a "tick in the box" as part of a routine procedure.






Q2: So what do you think is needed to make local insurance companies reach beyond the pure mechanical number crunching, and start using ERM as a tool that adds value?

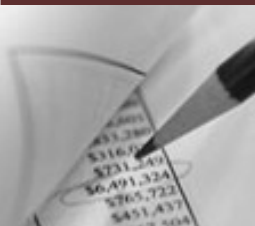
A: The main issue is the lack of technical and insurance knowledge at the board level, which often consists of lay-people who have not necessarily been trained to understand the concept of risk.

The decision to implement a risk management program within an organization has to come from the board and trickle down the organization. In other words, a risk culture needs to be established and endorsed by the Board, and key performance indicators need to be formally defined, in order for risk management to be taken seriously by the rest of the organization.



Secondly, the risk management function should be independent with the Chief Risk Officer (CRO) either sitting on the board, or reporting directly to the board and being an integral part of the decision-making process. On the other hand, if the CRO is reporting to the CFO, there may be a conflict of interest within the chain of command.


As an aside, what adds to the lack of this awareness is that some of the large players have or have access to so much capital that they don't see the need for proper risk management. On the other hand, smaller players are more interested in generating top-line growth which will look better on a report card than spending on a risk management program with no immediate tangible benefit, given the limited capital that they have.



But of course, it may be too late to fix something once it's broken; so in order to avoid any nasty surprises, companies, no matter big or small, need to be convinced that prevention is often better than cure.


Q3: What are some of the issues you think the insurers in the local markets are facing, or will face in the future as they become more aware of best practices and try to implement Asset-Liability Management, Economic Capital or other risk management practices?

A: Companies are struggling to comply with IFRS. Proper risk management will be a challenge.



The most important thing is to understand the risks an organization faces and what to get out of an ERM program. The CRO and the risk management function should have clearly defined roles and objectives, and any quantitative work such as Asset and Liability Modelling and/or Economic Capital analysis need to be specifically designed as an aid to decision-making.

Creating a risk culture in the local insurance companies will be a big challenge. For ERM to be implemented and used, every department needs to be aware of their role in the process and how their actions translate into risk and opportunity for the organization. With most companies having little control over what the large number of agents and branches are doing, operational and reputation risks facing the insurers are very large.



Another very important issue is, of course, the shortage of technical expertise in the marketplace. This not only relates to the skills to model various types of risks and carry out the ALM and EC exercises, but more fundamentally an appreciation for the risks that are embedded into more complex product designs such as variable annuities during pricing.

Q4: Given the scale of disasters this year in China, do you think catastrophe exposure management will gain more attention?

A: There still seems to be a lot of emphasis on top-line growth and companies are not willing to increase rates or get out of a market only on the basis that there may be another event soon. There may be no other such event for many years, and that is weighing heavily in the decision not to change marketing and underwriting strategies.

The market may be waiting for the regulator to make a move in this case.

Q5: Where do you think are the opportunities and challenges for actuaries in this landscape?

A: Actuaries should be involved in every aspect of ERM implementation, from identifying risks, to modelling them, and then explaining the linkages between their work and how that affects the work of other departments.

However, unfortunately, a lot new actuaries are talking about ERM without much focus on what it really means. It is the hot new thing and sounds much better than being a 'reserving actuary'. The basics need to be thoroughly understood and the objectives clearly articulated, before delving into sophisticated analyses without a focused direction.

Similarly, a lot of actuaries don't necessarily understand the financial statements as it is the accountants' job, not theirs. However, at the end of the day, earnings are the key, and the impact of risk management on the financials needs to be understood.

To sum up, actuaries need to make sure they are able to grasp the big picture and manage the risks of the organization holistically, which is what ERM is all about.

"A risk culture needs to be established and endorsed by the Board, and key performance indicators need to be formally defined, in order for risk management to be taken seriously by the rest of the organization."



Puzzle Corner

Do you know the answers?

Question 1

Question 2

E
S
I
A
R
P

AVAIL

Y O U



Answers: (1) Appraisal Value (2) Target Surplus

DARWIN RHODES

A Fresh Approach to Actuarial Recruitment



Darwin Rhodes is the leading global specialist in Actuarial 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. From a candidate perspective we have managed to identify opportunities where, in some cases, they have felt they were seeking the unobtainable and as a result assist them with accelerating their careers exponentially. For our clients we have provided innovative resourcing and compensation strategies enabling them to build and grow their teams and businesses.

Our global network including our head office in London and other international offices, in New York, Sydney, Mumbai, Shanghai and Poland, enables us to assist individuals to seek opportunities either in their local market or on a global basis. All candidates are managed by a specialist local contact avoiding the need for them to be communicating with international offices across multiple time zones.

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Or Visit our website: www.darwinrhodes.com.hk

Market Update



Revised MPF Code & Guidelines

Several revised Code and Guidelines have recently been approved by the Management Board of the Mandatory Provident Fund Schemes Authority:



Code on Disclosure for MPF Investment Funds; Guidelines on Annual Statements of Registered Schemes (Guidelines II.4) and Guidelines on Annual Statements of Approved Pooled Investment Funds (Guidelines II.5)

A number of amendments have been made to the Code and to Guidelines II.4 and II.5 as a result of the second phase of the review of the Code focusing on On-going Cost Illustrations in Part C and outstanding issues from earlier reviews, e.g. the Fund Expense Ratio.

Guidelines on Relevant Income in Respect of a Relevant Employee (Guidelines IV.12); Guidelines on Unclaimed Benefits (Guidelines IV.21) and Guidelines on Notice for Unclaimed Benefits (Guidelines IV.6)

Guidelines IV.12 and IV.21 have been amended to reflect the new legislative requirements of the Mandatory Provident Fund Schemes (Amendment) Ordinance 2008 that will come into operation on 1 November 2008. Guidelines IV.12 have been amended to reflect the revised definition of “relevant income”. Guidelines IV.21 have been amended to reflect the streamlined process by which accrued benefits become unclaimed benefits and Guidelines IV.6 will be repealed under the streamlined process.

Guidelines on Enrolment and Contribution Arrangements for Relevant Employees other than Casual Employees (Guidelines IV.8); Guidelines on Enrolment and Contribution Arrangements for Casual Employees (Guidelines IV.9); Guidelines on Enrolment and Contribution Arrangements for Self-employed Persons (Guidelines IV.10) and Guidelines on Remittance Statement (Guidelines IV.14)

Guidelines IV.8, IV.9, IV.10 and IV.14 have been amended to clarify the signature requirements on enrolment forms and remittance statements and to provide the trustees with the flexibility to refuse to process enrolments and contributions without signatures on enrolment forms and remittance statements.

Guidelines on Index-Tracking Collective Investment Schemes (Guidelines III.10)

The name “NASDAQ (National Association of Securities Dealers Automated Quotations) Stock Market” has been added to the table in paragraph 15 of Guidelines III.10.

Copies of the revised Code and Guidelines could be downloaded from the MPFA website at <http://www.mpfa.org.hk>.



Actuaries in the Media

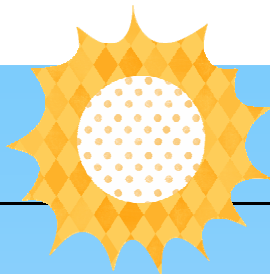
The 3rd Quarter 2008 of the *IPA Investment & Pensions Asia* published an article “Hong Kong Aims to be Pensions Centre of Asia” which was written by an actuary, Mr. Carl Redondo. The article highlighted that Hong Kong could take the lead in attempting to implement the pan-European pensions model in order to become a pension hub for Asia. The principle for the system is for employers (or industries) to have one pension plan for all their employees wherever they may be in the Europe. The assets, liabilities and administration records are all tied to a single pension plan and potentially a single pension provider. The biggest challenge will be for the MPF providers to gain approval for their services in other Asian countries. This will not be easy and the Hong Kong service providers will need to demonstrate how they are bringing value to the local economy. Another challenge is to make the MPF a world class pension system. The current fees and investment options are less competitive than in other developed markets such as Australia. If Hong Kong can overcome these difficulties, it has to face competition from other neighbors.

For instance, Australia’s superannuation system is much admired and the associated master trust pension arrangements are efficient, competitive and very exportable.



Membership Update

since April 2008



New Members Welcome

Actuaries on the Move

Fellows

Frank Sanders AUSTIN, *FSA (1976), MAAA (1978), AIG*
Ken Kin-Man CHEUNG, *FIAA (2007), Transamerica Re*
Edgar Barribal CRUZ, *FSA (1999), MAAA (1997), Manulife Financial*
Nigel KE, *FIAA (2006), Manulife Financial*
Thomas Ho-Yin TANG, *FIAA (2006), RGA Re*
Jeff Jun WU, *FSA (2001), AIA*

Students

Jack Chin-Hei CHOI, *SOA Student, Fortis*
Eric Chun-Ho LAM, *SOA Student, Watson Wyatt*
Robin Hing-Bun LEE, *SOA Student, Sun Life*
Tina Man-Ting LUI, *IoA Student, Swansea University*
Suki Wing-Yan POON, *SOA Student, Watson Wyatt*
Haotian WU, *SOA Student, Watson Wyatt*
Tony Tak-Chung YAU, *IAAust Student, AXA China Region*
Luke SPIERS, *IoA Student, AXA*

Reinstated Members

Fellows

Tenny Siu-Pong CHONG, *MSc, FSA (2000), FCIA (2000), HSBC*
Iris Hoi-Yan LUN, *FIAA (2005), ING Asia/Pacific*
Chee-Chun Wong, *FSA (2007), AIA*

Associate

Johnny Siu-Hang LI, *ASA (2007), University of Waterloo*

Fellows

Fred Pak-Kin CHAN
Alfred Chi-Kau CHEUNG
Simon Sau-Man CHEUNG
Gilbert CHIN
Winnie Sze-Wan CHING
Carole Kay-Lock HO
Kim Wa-Yam HUI
Rebecca Ray-Min JAO
Mark Min-Chung KAI
George Kin-Chung KUNG
Kevin Ka-Man Kwok
Diane E. MULLER
Edward Tat-Man NG
Daisy Hiu-Mei NING
Jen-Chien SEE
Lindsay SMARTT
Steve Chung-Hang TONG
Toby Chung-Yin WONG
Tommy Yiu-Man WU
Terry King-Shing YUNG

Associates

Jason Chun-Sang CHEUNG
Frederick Kim-Ho KONG
Jessie Jingxin LI
Alan Chi-Lun LIU
Simon Heung-Lok PANG

Students

John Chun-Yu CHAN
Ellen Ho-Ying LAM
Terence Tin-Hang YIU

Society of Actuaries: Living to 100 and Beyond Online Monograph

More individuals than ever before are living into their 60s, 70s, 80s and beyond. The increasing advanced age population is certain to significantly impact individuals, business, organizations and governments worldwide. To address these issues, the Society of Actuaries, in conjunction with more than 40 international participating organizations (ASHK was one of participating organizations) and 10 sponsors, held its third Living to 100 Symposium in early 2008.



Just released is an online monograph featuring the groundbreaking papers from the symposium contributed by authors from regions around the world such as Canada, India, France, Hong Kong, Mexico, Taiwan, the Netherlands, the United Kingdom and the United States. In addition to the papers, there are lively transcribed question-and-answer sessions and interesting contributions from discussants.

From biological breakthroughs that have doubled the lifespan of *C. elegans* worms to emerging threats to longevity posed by obesity and other diseases to projections of future elderly populations and the associated consequences to private and public medical and retirement systems, the 2008 Symposium covered a breathtaking range of topics. To learn about these and other topics presented at the 2008 Symposium, you may wish to visit the monograph located at: <http://www.soa.org/livingto100monographs>.



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Events' Highlight



**ASHK Evening Talk
21 Apr 2008**



**ASHK Evening Talk
6 May 2008**



Standing: Ms. Frances Lui, Gen Re (Speaker)



Standing: Mr. Peter Luk, Plan B Consulting (Speaker)



Standing: Mr. Wing Wong, Milliman (Speaker)



Mr. David Wang, Milliman (Speaker)

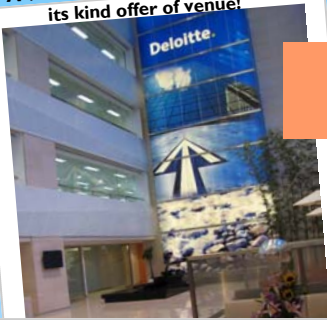
**ASHK Evening Talk
21 May 2008**



Mr. Peter Sun, Milliman (Speaker)



A vote of thanks to Deloitte for its kind offer of venue!



ASHK Actuarial Circle 12 Jun 2008



Mr. Trevor Thompson,
IAAust President-elect (Speaker)



ASHK Luncheon Meeting 17 Jun 2008

Prof. Mary Hardy, University of Waterloo (Speaker)



Prof. Phelim Boyle, Wilfrid Laurier University (Speaker)



ASHK Evening Talk 30 Jul 2008



A vote of thanks to KPMG for its kind offer of venue!



CAA Inauguration Ceremony 9 May 2008



From left: Mr. Wei Yingning (CAA President) and Dr. Tuan Kailin (CAA Honorary Member)



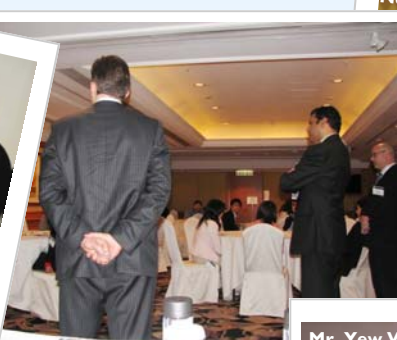
The Inauguration Ceremony of the China Association of Actuaries (CAA) was held in Beijing on 9 May 2008. Representatives from the international actuarial bodies, including the ASHK joined the CAA in celebrating the momentous occasion. The CAA President, Mr. Wei Yingning presented honorary certificates to several academics and actuaries who have made significant contributions to the development of the actuarial profession in China. The launch ceremony was followed by a risk management seminar in the afternoon.



Ms. Emily Papworth, Towers Perrin (Speaker)



Mr. K Ravindran, Annuity Systems Inc (Speaker)



Mr. Charles Gilbert, Nexus Risk Management (Speaker)



Mr. Yew Wei Chai, ING (Speaker)



Mr. Kahfa Kok, RiskMetrics (Speaker)



Mr. Paul Clarkson, Standard & Poor's (Speaker)



Ms. Wendy Fu, Towers Perrin (Speaker)



Ms. Connie Wong, Standard & Poor's (Speaker)



Mr. Soo Meng Foo, Towers Perrin (Speaker)

SOA ALM Seminar 19-23 May 2008



Mr. William Horbatt (Speaker)

Mr. Thomas Herget (Speaker)

Mr. Peter Duran, Deloitte (Speaker)

Mr. Charles Carroll (Speaker)

Mr. Darryl Wagner (Speaker)

**SOA US GAAP Seminar
23-25 Jun 2008, Hong Kong**

**SOA US GAAP Seminar
27 Jun 2008, Shanghai**

Prize to give away!

A prize will be presented to the member who submits the first correct entry of **both the Sudoku and the Movie Catchphrase Game**. Join the game and submit your entry to ASHK Office by email:

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

16 x 16 Sudoku

How to play: fill in each square with a number or a letter so that each row, column and each 16 x 16 block contains 1 to 9 and A to G.

	7				2							D	C	9	
		G						3				B			
			2				5		8	F	B			7	4
3	5		C		7		E			A	2	8			
2								D				6		8	
		4		D		1			6			F	C		
		6				8	3		E	G	5			B	
	C		A		E	B			8		7			4	
				A				C	B		6		4	3	1
					7	9								A	E
B					5			3	2	7				F	
			9	1		D			F						
		5			8	G	7		A	D	C				B
			6	9								C			
	F			C		3							7		6
	D	7				2		6			3		E	G	

Catchphrase Game

Can you identify the films associated with each catchphrase given below?

1. "Show me the money."
2. "If anyone orders Merlot, I'm leaving."
3. "Uh, oh, 12 minutes to Wapner."
4. "La-de-dah!"
5. "May the force be with you."



AND

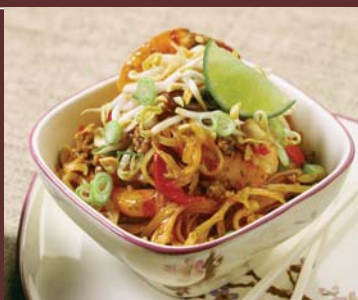
the winner of the last issue is **Mr. Victor Cheung of Manulife!**

Message Board (Contributed by member)

Pad Thai (cooking time: about 40 minutes)

Ingredients (serves 4 persons):

200 g (6 1/2 oz) beancurd
300 g (10 oz) soy bean sprouts
100 g (3 1/2 oz) prawns, peeled
300 g (6 1/2 oz) pad thai/rice noodles
3 cloves garlic 4 spring onions
2 eggs 6 tb oil
2 tb rice vinegar 3 tb sugar
2 tb light soy sauce 2 tb fish sauce



1 green lime

1. Dice beancurd, wash soy bean sprouts, cut spring onions into 2 cm long pieces, chop garlic.
2. In pot bring water to boil and simmer noodles for five minutes. Drain noodles and wash with cold water.
3. Heat oil in a wok or a pan. Add garlic, spring onions, prawns and beancurd and stir-fry two minutes.
4. Push to one side and quickly add beaten eggs. Once they begin to set, gently scramble them. Stir eggs and beancurd.
5. Add noodles, bean sprouts, vinegar, sugar, soy sauce and fish sauce and stir well.
6. Garnish with green lime.

Solutions for April 2008:

History Quiz

1. **500BC:** A bead and wire abacus is used in Egypt.
2. **1654:** Fermat and Pascal lay the groundwork for probability theory.
3. **1706:** William Jones introduces the symbol π to represent the ratio of the circumference to the diameter of a circle.
4. **1896:** Nobel prizes are established.

Sudoku

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

2008—2009 Upcoming Events

SEP 08	OCT 08	NOV 08	DEC 08	FEB 09
14 - 21 Chinese Actuarial Exams	23 - 24 (tbc) SOA APC	3 ASHK 5th Annual Dinner	10 (tbc) Global ERM Webcast	19 - 22 Education & Careers Expo
17 ASHK Evening Talk	24 CAS Webinar on Solvency II		15 ASHK Annual General Meeting	JUL 09
25 - 26 CAA Annual Meeting, Shenyang	27 - 28 (tbc) SOA APC, Shanghai	4 ASHK 8th Appointed Actuaries Symposium	17 (tbc) Global ERM Webcast	13 - 21 Joint Regional Seminar in Asia
	30 (tbc) SOA APC, Singapore			OCT 09
				12 - 15 15 th EAAC, Seoul



Newly weds, Peter Lee (Watson Wyatt) and Liz in May 2008.



Jenny Lai (Towers Perrin) and her husband are proud to announce the birth of their daughter, Ivy Miao, born on 4 Mar 2008.



The Walpole Twins. Congratulations to Simon and Joanne.



I am Ashley, daughter of Peter Lau, ING.



PRECIOUS MOMENTS

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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, Puzzle Corner and Message Board.

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 from insurance companies' or actuarial consulting firms' advertisements in the ASHK Newsletter provided that the advertisements do not detract from the actuarial profession. Positioning of advertisement will be at the editor's discretion.

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