

ASHK Statutory Path Project

CONTENTS

- Editorial P.2

Feature Article

- ASHK Statutory Path Project P.3

Knowledge Sharing

- Hong Kong as a potential captive centre?.....P.9
- Implementation Perspectives on Solvency II Internal Model StandardsP.10

Committee & Market Update

- Committee Update - Life Insurance Committee. P.13
- Market UpdateP.14
- Actuaries in the News P.15

Others

- Membership Update ...P.16
- Events' HighlightsP.18
- Price to Give AwayP.21



Call for Articles or Views for the next issue of Newsletter

While all articles are welcome, we would especially like to receive articles for the Feature Article and Knowledge Sharing section. If you read any interesting articles from other actuarial organization(s), please feel free to let us know. We will try to reprint it in our newsletter to share with our members. For the above issues, please e-mail your articles or views to Simon Lam by email at slam@munichre.com or ASHK's office by email at actsoff@netvigator.com.



Editorial

DISCLAIMERS

This publication is provided for informational and educational purposes only. The Actuarial Society of Hong Kong makes no endorsement, representation or guarantee with regard to any content and disclaims any liability in connection to the use or misuse of any information provided herein. This publication should not be construed as professional or financial advice. Statement of fact and opinions expressed herein are those of the individual authors and are not necessarily those of the Actuarial Society of Hong Kong.



Dear Readers,

In this newsletter, we are happy to have a better structure primarily supported by 1) Feature Article, 2) Knowledge Sharing and 3) Committee and Market Update Sections.

Regarding the Feature Article in this issue, we are happy to invite the Strategy and Project Committee to share with us the update regarding our coming major initiative – Statutory Path Project. Through this article, we would like to let our members have a better understanding and share with us your comments towards this project.

For Knowledge Sharing Section, this is the new initiative from Membership and Publication Committee to enhance knowledge sharing among our members. We are not only inviting any members to share with us their views but also exploring any interesting articles from the other actuarial publications for reprinting in our newsletter to arise members' interest towards the particular actuarial or insurance topics. In this issue, we are happy to invite Charles Ng to share with us his view regarding captive insurer and reprint the article by Fred Ngan regarding the implementation issues from Solvency II Internal Model. In the future, actuarial articles and views are most welcome from our members. Please kindly inform us if you have come across any interesting articles from other actuarial publications. We will try to reprint this in our newsletter in order to share this among our members.

Last but not least, the Committee and Market Update Section will have the Life Insurance Committee to update the progress for Benefit Illustration Working Group. The industrial update will include 1) Revised Exposure Draft for a new International Financial Reporting Standard, 2) Consultation Conclusions of the Key Legislative Proposals on Establishment of an Independent Insurance Authority and 3) Revised MPF Guidelines. Besides, the ASHK has participated in the article on Hong Kong Economic Times to promote our profession on 24th June 2013. We have also reprinted this in our newsletter to share with our members.

We would like to express our appreciation towards the contribution from Strategy and Project Committee, Charles Ng and Fred Ngan for this newsletter and the effort from both our publication committee members and ASHK's colleagues.

We do hope that you will enjoy this issue. Our committee is open to any recommendations towards both membership and publication matters. Please feel free to contact me at slam@munichre.com or ASHK's office at actsoff@netvigator.com regarding any recommendations. We are happy to listen.

Simon Lam
EDITOR

ASHK Statutory Path Project

Should ASHK become a Statutory Body under Hong Kong Law?

Undoubtedly, ASHK is a well recognized actuarial profession body in Hong Kong. Major financial regulators, such as OCI and MPFA, formally liaise with ASHK when they have any issues about the actuarial profession. There are also a couple of professional standards issued by ASHK, which are recognized by the Hong Kong law.

However, in Hong Kong, you do not necessarily need to join the ASHK even if you are practicing in Hong Kong as an actuary. Instead, you would need to enroll into a foreign actuarial organization (i.e. US, UK and Australia) to fulfill the requirements under the Insurance Companies Ordinance and Occupational Retirement Schemes Ordinance. This legacy in fact poses two major threats to our profession in Hong Kong:

1. It puts no power into ASHK, being the local actuarial profession, to enforce all local actuarial best practices and guidelines. Foreign actuarial organizations probably find difficulties to determine whether a Hong Kong actuary has performed his/her actuarial work in a professional manner. This will increase the reputational risk of our profession;
2. Although ASHK is well recognized by the regulators, we are still not able to say we are really representing every single actuary working in Hong Kong. This does not help ASHK enhance our professional image in the Hong Kong society.

Statutory Body Project Committee was set up to explore the possibilities

ASHK Council designated the Statutory Body Project Committee to explore potential issues such as to recommend how to turn ASHK into a Statutory Body. The ultimate objective is to change the ASHK into a statutory body with the power to determine who can act as an actuary in Hong Kong and to regulate the conduct of actuaries. ASHK subsequently appointed an external lawyer, ReedSmith Richards Butler, to analyse the situation. The lawyer proposed with some high-level milestones as follows:

Q4 2012	Working with external lawyer to formalize the high-level proposal
March 2013	Email to all members the current high-level proposal
March 2013	Evening meeting with members to walk through the proposal
April 2013	Deadline for the collection of comments from members
April/ May 2013	Discussion in Council meeting to finalize the proposal
Q3 2013	Meeting OCI, MPFA, etc. to obtain commitment
Q4 2013*	Obtaining members' feedback on the detailed proposal
2014/2015*	Legislative process for becoming a statutory body

** The timeline and the steps may change depending on how the government (OCI, MPFA, etc.) respond to our proposal*

The Current ASHK Position

The Society is currently a company limited by guarantee. It is governed by a Memorandum and Articles of Association. It is not currently mandatory for actuaries practising in Hong Kong to be a member of the Society. However, there is a limited degree of statutory recognition of the Society in that actuaries must in certain circumstances comply with the Society's Professional Standard 1 and Professional Standard 2.

Specifically, insurers carrying on long term business are required to appoint an actuary under Section 15(1)(b) of the Insurance Companies Ordinance. For this purpose, an actuary is defined as being a fellow of a relevant professional body in England, Scotland, Australia or the US. Regulations made under the Ordinance then stipulate that an actuary appointed under Section 15(1)(b) must comply with the Society's Professional Standard 1, and any subsequent amendments made with the approval of the Insurance Authority and the Secretary for Financial Services and the Treasury.

Additionally, under the Occupational Retirements Schemes Ordinance, certain occupational retirement schemes must be certified by an actuary. For this purpose, an actuary is defined as being a fellow of a relevant professional body in England, Scotland, Australia or the US, or any person who holds such qualification as the Registrar may accept as being of a comparable standard. Regulations made under the Ordinance stipulate that actuarial certificates must be prepared according to the Society's Professional Standard 2 as adopted by the Society on 2 September 1994, and any subsequent amendments made thereto by resolution of the Society and agreed to by the Registrar.

There are references to actuaries in other legislations in Hong Kong (e.g. Companies Ordinance, Inland Revenue Ordinance, Pensions Ordinance, Pension Benefits Ordinance, Surviving Spouses' and Children's Pensions Ordinance, Pension Benefits (Judicial Officers) Ordinance and Auxiliary Forces Pay and Allowances Ordinance), however there is no specific reference to the Society or requirement that a relevant actuary must be a member of the Society.



Two Possible Approaches

The external lawyer advised that there are possibly two approaches.

Approach 1 – Remain as a company

The society could remain a company governed by a Memorandum and Articles of Association, and changes could be made to relevant legislation which refers to actuaries (e.g. the Insurance Companies Ordinance) to require actuaries appointed for the purposes of that legislation to be members of the Society.

Approach 2 - Set up under a new statute

A new statute could be passed which establishes the Society as a statutory body and confers upon the Society specific statutory powers. A provision could be included in the statute providing that no person shall act as an actuary in Hong Kong unless they are a member of the Society.

The key difference between being organised as a company and being set up under a statute is that a company relies on the agreement of its members for its authority and may therefore only exercise powers over members, whereas a body set up under a statute can exercise powers over anyone.

A table of pros and cons of two approaches is shown below:

Statute	vs.	Company
Pros		Cons
Can exercise power over anyone.		Can only exercise power over members.
Sanctions can include criminal penalties.		Sanctions cannot include criminal penalties.
Cons		Pros
Changes to a statute are difficult, requiring legislative amendments.		Changes to the M&A of a company are easy, requiring only the agreement of members.
The legislature has control over a statute and the statute may contain provisions members do not like.		The members have control over the M&A of a company, and can ensure it contains whatever provisions members want.

It is noted that professional bodies with regulatory powers are now normally set up under a statute, not organised as a company. Examples of professional bodies set up under a statute include the Medical Council of Hong Kong, the Veterinary Surgeons Board, the Nursing Council and the Surveyors Registration Board. The Hong Kong Institute of Certified Public Accountants and the Architects Registration Board are both “body corporates”, however they are formed under their own special statutes. The Law Society of Hong Kong is incorporated as a company limited by guarantee under the Companies Ordinance and the Bar Council of Hong Kong is registered as a society under the Societies Ordinance, however both have special statutory powers conferred upon them under the Legal Practitioners Ordinance.

The Statutory Body Project Committee is so far in favour of Approach 2, but will wait and see after obtaining feedback from the meeting with OCI and MPFA in Q3 2013.

Key Changes to ASHK under Consideration

The Statutory Body Project Committee has also been considering the following features/ changes and will keep revising them based on the general feedback from the members of ASHK.

- The Society will be run by a Council of 7 to 13 members, elected by a majority of all members.
- The Society will be made up of Fellow Members and potentially other types of members.
- No person shall be permitted to act in a professional capacity as an actuary in Hong Kong unless they are a Fellow Member of the Society.
- Fellow Members must have objectively demonstrated their understanding of actuarial skills and actuarial judgment. The objective demonstration of actuarial skills and actuarial judgment will be assessed by reference to an examination/qualification programme.
- The examination/qualification programme for Fellow Members will be designed and conducted by the Society. In addition to other matters, candidates will be required to demonstrate their understanding of local regulations, requirements and practices.
- All members must also comply with a fit and proper requirement.
- The Council may pass by-laws/rules governing the operations of the Society and create professional standards, guidance notes and codes of ethics for the members of the Society.
- The Council has already established a continuing professional development scheme for members.
- The Council will be responsible for the management and administration of the Society and may appoint committees and/or employ permanent officers/employees to assist.
- Members will be required to comply with professional standards and codes of ethics, and to adhere to continuing professional development requirements. Members will also be required to consider guidance notes, but compliance with guidance notes will not be mandatory.
- There will be a disciplinary process, which will involve the Society having the power to investigate and to establish a disciplinary committee where it appears that a member may be guilty of misconduct or may not be fit and proper to be a member.
- Disciplinary sanctions will include a public reprimand, a pecuniary penalty and suspension/revocation of membership. There will be a right of appeal.
- Changes to professional standards which have a bearing on the performance of functions under specified legislation will be subject to the approval of the appropriate regulators.

Will ASHK Membership Fee increase as a result of becoming a statutory body?

This can be a costly exercise for becoming a statutory body. The Society has built up a meaningful amount of reserve to cover these costs including a hefty contingency fund. Also, after becoming a statutory body, there will be upfront costs in the establishment of training and examinations. Once operational then these should be self funding. The upfront costs should be covered from the existing reserves.

We are not sure if there will be a need to increase membership fee as a result of the Society becoming a Statutory Body, but we do not believe that it will be a significant amount.

What will be the Legislative Process?

There are 5 steps as follows:

1. Consultation

The consultation process would involve drafting and publishing of a consultation document, submission of comments from relevant parties during the consultation period and publication of the relevant results of the consultation.

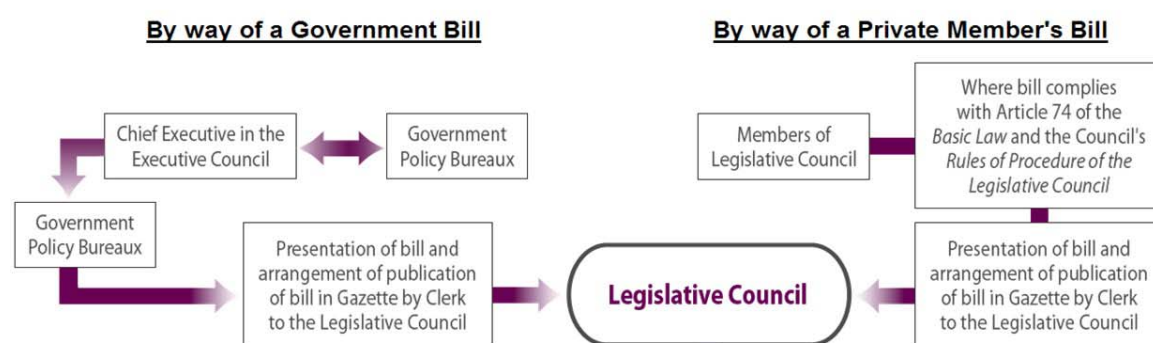
If the Government-sponsored route is taken, the relevant policy bureau would consult the interested parties.

2. Drafting

It depends on the length and complexity of the piece of legislation and the time taken to complete the consultation process. At this stage, necessary amendments to the Society's memorandum and articles of association, the relevant rules, by-laws etc. should be considered in light of the new legislation, and should be implemented when the new legislation is enacted.

If the Government-sponsored route is adopted, the Department of Justice will be responsible for drafting the bill, and it may take over a year to draft.

3. Presentation of the Bill to the Legco



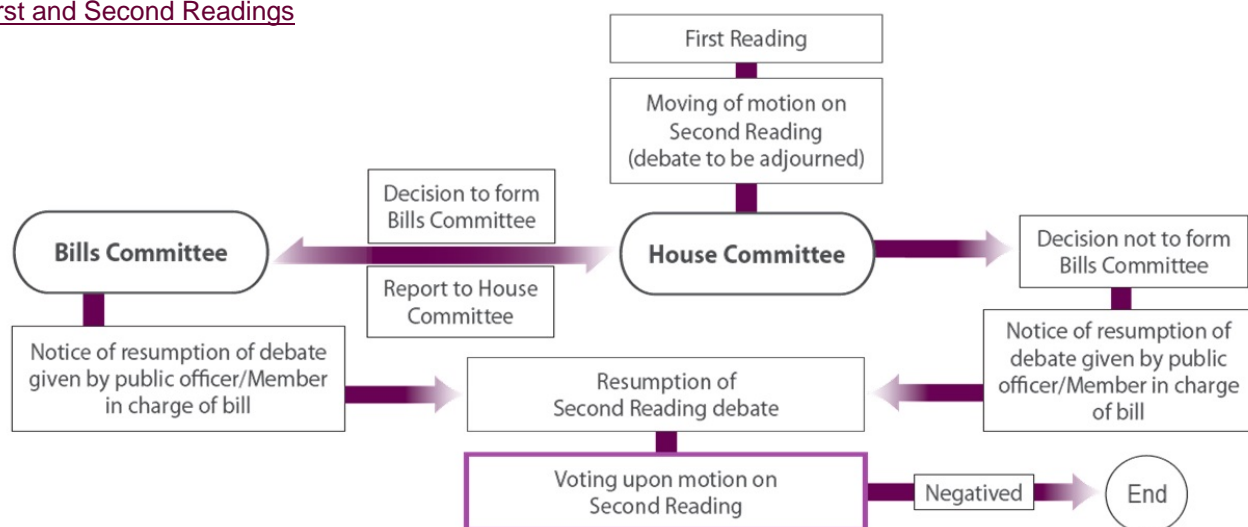
4. Passing through the Legco

Bills introduced by the government require at least a simple majority vote of all Legco members present.

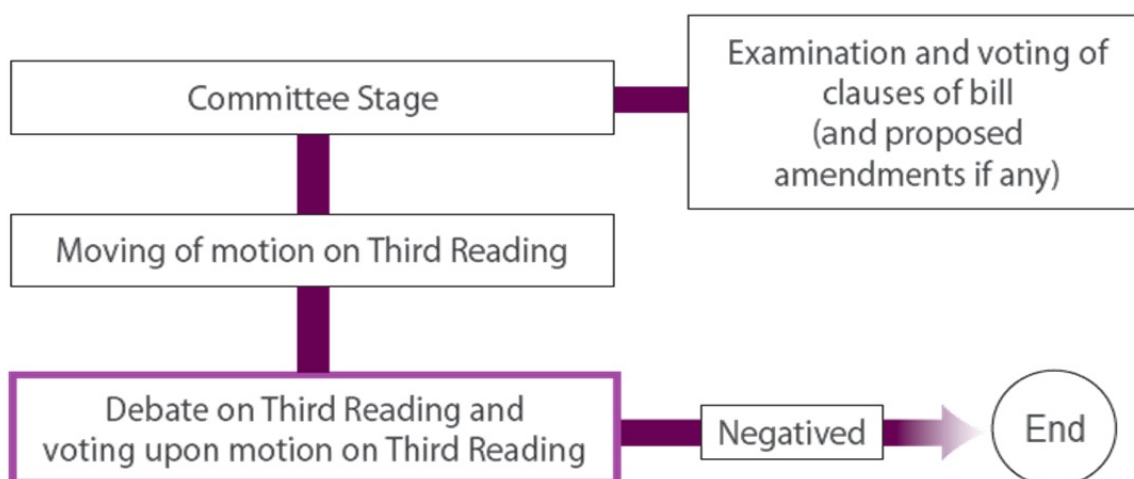
Private bills require a simple majority vote of each of the two groups of Legco members present i.e. members returned functional constituencies and members returned by geographical constituencies.

The Society should therefore take the appropriate steps to gain support from a sufficient number of Legco members.

First and Second Readings



If passed upon voting on Second Reading -> Committee Stage and Third Reading



5. Enactment

If passed upon voting on Third Reading -> Enactment



Next Steps

As a member of ASHK, if you have any comments or questions towards the above initiative, please email to patkum@netvigator.com. We will provide a next round of updates to members at the end of 2013.

Hong Kong as a potential captive centre?



Captives are insurance vehicles typically set up by large enterprises as a mean to self-insure risks that would otherwise be passed on to insurers. The insured risks may include but not limited to employees' compensation, public liability, property, and motor. In the 2013-14 Budget, the Financial Secretary of Hong Kong proposed to "reduce the profits tax on the offshore insurance business of captive insurance companies, such that they will enjoy the same tax concessions as those currently applicable to reinsurance companies". This compares with tax break being provided to captives in Singapore for their offshore business and zero-tax jurisdictions like Bermuda.

The previous major regulatory attempts to attract captives to Hong Kong were put into place before the 1997 handover when the capital requirement of captives was lightened. However, Singapore has had around 50-60 captives since 1990s compared with only one captive currently in Hong Kong.

In view of the relatively disadvantageous regulatory incentives, if Hong Kong is serious to attract captives more work is required by practitioners and governments to promote and service captives.



Charles Ng FIA
Senior Pricing Actuary, SCOR Global P&C

Implementation Perspectives **on** Solvency II Internal Model Standards

This article was first published in the Society of Actuaries - The Financial Reporter Issue 92 in March 2013. Reprinted with permission.

Introduction

Under Solvency II, the alternative to the standard formula is the internal model but that comes with a price. Companies can calculate their solvency capital requirement using either the more simplistic standard formula or their own internal model (or a partial internal model, which is a combination of the two), subject to supervisory approval. Regulators set a higher expectation and raise the bar for the use of internal models, in an effort to uphold the quality of the calculation of the solvency capital requirement. As a result, the tests and standards for internal model approval are extensive, leading to debates around how the guidance should be interpreted and implemented. Although much progress has been made, what lessons have we learned from an implementation perspective?

This article discusses some implementation considerations European insurers and their US subsidiaries have encountered when applying the tests and standards for internal model approval. In particular, this article focuses on the use test, statistical quality & calibration, and model validation.

Use Test

One controversial topic in regards to internal model approval is the use test. The spirit of the Solvency II directive's article 120 specifies that an internal model is widely used in and plays an important role in decision-making. To comply with the use test, companies must provide evidence of acting on the decisions based on model outputs, meaning that senior management can no longer make significant risk and capital decisions without first looking to the model. Although the concept of the use test makes sense, it is often not easy to implement.

Models can improve business decisions, but the risk of misusing a model, or relying on an incorrect model, could lead to unanticipated results. It is important that senior management is fully aware of the key limitations and the expert judgment made within the model. Model governance and risk management are not new topics, but their importance becomes clearer when considering the consequences of relying on a model without appropriate scrutiny.

Companies are likely to use a variety of accounting principles such as local statutory, IFRS, GAAP and Solvency II regulatory basis for the valuation of assets and liabilities. This is especially true for subsidiaries of a European parent that are subject to both local statutory and Solvency II regulatory standards. In this case, the market-consistent results are being factored into the thinking but not at the exclusion of all other metrics for financial reporting, pricing and capital. However, valuation on a market-consistent basis may not be favorable for particular lines of business due to the lack of recognition of credit spreads, such as spread-based business with long-term and unhedgeable guarantees that are actively sold in the US. For instance, fixed annuity writers may question an internal model result due to the unfavorable capital requirement and profitability seen under the pillar 1 risk-neutral calculation. These subsidiaries might question whether the proposed framework is fully appropriate for the US products, and may find it difficult to meet the use test requirement without altering their product and pricing strategies.

In general, companies need to be ready to provide rationale as to how and why the internal model fits the business model. However, it will likely be difficult to convince the regulators in the internal model application process if local management does not buy into the model.



Statistical Quality & Calibration

Many insurance companies are frustrated with the extensiveness and complexity of the statistical quality and calibration requirements. As set out in articles 121 and 122 of the directive, these standards include risk coverage and ranking, data quality, probability distribution forecasts, mitigation techniques, future management actions, guarantees and options, aggregation and calibration of solvency capital requirement. There are several important considerations related to statistical quality and calibration.

The first is the modular approach, which is when the solvency capital requirement for each risk is calculated separately and then aggregated based on correlation matrices. Despite all the effort being put behind developing the internal model, it is noteworthy that companies tend to come up with a stress level (at least for some market risks) that is generally equal to the stress level under the standard formula. This is because justification may be required when the internal model stress levels deviate significantly from those calculated under the standard formula and/or other local solvency capital requirements such as Internal Capital Assessment ('ICA'). In this case, the standard stress becomes a common target for modelers. For instance, the four common types of equity risk model include stochastic process, times series model, fitted-distribution model, and empirical distribution model. Despite the diversity in the choice of an equity risk model, the typical equity shocks in the industry are between 39% to 43%, which are close to the 1-in-200 standard shock of 39% (the base shock for equities listed in regulated markets in the countries which are members of EEA or the OECD, without any symmetric adjustment/equity dampener). Such consistency can be explained by behavioral bias, as well as the same underlying market data used for model calibration. It is crucial to confirm the calibration, but one may question the value of the additional modeling work.

When obtaining internal model regulatory approval, a sophisticated model is not always better, or safer than a simpler one. Some companies have proposed risk model that may have seemed too simple, but their sound and prudent selection of data and methodology allowed for it to meet all necessary requirements. In theory, the level of detail should be proportionate to the nature, scale and complexity of the risks that the companies are exposed to.

Another common issue is the lack of justification in the use of actuarial judgment. Companies tend to focus on analyzing the data and calibrating the model, rather than understanding the risk profile and justifying the judgment and model limitations. Companies sometimes choose a probability distribution forecast without explaining why it is appropriate to their own risk profile, and what the underlying assumptions and limitations are. These qualitative aspects are vital, but can easily be overlooked.

Model Validation

Model validation has been one of the key focuses of regulators. At least annually, companies should test the results and key assumptions of their internal model. Understanding some perspectives on model validation processes with respect to repeatability and auditability are important when using internal models.

The commonly known three levels of defense are preparation of results, internal control systems and independent assurance. In practice, both risk owners and risk management functions often have a major responsibility in the model validation process. There are concerns over independence when the model owner and also acts as a primary validator. Segregation of duties is of particular importance for proper model governance and model risk management. Moreover, the level of technical challenge and independence will be a key area of focus, despite the differences in regulatory landscapes among the European countries.

With respect to the technical aspects, model validation is not an easy task when there are dynamic decisions and linkages in the stochastic model. Many companies review the basic model projections and analytics (such as implied credited rate and lapse rate), but these alone are not always adequate. It is critical that companies truly understand the secondary impact and the implications of dynamic assumptions and sensitivities. For example, considering a fixed annuity product in an increasing interest rate environment, its profitability will depend on the interplay of many factors such as the crediting strategy, investment and disinvestment strategies, competitor actions and policyholder behavior. Companies should develop analytics specific to each business segment and environment, and provide commentary that truly explains the value, risk and capital drivers.

From a practical standpoint, companies should make an attempt to streamline the model validation process and use a variety of model validation techniques. Currently, companies tend to summarize and validate the model results manually in a spreadsheet environment. Although companies are generally not satisfied with their model output management, some have already automated this process by building a centralized output repository and using business intelligence tools to aggregate results and populate analytics at the desired level of granularity. Such improvement allows companies to save significant time and effort, and focus on understanding what the model results mean to the organization.

Conclusion

Again, the bar for the use of internal models under Solvency II is high. However, the continuous refinement of internal models has allowed companies to better understand their own risk profile, improve their risk management structure and risk culture, and potentially reduce their capital requirement. But **these commercial benefits cannot be fully realized unless companies embrace the use test in spirit and think beyond regulatory compliance.**



Fred Ngan, FSA, MAAA

Consulting Actuary, Ernst & Young LLP in Hong Kong

The views expressed herein are those of the individual authors and do not necessarily reflect the views of Ernst & Young LLP.

Committee Update Life Insurance Committee

Benefit Illustration Working Group

From 1st Jan 2014, the new guideline from the HKFI "Guidance Note on ILAS Illustration" will be implemented. To adopt this new guideline, the Life Insurance Committee of the Actuarial Society of Hong Kong has reviewed Actuarial Guidance Note 5 (AGN5), "Principles of Life Insurance Policy Illustrations", and has made some minor amendments to reflect the revisions to the framework for ILAS illustrations.

The updated AGN 5 actuarial guidance note was circulated to members of ASHK on 2nd July 2013, and can be accessed on the ASHK website at <http://www.actuaries.org.hk/publications.php>.

After enhancing the benefit illustration guidelines for ILAS products, the Life Insurance Committee targets to explore benefit illustration guidelines for traditional products as a next step. If you have any comments regarding benefit illustrations for traditional products, please feel free to share your views with Simon Lam by email at slam@munichre.com. We will set up a benefit illustration committee and carry out a consultation process with our members shortly.



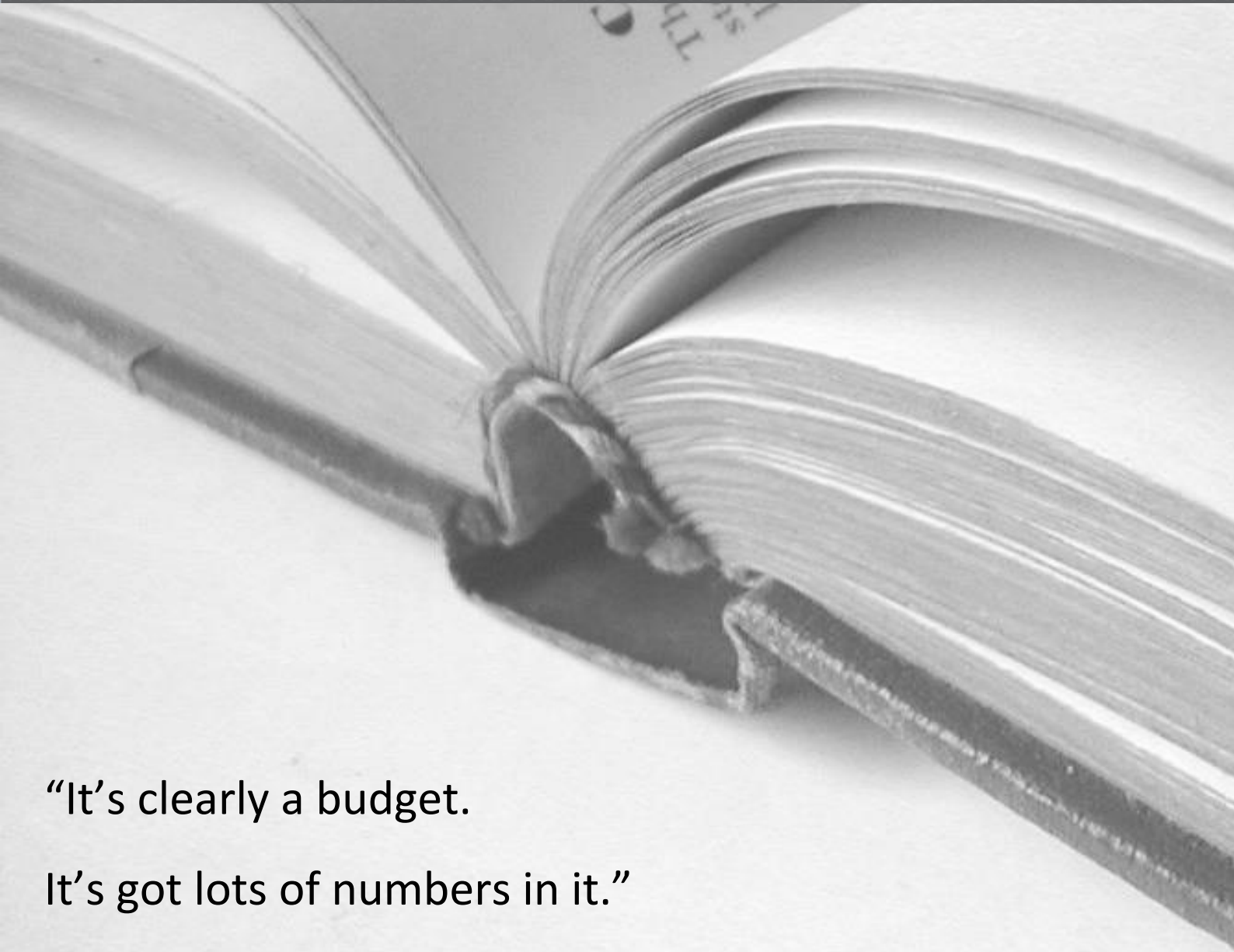


DARWIN RHODES

PART OF
DRYDEN HUMAN CAPITAL GROUP

UK & EUROPE | HONG KONG | CHINA | INDIA | AUSTRALIA | USA

www.darwinrhodes.com



“It’s clearly a budget.
It’s got lots of numbers in it.”

— George W. Bush

T +852 3101 0930

F +852 3101 0989

W www.darwinrhodes.com

Unit A & B 15/F, Entertainment Building,
30 Queen’s Road, Central, Hong Kong



1. Revised Exposure Draft for a new International Financial Reporting Standard

The Insurance Accounting Standards Board (IASB) has issued the revised Exposure Draft of a new International Financial Reporting Standard (IFRS) on 20th June 2013. This new standard aims to replace IFRS 4 and applies to all insurance contracts and reinsurance contracts. The IASB's objective for this project is to provide a single principle-based framework to achieve consistent accounting practices in the future.

In this Exposure Draft, the IASB is requesting feedback towards the certain areas while the comment period ends on 25th October 2013. Our members are encouraged to have a better understanding of the impact from this Exposure Draft.

For more information, please kindly refer to below website at <http://www.ifrs.org/Current-Projects/iasb-projects/insurance-contracts/exposure-draft-june-2013/pages/exposure-draft-and-comment-letters.aspx>.

2. Consultation Conclusions of the Key Legislative Proposals on Establishment of an Independent Insurance Authority

The government has recently published the consultation conclusions of the key legislative proposals on the establishment of an Independent Insurance Authority (IIA).

Public opinion was compiled and the government has refined its initial proposals. The major changes include the functions and composition of the IIA, the appointment of responsible officers, conduct requirements, and dropping of specified suspension power.

The government will take the amendment bill to the Legislative Council by the end of 2013 to form the Authority in 2015.

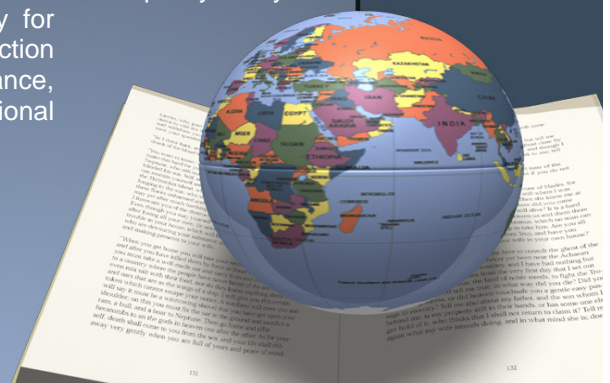
For more information, please refer to the website of the Financial Services and the Treasury Bureau at http://www.fstb.gov.hk/fsb/ppr/consult/iaakeylegislatve_conclusion.htm.

3. Revised MPF Guidelines

The Management Board of the MPFA has recently approved one set of revised Guidelines on Quarterly Returns of Registered Schemes (Guidelines II.3).

Guidelines II.3 set out the information required to be submitted by MPF trustees in respect of the quarterly returns of registered MPF schemes. To facilitate policy analysis on the arrangement of using MPF accrued benefits to pay for severance payments and long service payments under section 12A of the Mandatory Provident Fund Schemes Ordinance, Guidelines II.3 have been amended to collect additional information from trustees in respect of such arrangement.

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



Drummond Scott is a specialist actuarial, insurance and financial services recruitment and consulting firm. Our consultants, area leaders and geographical heads have over 30 years actuarial recruitment experience and are an integral part of their specific markets. Based in Hong Kong we cover the actuarial recruitment markets in Asia Pacific region including China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand and Vietnam.

It is our mission to give the most honest and professional recruitment and related consulting service to the actuarial, insurance and related industries in Asia Pacific. To achieve this we partner with specific clients, helping them to expand and develop their businesses by giving them honest advice and solutions to their resourcing and retention challenges.

While we happily provide advice to fresh graduates actuaries, we mainly recruit positions from Actuarial Analyst to Chief Actuary/ CFO level.

Please contact one of our actuarial specialists directly:

Carina Szeto: carina.szeto@drummondscott.com

Kazu Sun: kazu.sun@drummondscott.com

Matt Siu: matt.siu@drummondscott.com

Spencer Chang: spencer.chang@drummondscott.com

Membership Update

New Membership

Fellow

Philip	Bundy	Swiss Re	FIA (2007)
David	Hamilton	AIG United Guaranty Insurance	FCAS (2008), MAAA (2007)
Louis Chun-Yin	Hui	Prudential	FIA (2012)
Florence Ning	Li	Sun Life Financial	FSA (2012), FCIA (2012)
Hengchang	Pan	Swiss Re	FSA (2005)
Perrin Pak-Yin	Tam	BestServe Financial Ltd	FSA (2011)
Kelvin Kwok-Leung	Yick	Hannover Re	FSA (2013)

Associate

Paul	Yip	University of Hong Kong
------	-----	-------------------------

Student

Jing	Chu	Deloitte	SOA Student
Charles Kin-Yu	Lui	Aetna Global Benefits	IFoA & SOA Student

Membership Upgrade

Fellow

Lulu	Wang	Deloitte	FSA (2013)
------	------	----------	------------

Reinstated Members

Fellow

Stephen Ka-Lok	Liu	Manulife	FSA (2007)
Tommy Yiu-Man	Wu	CIGNA	FSA (2005)

Upcoming Events



Date	Event
24 Jul – 2 Aug	Joint Regional Seminar in Asia
10 - 11 Aug	CAS Course on Professionalism, Beijing
19 - 21 Aug	SOA IFRS, Hong Kong
23 Aug	SOA IFRS, Taipei
10 - 11 Sep	CAA Annual Meeting, Changsha
4 Oct	SOA APC, Hong Kong
7 – 9 Oct	SOA FAC, Bangkok
Oct	SOA APC, Bangkok
10 – 13 Oct	IAA Council and Committee Meetings, Singapore
14 Oct	IAA Fund Meeting, Singapore
15 – 18 Oct	17 th EAAC, Singapore
5 Nov	ASHK Annual Dinner
6 Nov	ASHK Appointed Actuaries Symposium
Nov	SOA APC, Shanghai
12 Dec	ASHK AGM

Actuaries
on the move



Simon Chan
Victor Cheung
Peter Fang
Steven Kong
Cathy Lin
Liu Haibo
Derek Ryan
Thomas KM Tang
Xiang Jianbo
Alan Yip

Others



Actuarial Specialists

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

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

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

Recent Testimonial:

'We have been consistently highly satisfied with the quality of the service provided by Oliver James Associates and we have benefited from the professional nature of their consultants, the knowledge they hold about the insurance industry and the thorough network they have clearly developed within the insurance market.

Since we began the partnership with Oliver James Associates they have exceeded our expectations and outperformed their competition regarding the quality of candidates they have provided and the service that we have received.

Oliver James Associates is now a leading supplier in respect of Actuarial recruitment. We would happily Recommend Oliver James Associates to other businesses.'

Yours Sincerely,

Dan M Jensen
Head of High Net Worth Business
HSBC Insurance (Asia-Pacific) Holdings Limited



Key Contacts

Jonny Plews	+852 5804 9200	jonny.plews@ojassociates.com	Toby Weston	+852 5804 9042	toby.weston@ojassociates.com
Philip Chau	+852 5804 9287	philip.chau@ojassociates.com	Joanne Lim	+852 5804 9225	joanne.lim@ojassociates.com
Gary Rushton	+852 5804 9223	gary.rushton@ojassociates.com	Clémence Laupie	+852 5804 9070	clemence.laupie@ojassociates.com

Events Highlights



ASHK Risk Management Regional Conference, Macau 5-7 May 2013



Mr. Jack Mak
ASHK President



Mr. Paul Smith - Keynote Speaker
Managing Director, Asia Pacific - CFA Institute



Dr. David Hare
President-elect, Institute and Faculty of Actuaries



Mr. Eberhard Müller
Chief Risk Officer & Managing Director,
Hannover Re



Mr. Pierre Noel
Chief Security Officer and Advisor, Microsoft Asia



Mr. Stuart Leckie (Stirling Finance) &
Mr. Jack Mak (ASHK President)



Mr. Chris Lincoln &
Mr. Jack Mak (ASHK President)



Mr. Roddy Anderson &
Mr. Jack Mak (ASHK President)



Mr. Chris Lincoln & Mr. Roddy Anderson

Events Highlights



Mr. Mark Stamper
Regional Chief Risk Officer & Chief Actuary, AXA



Mr. Kelvin Lau
Senior Economist, Standard Chartered



Dr. Geraldine Kaye
Chairman, GAAPS Group &
Managing Director, GAAPS Actuarial



Ms. Estella Chiu (KPMG) &
Mr. Jack Mak (ASHK President)



Group Photo at the Conference Dinner



Mr. Michael Huddart
EVP and CEO, Manulife (International) Limited



Mr. Allan Yu
Governing Committee Member, HKFI



Mr. Will Harrison
Partner, DLA Piper



Mr. Gaston Nossiter
Senior Vice President, RGA



Mr. Michael Ross (Towers Watson) &
Mr. Peter Duran (Immediate Past President of ASHK)



Mr. Peter Duran
Immediate Past President of ASHK

Events Highlights



Mr. Matthew Ha
(Hannover Re - Gold Sponsor) &
Mr. Jack Mak (ASHK President)



Mr. Jeremy Porter
(HSBC - Silver Sponsor) &
Mr. Jack Mak (ASHK President)



Mr. Joseph Chu
(Manulife - Silver Sponsor) &
Mr. Jack Mak (ASHK President)



Mr. Peter Tan
(RGA - Silver Sponsor) &
Mr. Jack Mak (ASHK President)



Mr. Kelvin Lau
(Standard Chartered - Silver Sponsor) &
Mr. Jack Mak (ASHK President)



Dr. Geraldine Kaye
(The GAAPS group - Silver Sponsor) &
Mr. Jack Mak (ASHK President)



Mr. Peter Duran
(AIA - Bronze Sponsor) &
Mr. Jack Mak (ASHK President)

The ASHK would like to extend sincere thanks to the following companies which had provided event sponsorship for the ASHK Risk Management Regional Conference 2013 :
Hannover Re (Gold Sponsorship), HSBC (Silver Sponsorship), Manulife (International) Ltd (Silver Sponsorship), RGA (Silver Sponsorship), Standard Chartered (Silver Sponsorship), The GAAPS Group (Silver Sponsorship) & AIA (Bronze Sponsorship)

ASHK Evening Talk 21 May 2013



Mr. Mark Hoogendijk (Speaker)
Managing Director of E8 Consulting Asia



Prof. Chan Wai-Sum (ASHK Council) &
Mr. Mark Hoogendijk (Speaker)

Prize to Give away



Solution for Apr 2013

Others

Prize to Give Away!



Compare the 2 photos and circle on the **EIGHT** spots of difference. A prize will be presented to the member who submits the first correct answer of **the Photo Hunter**.

Join the game and submit your answer to ASHK Office by email: actuaries@biznetvigator.com **NOW !!!**



Corporate Advertisement

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

File Formats:

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

Advertising Rate:

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

To advertise, please contact the ASHK Office by
Tel: (852) 2147 9420 or e-mail: actuaries@biznetvigator.com

ASHK
NEWSLETTER
Volume 02/2013



ACTUARIAL SOCIETY
of
HONG KONG
香港精算學會

Contributions to the ASHK Newsletter

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

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

Editor

Simon Lam E-mail: SLam@munichre.com

Assistant Editors

Chen Hao E-mail: hao.chen.china@gmail.com
Mary Kwan E-mail: mary.hw.kwan@prudential.com.hk
Iris Lun E-mail: Iris.HY.Lun@prudential.com.hk
Calvin Tang E-mail: calvintangyc@yahoo.com
Sing-Yee Yeoh E-mail: singyee.yeoh@milliman.com

Coordinators (ASHK Staff)

Patricia Kum Tel: (852) 2147 9418 E-mail: patkum@netvigator.com
Tiffany Wong Tel: (852) 2147 9419 E-mail: actsoff@netvigator.com
Emily Lye Tel: (852) 2147 9420 E-mail: actuaries@biznetvigator.com