

ASHK Council Dialogue Session with IA

In mid-April, the ASHK Council held a luncheon meeting with the Insurance Authority (IA). Possible recognition of the ASHK as a statutory body was discussed. Mr. Benjamin Tang, the Commissioner of Insurance, agreed that the ASHK should maintain a high professional standard to serve members and the community in Hong Kong. The Commissioner requested the ASHK to put forward a developmental plan of becoming a statutory body for his consideration.

Actuarial Forum in China: "Global Developments in Actuarial Education and the Actuarial Profession"

To exchange views on recent developments in actuarial education and the global examination system, over 130 leaders of actuarial professional bodies, university professors, actuaries and top insurance executives from China, Hong Kong and around the world gathered at the First International Actuarial Forum in Xiamen from 25 to 26 April. Sponsored by the International Actuarial Association (IAA), this Forum was a joint effort of the Society of Actuaries of China (SAC) and the ASHK.

The keynote speaker was Mr. Ma Yongwei, Chairman of the China Insurance Regulatory Commission (CIRC). In his speech, Chairman Ma stressed that the development of the actuarial profession in China was important. Although developments so far in the Chinese actuarial profession have been oriented mainly towards life insurance, he indicated that now CIRC would encourage effective actuarial involvement in general insurance and reinsurance. Actuarial consulting firms would be licensed to operate in China as well. It is therefore not surprising that there should be an increasing demand for qualified actuaries in China's insurance, social security and pension markets.

The Forum continued with presentations from representatives of various actuarial professional bodies on their development regarding the actuarial profession and examination system. Mr. Edward Levay, IAA President stated that actuary in the new millennium should be multidisciplinary. Improving and exploring knowledge, skills and network in wider fields are vital. Facilitating exchange of CPD information between actuarial associations of different countries should be therefore encouraged. In addition, education of new

actuaries, including attracting new candidates to the profession should not be ignored. This can be achieved through presentations, seminars and lectures to potentially aspiring actuaries and the development of educational courses and programs in secondary schools and colleges as well as universities.

The final program of this Forum was the breakout sessions which delegates were assigned to. The objective of forming working groups was to create a platform where actuaries from around the world can discuss the future development of the Chinese actuarial profession. Topics on examination syllabus, involvement of universities, recognition of qualifications and professional development were widely discussed.

We would like to express our sincere thanks to the IAA (sponsor), SAC (co-organizer) and all the participants for making this Forum fruitful and successful. A vote of thanks is also due to the local CIRC office and insurance companies for their logistics support during the forum.



Presidential Meeting with Chairman Ma

Updates on Proposed ASHK Guidance Note on Reserving Standards for Investment Guarantees

As mentioned in the Newsletter vol.02/2002, the ASHK sub-committee has drafted a set of guidelines on the process for determining liabilities under GN7 issued by the IA. The sub-committee is reviewing the comments received from Members, the IA and the Mandatory Provident Fund Schemes Authority and revising the exposure draft. The ASHK Council will in due course convene an Extraordinary General Meeting to discuss the proposed guidelines and to vote on the adoption of the guidelines as a Guidance Note.



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NEWSLETTER

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The Actuarial Profession: Meeting Future Challenges

On 8 May 2002, the ASHK Council was honoured to invite the President of the Institute of Actuaries of Australia (IAAust), Ms. Helen Martin to give a luncheon talk regarding the future challenges facing the actuarial profession, both in Australia and internationally and actions that the IAAust is taking to meet those challenges.

'Globalization, continued convergence in the financial services sector as well as increased consumer and market expectations in relation to the security of financial services entities and the conduct of the professionals are future challenges for actuaries,' said Ms. Martin.

To cope with those challenges, the IAAust has undertaken several initiatives. The IAAust has strong academic linkages with universities that offer actuarial courses. It encourages pre-qualification actuarial education, leading to qualification as a Fellow of the IAAust (FIAA). Besides, the IAAust has recently established an international education strategy taskforce with developmental plans of supporting actuarial education in Hong Kong, Singapore, China and India like establishment of local committees and local support for tuition and examination centres, and CPD programs. As the global nature of the actuarial association, the IAAust has developed mutual recognition with other international actuarial associations. Apart from that, it keeps trying to expand the horizons of actuarial practice outside the traditional areas of life insurance, general insurance and pensions.

A vote of thanks is due to Ms. Martin for her very informative presentations.

**The Actuarial Society of Hong Kong
NEWSLETTER**

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Contributions

We welcome articles and letters. 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.

GN9 – Guidance Note on Actuarial Review of Insurance Liabilities in respect of Employees' Compensation and Motor Insurance Business

The ASHK has recently received a letter from the Insurance Authority which clarified the application of the GN9, particularly in two areas i.e. the definition of "outstanding claims liabilities" and the reporting of "risk margins". For members who work for employees' compensation and motor insurance business, the following information extracted from the letter may be especially relevant:

"Indirect claims expenses" as contained in the definition of "outstanding claims liabilities" in paragraph 11 of GN9 may be interpreted to mean expenses, such as research or general consultancy expenses related to claims handling or settlement but which may not be directly allocated to the handling of individual claims. It is not the intention of IA to place more stringent requirements on insurers by including such indirect claims expenses as staff salaries or other management expenses.

Paragraph 11(c) of GN9 requires additional "risk margins" to the best estimates of premium liabilities and outstanding claims liabilities as may be considered appropriate by the actuary. The IA have no objection to such risk margins being incorporated in the premiums liabilities and outstanding claims liabilities or disclosed by way of a note to the annual audited accounts.

Join an IAA Committee

As the ASHK is a full member of the International Actuarial Association, it is entitled to one seat on each

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of the IAA committees. Currently, Mr. Stuart Leckie is the Chairman of the IAA China Committee and a member of the Supranational Relations Committee, representing Hong Kong. To increase the profile of the ASHK in Hong Kong and around the world, the ASHK should be represented in the other IAA committees. The IAA has 13 committees (Accreditation, Advice and Assistance, Audit, Education, Financial Risks, IASB Employee Benefits Accounting Standard, IASB Insurance Accounting Standards, Insurance Regulation, Nominations, Professionalism, Services to Individual Members, Social Security and Supranational Relations) and 3 sections [Actuarial Approach to Financial Risks (AFIR), Actuarial Studies in Non-life Insurance (ASTIN) and International Association of Consulting Actuaries (IACA)]. Members who are interested in representing the ASHK in the above committees, please contact the ASHK office by tel: (852) 2147 9418 or e-mail: patkum@netvigator.com for more details.

ASHK Membership Update

New Members

The ASHK Council would like to extend a very warm welcome to the following new members whose applications have been approved by the Council.

Name	Status	Company
Xiaodong YU	Associate	China insurance HK (Holdings) Co Ltd
Jimmy Yuen Wai CHENG	Student	--
Calvin Ho King KWOK	Student	Ernst & Young
Ka Chai LAI	Student	Principal Insurance Co (HK) Ltd
Frankie NIP	Student	Pacific Century Insurance Holdings Ltd
Matthew Tak Shing TONG	Student	SCOR Reinsurance Co (Asia) Ltd

Change of Membership Status

The following members have changed his membership status since May 2002. Congratulations!

Name	Updated Status	Company
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Jeff Yau Chung LAU	Fellow	MLC (Hong Kong) Ltd
Albert Chun Shan WONG	Fellow	The Chinese University of Hong Kong

Members on the Move as of May 2002

FELLOWS

John Chi Ho LIM

American International Assurance Co Ltd
18/F, AIA Building
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ATT New Tower
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SOA Joint Regional Seminar Supported by the F&IoA and Local Actuarial Bodies

The ASHK is pleased to announce that the Society of Actuaries (SOA) is sponsoring a regional seminar in Asia on Product Development in July. The seminar is also supported by the Faculty and Institute of Actuaries (F&IoA) and local actuarial bodies. It will be held for one to one and a half days in each of the 4 locations below. You can choose to attend any one of the 4 locations. Besides actuaries, industry practitioners and government bodies will also be invited to attend the seminar.

Date, Location and Local Organizers:

- 1 July Singapore (Singapore Actuarial Society)
- 2 July, pm Shenzhen (SOA China Region Committee)
- 3 July Shenzhen
- 4 July Taipei (SOA China Region Committee and Insurance Institute of the Republic of China)
- 5 July, am Taipei
- 8 July Seoul (Korean Actuarial Association)

Topics:

The Product Development Seminar will cover topics on life insurance, annuities and nontraditional products:

- Product Development Process

- Actuarial Control Cycle: Product Development, Financial Management and Distribution
- Emerging Mortality
- The Future of Mortality
- Variable and Unit-linked Products
- Small Life Insurance Policies
- Nontraditional Distribution Channels and Products

The topics in the afternoon of 2nd July in Shenzhen will focus on Life Insurance Product Development & Distribution in China:

- Some Actuarial Concerns on Product Development in the China Market
- Bank Insurance in China
- Product Innovation in China

The morning session in Taipei on 5th July will be an interactive session. More information will be provided on the SOA and F&IoA websites in due course.

Guest Speakers:

- Jay M. Jaffe, Actuarial Enterprises, Ltd
- Allen Klein, Bankers Life & Casualty Co
- Mary Bahna-Nolan, North American Co-Life/Health
- Mark Saunders, Tillinghast
- Paul Sinnott, Watson Wyatt
- Dominic Lee, AIA (Shenzhen only)
- Stephen Clinton, Ping An Insurance (Shenzhen only)
- Dick Wan, Taikang Life (Shenzhen only)

Number of PD Credit/CPD:

SOA Professional Development information will be posted on the SOA website in due course.

Continuing Professional Development - CPD: Members of the Faculty and Institute of Actuaries and other actuarial professional organizations may find the seminar a useful contribution to their personal professional development. The amount of hours recorded is left to the discretion of the individual.

Registration:

Registration will start in early June.

Contact:

Singapore, email: SASSEC@Lifeisgreat.com.sg
Arthur Ren (Shenzhen), email: rengt@PAIC.com.cn



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Health Financing in Australia, 14-19 September 2002

The ASHK has been asked to bring to the attention of members the Health Financing Course which is organized by the Institute of Actuaries of Australia (IAAust) to be held in 14-19 September 2002 in Rydges Capital Hill, Canberra.

Owing to the dynamics of ageing populations, changing health management practices and advances in science & technology are focusing attention on the need for longer-term strategies for health financing. Australia's health system is inherently complex and, in this important area of social policy, financial risk management requires considered analysis and projection. Recognising this need, the IAAust has developed a new Health Financing Course, which will capitalise on the expertise of leaders within the health system and the growing body of knowledge in health financing. The course will provide a unique opportunity for actuaries and other health professionals to contribute to debates on the development of future strategies in health financing.

Topics/Guest Speakers:

The course will cover six major areas, each delivered by presenters acknowledged as experts in their fields:

- Health Care in Australia by Prof Just Stoelwinder, Private Health Insurance Administration Council
- Health Care Expenditure and Performance by Richard Madden, Australian Institute of Health and Welfare
- Analysis of Health Care Data by John Walsh, PricewaterhouseCoopers
- Funding Annual Recurrent Expenditure and Infrastructure by Assoc Prof Bob Gibberd, Health Services Research Group, University of Newcastle
- Contracting in the Health Care System
- Modelling of Savings Resulting from Health Care System Investments by Brita Pekarsky, Health Economics, University of Adelaide

Target Audiences:

Health Actuaries, Health Executives, Chief Financial Officers & Risk Managers, Health Economists, Policy Makers, Health & Finance Consultants and Fund Managers

Registration:

Registration forms will be available in late May. For further information, please the IAAust on 61 2 9233 3466 or email: events@actuaries.asn.au or see www.actuaries.asn.au for event updates.

AFIR Colloquium 2003

Members may also wish to note that the following two notices being released by the Actuarial Approach to Financial Risk (AFIR) Section of the IAA.

International AFIR Colloquium 2003

The International AFIR Colloquium 2003 will be held from 17-19 September 2003 in Maastricht, Netherlands. Members who would like to have more information on the colloquium details or would like to pre-register should visit the website at www.afir2003.nl.



The "Bob Alting von Geusau" Memorial Prize

This memorial prize is offered by the AFIR Section Committee annually for the best contribution to the ASTIN Bulletin on a subject related to AFIR. The Prize will be in cash, of an amount equivalent to 5,000 Canadian dollars.

The Prize will be named the "Bob Alting von Geusau Memorial Prize" in memory of AFIR's first Treasurer, who served from the formation of AFIR in 1986 until his untimely demise in November 1999, following a long illness.

Bob Alting von Geusau is fondly remembered by his colleagues in the Netherlands, as well as by the many international attendees at AFIR and ASTIN colloquia. This annual Prize will perpetuate his memory.

The first award will be based on articles published in the ASTIN Bulletin during 2002. It will be announced,

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fittingly, at the AFIR Colloquium to be held in the Netherlands in September 2003.

All contributions published in the ASTIN Bulletin will be eligible for the Prize, and no special application need be made by any author in order to be considered.

It is hoped that the announcement of this Prize will provide encouragement to the many researchers into the actuarial aspects of financial risk to share the results of their research through submitting publications to the ASTIN Bulletin.

Upcoming Events for Your Diary

Date	Event
1 Jun	ASHK and PolyU Seminar <i>(It has been approved for 6 units of SOA PD credit.)</i> Speaker: Prof. Elias Shiu, The University of Iowa and The Hong Kong Polytechnic University Topic: Interest Rate Risk Management: Immunization, Cashflow Matching and Option-Pricing Theory
1-8 Jul	SOA Joint Regional Seminar in Singapore, Shenzhen, Taipei and Seoul <i>(Organizer will apply for SOA PD credit and CPD.)</i>
26 Jul	ASHK Luncheon Meeting & Extraordinary General Meeting (tbc)
12-15 Aug	SOA Course 7, Hong Kong
15-16 Sept	Chinese Actuarial Examinations in Hong Kong Date and Course: 15 Sept, pm Course 7 16 Sept, pm Course 8
Sept	ASHK 2nd Appointed Actuary Symposium
Dec	ASHK Annual General Meeting