

# The Actuarial Society of Hong Kong

## NEWSLETTER

Volume 01/2000

### Annual General Meeting

At the AGM on 15 December 1999 the following members of the Society were elected to Council.

They were:-

Russel Lok                      President  
 David Bell  
 David Hughes  
 Michael Ross  
 Alan Tan  
 Herbert Chan

The other members of council are:

Stuart Leckie                  Immediate Past President  
 Andrew Alexander  
 Tim Andrews  
 Peter Lau  
 Aaron Wong  
 William Wong

(Employer)		
Mr David Bell Life Insurance Committee (Manulife)	David_Bell@manulife.com	2510 5802 2510 7376
Mr David Hughes Professionalism Committee (Standard Life Asia)	David_hughes @standardlife.com.hk	2169 2555 2861 3855
Mr Alan Tan Experience Committee (Swiss Re Life & Health)	Alan_tan@swissre.com	2582 5689 2589 1914
Mr Mike Ross EAAC Committee (AXA China Region)	Michael.ross@axa-chinaregion.com	2519 1199 2598 5736
Mr Aaron Wong Retirement Schemes Committee (Watson Wyatt)	Aaron_wong@watsonwyatt.com	2820 9913 2827 8899
Mr. Peter Lau Secretary & Treasury, Membership Committee (Eagle Star)	Peter.Lau@eaglestar.com.hk	2977 0297 2886 2802
Mr William Wong MPF Committee (Manulife)	william_wong@manulife.com	2510 3059 2807 1927

Those interested in joining any of the committees, please contact committee chairpersons.

### COMMITTEES

The following council members have been nominated to head the various committees of the ASHK.

Council Member Role (Employer)	E-mail Address	Telephone / Fax
Mr Russel Lok Meetings Committee (PricewaterhouseCoopers)	Russel.dean.lok @hk.pwcglobal.com	2289 8419 2297 3388
Mr Stuart Leckie Past President China Committee (Woodrow Milliman China)	shleckie@hkstar.com	2147 9998 2147 2822
Mr Tim Andrews General Insurance Committee & Health Care Committee (Trowbridge Consulting)	Atlas.lo@trowbridge.com.au	2890 5222 2577 9683
Mr Andrew Alexander Investment Committee (The Pacific Grp,Ltd)	andrewa@pacgrb.com	2825 7535 2524 1280
Mr. Herbert Chan Education Committee (Hong Kong Government)	Herbert_chan@hongkong.com	2867 4572 2869 0252

Council Member Role	E-mail Address	Telephone / Fax
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### New Members

The following new members have recently been approved by the Council.

Name	Status	Company
Steve O'REILLY	Fellow	CMG Asia
Alexander CHEUNG	Student	East Asia Aetna
HUNG Pui Yuen	Student	East Asia Aetna
Christopher EDWARDS	Fellow	Independent Quantitative Research
Dale KELLY	Fellow	ING FSI Asia Ltd
NG Hon Fai	Student	Manulife
DAI Ka Ming	Student	Manulife
Linda KAM	Student	Manulife
Gloria WAN	Student	Pacific Century Insurance
Raymond LI	Associate	PricewaterhouseCoopers
David HUGHES	Fellow	Standard Life Asia
Anthony KWOK	Associate	Sun Life of Canada
Dorothy TSUI	Student	Sun Life of Canada
Jeremy WALL	Associate	Tillinghast-Towers Perrin
Terence YIU	Student	Tillinghast-Towers Perrin

*Actuarial Society of Hong Kong  
 Strategic Objectives and Action Plan 2000*

The Actuarial Society of Hong Kong, 1806 Tower One, Lippo Centre, 89 Queensway, Hong Kong  
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The Council of the ASHK met recently to decide on a direction for the ASHK in the new millennium. The result was a set of strategic objectives, and an action plan for the forthcoming year.

This is an ambitious plan. We realise that there will be practical challenges in trying to accomplish all of these, as well as new issues arising during the year which will need to be addressed. Nevertheless we have set a target of accomplishing at least 75% of the listed actions.

We feel that support from the ASHK membership will be a critical success factor in achieving these objectives. We have therefore decided to publicise the plans and encourage members to join the various ASHK committees and to provide support to the functions organised throughout the year.

### *Strategic objectives*

During the year 2000, the ASHK aims to achieve the following general objectives:

- Gain wider positive public recognition for the actuarial profession in Hong Kong
- Position Hong Kong actuaries as being able to deliver international best practice in Hong Kong and across the Greater China and Far East regions
- Assist in the smooth launch of the Mandatory Provident Fund
- Encourage and assist members to expand the role of the profession beyond the traditional technical roles in the life insurance and pensions fields

### *Action Plan*

To achieve these objectives, the ASHK sets the following action targets:

*Be proactively involved in the development and promulgation of MPF related standards and guidelines, issued by the ASHK, regulatory agencies, industry bodies and/or other professional bodies. Specifically these could cover:*

- ORSO scheme interface
- Sales practices and member protection
- Scheme pricing and design

*Organise at least one MPF related seminar with an actuarial focus*

*Issue an updated life insurance industry mortality experience study*

*Support the life insurance industry persistency experience studies*

*Actively contribute and participate in the Government's health care reform initiatives*

*Gain recognition by providing technical support for one or more investment performance indices*

*Organise at least 10 regular professional meetings (lunch or evening presentations or discussions)*

*Organise or jointly organise at least two professional seminars (half day or more)*

*Launch the ASHK website, including information previously published in the ASHK handbook*

*Issue at least 6 newsletters to members*

*Fulfil our membership requirements/obligations to the IAA; specifically to establish our code of conduct and disciplinary processes*

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*To review and action the practical issues associated with being a professional body (eg use of titles, examination requirements, formal recognition, disciplinary processes, CPD requirements)*

*Obtain some form of professional recognition or acknowledgement of members of the ASHK practicing in China*

*Prepare and initiate a working plan for the October 2001 EAAC*

*To develop a vision statement on the role of the actuary in the new millennium*

*Develop a fully functional administrative office including relocation from our current site*

### **Subscription Fees**

ASHK annual subscription fees have remained unchanged over the last several years. With the setting up of a full-time administrative joint office to service the members in East Asia of the Society of Actuaries, the Faculty and Institute of Actuaries, the Actuarial Society of Hong Kong, and the Institute of Actuaries of Australia, it was proposed at the EGM that the subscription fees be increased with effect from 15 December 1999. The proposal was adopted. The new annual subscription fees for the period October 1999 - September 2000 are as follows:

\$1,200 for Fellow Members  
\$720 for Associate Members; and  
\$430 for Student Members.

The new member application fee remains unchanged at \$120.

### **Proposed changes to The Insurance Companies Ordinance**

The Government has recently published a bill which proposes changes to the Insurance Companies Ordinance. The purpose of the changes are to allow the Insurance Authority greater flexibility in disclosure of its information without having to seek the companies consent and require

the Appointed Actuary to comply with PS1 or a similar Professional Standard.

### **Report on 10<sup>th</sup> East Asian Actuarial Conference Seoul, Korea. 3-6 October 1999**

The 10<sup>th</sup> East Asian Actuarial Conference was held in Seoul, Korea from the 3-6 October 1999, with the theme "The Actuary's Challenge in the New Millennium". The conference attracted almost 400 actuarial professionals from Korea, around the region and internationally. Some 9 national reports and 48 professional papers were presented and discussed during the course of the conference.

There were three striking features of the conference:

- The scale of the conference
- The technical quality of the papers
- The host country's well planned and executed organisation

The conference has increased in size over the years, not only in terms of number of participants, but also in terms of the number of countries formally participating. The majority of actuaries practising on the region, usually only have regular contact with actuaries from the same country in which they reside. However the EAAC gives them the opportunity to expand their contact base and to renew old acquaintances.

In the past technical papers presented at the EAAC have tended to focus on basic actuarial principles. The papers presented at the 1999 conference, however, were definitely one step ahead in that they reflected some of the latest international thinking in actuarial science and practice. Some of the topics covered include use of financial derivatives, GLMS, long term care and national health and pension reforms.

Furthermore a number of the papers addressed real issues facing the Asian economies, and have gone beyond the traditional technical actuarial confines, covering a range of wider topics, such as customer value management, segmented sales process and corporate restructuring.

The Korean Actuarial Association deserves hearty congratulations for a job well done. The organiser had to deal with different interest groups, countries,

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cultures and languages. Despite these challenges, the organisers handled the logistics smoothly and efficiently. Furthermore the organisers have embraced some of the new technologies available to improve the quality of the conference. Notable were the multimedia country presentations, as well as the issue of all conference materials on CD ROM.

The 11<sup>th</sup> East Asian Actuarial Conference will be held in October 2001, and will be hosted by Hong Kong. The Actuarial Society of Hong Kong have already begun their preparations in order to meet the new benchmark and challenges set by the 10<sup>th</sup> EAAC.

### **EAAC 2001**

The ASHK will host the 2001 EAAC. The tentative date for this event has been set as 8<sup>th</sup> to 10<sup>th</sup> October 2001. The following committees have been formed.

#### Organizing Committee

Michael Ross	<i>Chairman</i>
Daniel Tu	<i>Deputy Chairman</i>
Luke Seberry	
K C Chan	
Peter Lau	

#### Operating Committees:

##### Program Committee

Luke Seberry	<i>Chairman</i>
Des Thomas	<i>Deputy Chairman</i>
Kai Tse	

##### Sponsorship Committee

K C Chan	<i>Chairman</i>
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##### Publicity Committee

Daniel Tu	<i>Chairman</i>
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##### Finance, Secretariat & Administrative Committee

Peter Lau	<i>Chairman</i>
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We are looking for more volunteers to join our various committees. If you are interested, please contact Michael Ross at 2519 1199.

### **Experience Committee**

The Experience Committee has completed the industry individual mortality analysis for the period between 1994 and 1997. However, the Committee has found that there is some data inconsistency when compared with the experience of prior years of study.

Due to the above reason, the Committee has decided that the result of the study will not be released publicly. Instead, the result of the study will be sent to the Chief Actuaries of the companies which have contributed data to the study.

### **Education Committee**

The Education Committee would like to draw your attention to the following 3 matters:

1. Any FSA interested in teaching Course 5 (Application of Basic Actuarial Principles) of the SoA examination in the morning for one or two weeks in July or August this year in Fudan University in China could contact Mr. Dominic Lee at 2832 1238. The target audience will be lecturers, students and actuarial staff working in China. It is expected that the course be taught in Putonghua. Alternatively, English is also acceptable. Air ticket, accommodation and a nominal honorarium will be provided by Fudan University.
2. Any student interested in doing some part-time courses in the School of Professional and Continuing Education (SPACE) of Hong Kong University could contact Ms Camy Chu of SPACE on 2975 5713 before the application deadline of 10 February 2000. SPACE offers a Professional Diploma in Insurance and Actuarial Studies and a Higher Professional Diploma in Insurance and Actuarial Studies.
3. Any member interested in being nominated by ASHK to obtain a British Chevening Scholarship to study in the UK in 2000/2001 should contact Mr. Herbert Chan at tel: 28674572 as soon as possible. The application deadline is 4 February 2000.

### **Do You Want To Be An Actuarial Student Advisor**

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*By Sherry Lu, member of the SOA China Region Committee.*

Do you have a wealth of experience gained through years of working as an "Actuary" which you now want to share with new-comers? Have you always wanted to savour the feeling of being a teacher, appreciated by your students? With the right qualifications, you can now get all of this by becoming an advisor of SOA Professional Development program.

*So what does an advisor do?*

The SOA is implementing a new education and examination system on 1 January 2000. Besides sitting eight exams in the formal exam process, candidates are also required to construct and complete a Professional Development (PD) course by attending formal professional programmes (such as seminars, courses, meetings) and completing a research project.

To ensure a PD course meets the professional development needs of a particular candidate, every candidate is required to recruit an advisor or an advisory panel to help construct his/her PD plan, review the actual execution and provide the final sign-off. The significant roles of advisors become even more critical in Asia where further individually tailored PD plans can and will be constructed.

*Who can be an advisor?*

"Advisors must be Fellows of the SOA for at least five years. In addition, advisors must be SOA members in good standing," as defined in the SOA's "Guidelines for Advisors".

It is obvious that there will be a limited numbers of qualified advisors in Asia. Some might think that Hong Kong would be an exception due to the large body of qualified actuarial professionals working in Hong Kong. But do you know how many candidates are and will be qualified to participate the PD program? Based on SOA's estimate, there will be 60 or more students participating in the PD program within next two years from the China Region (Mainland China, Hong Kong, Taiwan), of which half are expected to be from Hong Kong.

To deal with the shortage of advisors outside of North America, the SOA has further defined that "for candidates outside North America where a suitable FSA cannot be found to serve as an advisor, a Fellow of the Institute of Actuaries, Faculty of Actuaries or Institute of Actuaries of Australia may serve."

*How to become an advisor?*

Generally candidates will recruit their own advisors. If you have the right qualifications, don't be surprised if someone approaches you and asks you to become his/her advisor. However, for those of you who are qualified and who are interested in becoming advisors for students in the China Region, you are strongly encouraged to register with the SOA China Region Committee (CRC) so that your names can be made available to the PD programme candidates to consider.

The CRC is the representative of the SOA in the China Region. It has been actively involved with various activities under the direction of the SOA. One of the CRC's responsibilities is to provide supports to student members, such as to help PD programme candidates in recruiting their advisors.

However, it is important to note that even though the advisors' names are provided by SOA CRC, the SOA CRC is not responsible for the suitability of the advisors, the advice provided by the advisors to the candidates or the outcomes of the student PD programs.

*How to contact the CRC?*

You can contact any of the CRC members as listed at the SOA website <http://www.soa.org>, or Patricia Kum who is the Coordinator of Asian Services of SOA in Hong Kong at [patkum@netvigator.com](mailto:patkum@netvigator.com). If you wish to know more about the PD requirement, please refer to the PD documents that have been posted to the SOA website. Please note that these documents will be updated and new articles will appear as they become available.

***MPF Seminar in April 2000***

After receiving members' encouraging response and participation at the Health Care Reform

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seminar in November 1999, the Society of Actuaries China Region Committee and the Actuarial Society of Hong Kong have decided to organize another joint seminar for the benefit of their members. The title of the seminar will be "Impact of MPF on Hong Kong's Financial Services Industry". The one-day seminar is scheduled in April 2000 and is expected to feature prominent speakers presenting their perspectives on the impact of MPF on the life insurance industry, financial institutions, consumers, and the Hong Kong economy. The organizers will apply to the SOA Professional Development (PD) Committee for approval of SOA PD credit for this seminar. Watch out for the meeting notice which will be mailed in early March. For more information on the seminar, please contact Ms Patricia Kum at e-mail: [patkum@netvigator.com](mailto:patkum@netvigator.com). or Ms Sherry Lu, Organizing Committee Chairlady at email: [lus@tillinghast.com](mailto:lus@tillinghast.com).

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