



The 2000 Annual General Meeting

The 2000 Annual General Meeting of the ASHK was held on 14 December 2000 at the Grand Hyatt Hotel, Hong Kong. Around 170 members attended the AGM. Of them, 58 were voting members.

Mr. Russel Lok, the 2000 President, addressed the meeting. In the President's Report, he encouraged members to join the committees and to participate actively in contributing to the development of the Society. During the AGM, the minutes for 1999 AGM was confirmed. The audited account for the year 1 October 1999 – 30 September 2000 was also adopted unanimously.

Moreover, the event marked the end of the 2000 Council and the beginning of a new term. Mr. Aaron Wong, Mr. Tim Andrews and Mr. William Wong have retired from the Council. For the year 2001, there was one candidate standing for election of President. Mr. K C Chan has been elected unanimously as the new President. At the same time, there were five candidates standing for the five vacated Council Members. Mr. Andrew Alexander, Mr. David Alexander, Mr. Peter Lau, Mr. Stuart Leckie and Mr. Kai-lee Tse have been elected as the new Council Members for a two-year term. In addition, Mr. Lok reported that Ernst & Young, represented by Mr. Alan Mason, and Mrs. Christine Koo have again kindly consented to be the Honorary Auditor and the Honorary Legal Adviser respectively for the upcoming year.

To express sincere thanks to all Council Members, Honorary Legal Adviser and Honorary Auditor for their contribution and support to the Society throughout the year, souvenirs were presented to each of them. After that, Mr. K C Chan, the new president, presented a souvenir to Mr. Lok as a token of appreciation for his leadership in 2000. Mr. Chan finally gave a brief introduction about himself and the future plan in the year ahead.

Committees

The following Council Members have been nominated to head the various committees of the ASHK in 2001.

Committee	Committee Chairpersons (Employer)	E-mail, Telephone & Fax
China Committee	Mr. Stuart Leckie (Woodrow Milliman China)	wmchina@wmchina.com 2147 9998 2147 2822
EAAC Committee	Mr. Michael Ross (Watson Wyatt) & Mr. Russel Lok (PricewaterhouseCoopers)	michael_ross@watsonwyatt.com 2820 0053 2827 7700 russel.dean.lok@hk.pwcglobal.com 2289 8419 2297 3388
Education Committee	Mr. Herbert Chan (Hong Kong SAR Government)	herbert_chan@hongkong.com 2867 4572 2869 0252
Experience Committee	Mr. David Alexander (Swiss Re Life & Health)	david_alexander@swissre.com.hk 2582 5689 2598 1914
General Insurance Committee	Mr. Kai-lee Tse (Centre Representatives)	kai.tse@centresolutions.com 2230 9855 2230 9898
Investment Committee	Mr. Andrew Alexander (The Pacific Grp., Ltd.)	andrewa@pacgrp.com 2825 7535 2524 1280
Life Insurance Committee	Mr. David Bell (Manulife)	david_bell@manulife.com 2510 5001 2510 7376
Professional Matters Committee	Mr. David Hughes (Standard Life Asia)	david_hughes@standardlife.com.hk 2169 2555 2861 3855
Retirement Schemes Committee	Mr. Alan Tan (AIA)	alan-sf.tan@aig.com 2832 6005 2834 2813
Secretary & Treasury, Memberships Committee	Mr. Peter Lau (Sun Life Assurance Company of Canada)	laupe@sunlife.com 2103 8038 2103 8128

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

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 have 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.



Messages from the President

I would like to offer my sincere thanks to all members who elected me to the position of President of the ASHK. It is a great honor and I look forward to working with you all for a very productive year.

In the last three months, the council has worked closely with our members to provide constructive comments to the proposed Guidance Note on Investment Guarantee Reserving by IA. A covering letter with our comments has reached the Commissioner of Insurance on January 15, 2001. I am deeply impressed by the amount of time and effort Mr. Michael Ross has put in compiling the Society's comments. On behalf of the Society I would like to thank Michael for his great work.

On January 11, 2001, a contingent of actuaries including Mr. Stuart Leckie, Mr. Danny Chung, Ms Shu-yen Liu and myself have attended the 2nd IAA International Professional Meeting. The meeting lasted 3 days with "The Profession of Actuary and Its Role in Protecting the Public Interest" as the theme. The meeting was attended by representatives from 14 countries. The ASHK made a brief presentation on the development of the Society. The ASHK is a full member of IAA and is entitled to participate in all its committees.

This issue of Newsletter includes a letter from one of our members. The council's view is that the content of the letter is appropriate and it would be beneficial to the profession by sharing it with our members.

Lastly, I would like to share with you my goals in year 2000 – 2001:

1. Continue to raise the professional standard of our profession.
2. Proactively work with the regulator to ensure public interests are protected.
3. Leverage our members' international expertise to develop Hong Kong's actuarial profession.
4. Successfully organize the 11th EAAC.

I look forward to developing a set of strategic objectives with the council members in the February council meeting.

(President of the ASHK, Mr. Kin Chung Chan, FSA, FCIA can be reached at kinchung.chan@prudential.com.hk)

New Members

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

Name	Status	Company
Benny NG	Fellow	The Tai Ping Life Insurance Co Ltd
Cyril TWOMEY	Fellow	Towers Perrin
David ALEXANDER	Fellow	Swiss Re
Frank BUCK	Fellow	Deloitte Touche Tohmatsu
John LAW	Fellow	Woodrow Milliman Asia
Kek Keong CHIN	Fellow	Prudential Corporation Asia Ltd
Peter George TELFORD	Fellow	AXA China Region
Simon Sha	Fellow	Munich Re
Synthia KWAN	Fellow	Sun Life of Canada
Jason Jia-Hsing YEH	Associate	Chinese University of Hong Kong
Alfee Chi Wai HUI	Student	BOC Group Life
Charlies Choi Nai TU	Student	Trowbridge Consulting
Chun WONG	Student	CMG Asia Limited
Elaine Yim Ling LAW	Student	CEF Lend Lease
Eldora WONG	Student	William M Mercer
Hoi Keung LAW	Student	
Johnny Siu Kei HO	Student	Trowbridge Consulting
Kwong Hei WONG	Student	The University of HK
Michelle Lesley WILLIAMS	Student	Woodrow Milliman China
Renee Wing Yee WONG	Student	The Tai Ping Life Insurance Co Ltd
Ricky Hiu Fung LEUNG	Student	AXA China Region
Tommy Lai Yuen YIP	Student	AIA
Wilson Wing Yiu MA	Student	William M Mercer
Yan Lung LAM	Student	Mass Mutual Asia
Yuk Lun SZETO	Student	The Tai Ping Life Insurance Co Ltd

Letter to Editor from Peter Luk

I refer to an article in Ming Pao on November 30, 2000 wherein in an "actuary" was quoted commenting on our value.

As is well known among the actuarial profession, to assign a value to an insurance company one has to perform certain 'due diligence' – What kind of products does the company sell? What is their profitability? What is the growth potential? What is the company's investment strategy and investment performance? What is the value of the inforce block? What is the value of the infrastructure including systems, sales force, company culture, etc? – There has also to be due diligence in regard to



the data accuracy, data adequacy, and data integrity, etc. That is what we know as professionalism.

The said “actuary” has apparently done no such due diligence. He or she apparently meant that to be just a piece of gossip.

As an executive of this company, I have no objection whatsoever to people commenting on our value. That is one of the necessary evils that go with being a listed company. However, to be quoted as “actuary” is quite something else.

An “actuary” speaks with authority. He or she speaks with a reputation backed up by the whole professional body known as Actuarial Society of Hong Kong. To the uninitiated, a piece of gossip is just a piece of gossip, no more and no less. To the other professionals of the financial service industry, however, such a quote without proper due diligence portrays an image of immaturity and irresponsibility for the whole profession.

The older actuaries should remind how hard we fought to bring about the government’s recognition of the profession. Even so, we still have not reached the status of “accountant” as yet. Such a hard-won reputation should not be allowed to be dealt with frivolously.

An actuary who speaks with a journalist should expect to be quoted. The actuary should insist on him/her being quoted other than as “actuary” if such a quote could jeopardize the reputation of the profession as a whole. You would never read in a newspaper about an accountant assigning a value to a company in his/her capacity as “accountant”.

I would appreciate if you would circulate this letter among the members of the Society, or alternatively, take other measures as you deem appropriate to protect the reputation of the profession.

(Peter Luk is a member of the Society and works for Pacific Century Insurance Holdings Limited as Executive Director.)

Actuarial Profession Takes Further Steps Forward in China

Nankai University in Tianjin, China was the venue for the International Conference on Risk Management and Actuarial Science during early September 2000.

The conference had a variety of purposes:

- To debate the current status of actuaries and the profession in China
- To understand the different insurance regulatory regimes from around the world and how regulation might develop in China
- To present some technical material
- To give student actuaries some information on the practical aspects of the skills they have learnt

The wide ranging agenda had drawn a very varied audience of nearly 200 with the majority from Mainland China but also actuaries from Hong Kong, North America, Europe and Australia. The attendees represented companies, universities, regulators, government bodies, professional bodies and the press.

The State of the Profession in China

The profession is in a development stage at present. A number of universities hold actuarial courses (including Nankai) and we witnessed the presentation to 2 newly qualified Fellows of the Society of Actuaries who have completed their studies in China. There was also a rousing opening speech by Professor Tuan Kai Lin, the Guest of Honour, who had been instrumental in the development of the Nankai University Actuarial Department.

Whilst the education arrangements are developing well, there was concern expressed that jobs needed to be found for these students within insurance companies. Foreign insurers were already employing locally trained actuaries but (with some notable exceptions) local companies were not aware of the skills that actuaries can bring and the value that actuaries could add. This would be the next challenge for the profession.

Regulatory Regimes



There were various presentations about the regulatory regimes for life insurance in countries around the world and one describing the Appointed Actuary system in various countries. A representative of the regulator in China then presented a comparison of the different regimes and described the arrangement which China was following and the rationale for this. He explained that China was constructing a regime with features similar to those from a number of different countries. The regulations mean that there is a combination of direct control on products (approval needs to be sought from the regulator on product terms and prices) and overall solvency regulation.

Technical Presentations

Actuarial skills are starting to be applied in the Chinese Insurance market. There was a presentation about a mortality study and I presented on global mortality trends. Some other issues debated include the interest guarantees on life insurance policies, embedded value techniques, the development of unit-linked policies (which needs to go hand-in-hand with the development of suitable investments for the funds to use), and the possible development of medical insurance and managed care in China.

Practical Sessions

Many of the actuarial students present at the conference have completed extensive academic studies on actuarial theory. They were very interested in the presentations which included information on the practical aspects of the implementation of these theories. The development of practical experience is one of the prerequisites for the development of the profession in China.

A number of the presentations concentrated on such aspects as the implementation of a financial management cycle in an insurance company, the practical development of the insurance market in China, the progress of pensions reform in China.

Ceremony

There was also a ceremonial aspect to the conference. There was an exchange of gifts between Nankai University and The President of the Society of Actuaries in order to recognize their joint achievements over many years and also to commemorate the inauguration of the new Nankai/SOA Research Centre. There were also

speeches by Professors from the University, the conference sponsors and local dignitaries.

Tianjin

During the breaks in the conference and the evenings we were able to see a small amount of the city of Tianjin. It has a population of some 9 million people and is an industrial city and port not far from Beijing.

Apart from a large port the most memorable features of the city were a very tall television tower with observation deck plus a large fun fair.

In summary, an enjoyable conference and one where a significant amount of information was shared – I certainly learnt a great deal myself!

(David Alexander is an actuary and works for Swiss Re Life & Health as Head of Actuarial Services, China Region. David is based in Hong Kong and can be reached at David_Alexander@swissre.com)

Mark your diary now

Invitation to the East Asian Actuarial Conference in 2001 in Hong Kong

Recently there has been a rash of conferences with themes along the line of Actuary of the Future, The Actuary in the New Millennium, or something similar. We have the opportunity to get away from this and do something totally different.

In East Asia we have a number of different countries, each with its own history, culture, legal system, etc. There are many multinational companies with home offices elsewhere, and many actuaries are being stationed in various countries or are taking regular trips to different countries. Many actuaries in the region are required to deal with multiple legal and reporting structures, along with different marketing methods, work practices, etc.

A theme encapsulating the international nature of the insurance industry and the actuarial profession would be very relevant to today's actuary. The theme we have chosen sums up in two words all these ideas. A longer theme would have lost its impact. The Actuarial Society of Hong Kong will be hosting the 11th East Asian Actuarial Conference



in Hong Kong in October 7-10, 2001. The chosen theme is *Go Global*.

We would like to extend an invitation to you and your company to become a part of the East Asian Actuarial Conference in Hong Kong in 2001. This three and a half day Conference promises to be an excellent and memorable event bringing the actuarial profession together to discuss and address the most important issues facing the profession in the 21st century. In addition to a range of sessions and workshops on current market developments in East Asia, distinguished keynote speakers will be among the highlights of the Conference. We are committed to making the Conference an exciting learning and sharing experience for all. Your active participation will ensure the success of the event.

Call for Papers and Sponsorship

Authors (both local and overseas) are invited to submit papers for possible presentation at the Conference. We are also seeking Chairpersons for our sessions as well as sponsorship for the Conference. If you are interested in contributing a paper or chairing a session or if your company is interested in sponsorship for the Conference, please contact Patricia Kum at the Actuarial Society of Hong Kong (phone: 852 2147 9418; fax: 852 2147 2497; email: patkum@netvigator.com) as soon as possible. For more information on the Conference, visit the ASHK website at www.actuaries.org.hk.

(Michael Ross, FIA, is consulting actuary at Watson Wyatt Insurance Consulting Limited in Hong Kong. He is also chairperson of the 11th EAAC Organizing Committee and can be reached at michael_ross@watsonwyatt.com.)

The 2001 Pacific Insurance Conference

The ASHK has been asked to bring to the attention of members the Pacific Insurance Conference (PIC) which will be held in September 2001 in Banff, Canada.

The purpose of the PIC, is to hold an educational meeting every 2 years which brings together top senior life insurance/financial services executives from around the world to discuss issues facing the

Asia Pacific life insurance/financial services industry. Details of the conference is as follows:

Dates: September 16-20, 2001

Location: Banff Springs Hotel
Banff, Alberta Canada

Theme: Where Horizons Meet, Ideas Come Together. When Ideas Come Together, Business Prospers

- Challenging the Fundamentals – Insight and specific tactics that initiate positive fundamental change.
- Changing the Face of Distribution – Knowledge as to what is working and what is not.
- Seizing Opportunities – Strategies that work presented by the front line generals.

Website: www.pic2001.com

2000/2001 Subscription Fees

ASHK subscriptions for the year October 2000 – September 2001 were due on 1 October 2000. This year the annual subscription fees and new member application fee remain unchanged and are as follows:

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

New Application Fee: HK\$120

ASHK members will receive the subscription notice in February 2001. Kindly send the payment to the ASHK office at the address below.