



New Members

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

Name	Status	Company
Adrian LIU	Fellow	Tillinghast-Towers Perrin
Eric KWONG†	Fellow	Ernst & Young
Joseph Chung Sang IP	Fellow	RGA Reinsurance
Sim Kheng NG	Fellow	CMG Asia Limited
Dick Ka MA	Associate	New York Life
Eric LU	Associate	Towers Perrin
Jackson Wai Kwok CHAN	Associate	Watson Wyatt
Siu Kei CHAU	Associate	New York Life
Wilson Wing Yiu MA*	Associate	William M Mercer
Edmund Kai Yan FONG	Student	Hannover Life Re
Hubert LI	Student	Tillinghast-Towers Perrin
Ka Man WONG†	Student	The University of HK
Ka Wai LO	Student	New York Life
Kwok Wah HO	Student	HSBC Life (Int'l) Ltd
Mei Ki LAU	Student	MassMutual Asia Ltd
Serene Wing Sze LAI	Student	HSBC Life (Int'l) Ltd
Simon Shau Ming DAI	Student	Milliman Asia
Yin Chee CHIN	Student	Trowbridge Consulting

* Correction of record to Associate Member.

† Member omitted from the previous newsletter.



Continuing Professional Development

On Monday 26 February, Mr. David Hughes chaired a discussion on "What does CPD mean for the ASHK?"

The presentation included:

- 1) The background as to why the ASHK Council were promoting the introduction of Continuing Professional Development (CPD) for Fellow members
- 2) An outline of a suggested scheme
- 3) Some examples of how the scheme would operate in practice
- 4) Some examples of what might be considered 'formal' and 'informal' CPD

(Materials presented at the meeting are now available for downloading at the ASHK website.)

Some interesting questions were raised during the discussions.

The next stage is for the membership to consider the proposals on CPD (which were circulated in writing in December 2000). There is an announcement of an Extraordinary General Meeting to vote on whether these proposals on CPD should be issued as a formal Guidance Note.

Appointed Actuary Symposium

Council recently decided that it would be appropriate for the ASHK to organize a symposium for Appointed Actuaries and this is now moving forward with 14 June as the target date.

Topics that might well be covered include:

- 1) The role of the Appointed Actuary in Hong Kong, especially in the context of the Insurance Companies (Actuaries' Standards) Regulation which came into effect on 1 January, 2001
- 2) Reserving issues, such as those arising from the ASHK's GN3 and Insurance Authority's GN7.

Materials presented at the symposium will be posted on the ASHK website.

Anyone interested in further information, or who would like to suggest a topic, should contact any member of the organizing committee (David Bell at David_Bell@manulife.com, Kin Chung Chan at kinchung.chan@prudential.com.hk, Koon Cheng at koonchen@pci.hk.com, Estella Chiu at estellachiu@hsbc.com.hk, David Hughes at david_hughes@standardlife.com.hk, Theresa Poon at Theresa-WY.Poon@AIG.com, and Michael Ross at Michael_Ross@watsonwyatt.com).

The Actuarial Society of Hong Kong NEWSLETTER

Volume 02/2001

2 March 2001

Editor

Peter Lau
Tel: (852) 2103 8038 Fax: (852) 2103 8128
E-mail: laupe@sunlife.com

Coordinators

Patricia Kum
Tel: (852) 2147 9418 Fax: (852) 2147 2497
E-mail: patkum@netvigator.com

Sarah Hui

Tel: (852) 2147 9419 Fax: (852) 2147 2497
E-mail: actsoff@netvigator.com

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.

Attention: Correction is made on the 'Committees' section of the previous newsletter. The e-mail address of Mr. David Alexander, Chairman of Experience Committee should be david_alexander@swissre.com.



ACTUARIAL SOCIETY
of
H O N G K O N G
香 港 精 算 學 會

The Actuarial Society of Hong Kong

N E W S L E T T E R

Volume 02/2001

Occupational Retirement Schemes with Different Retirement Ages for Different Sexes

The ASHK received a letter from the Mandatory Provident Fund Schemes Authority on 31 January which expressed concern of sex discrimination in ORSO schemes. For members who provide guidance to ORSO trustees, this letter appended below may be especially relevant.

Dear Sirs,

At the time of processing the MPF exemption applications, it came to our attention that certain ORSO schemes imposed different retirement ages for men and women. The Equal Opportunities Commission ("EOC") has raised concern on this and has issued the "EOC Circular for Employers who Impose Different Retirement Ages for Employees of Different Sexes" (the "Circular") in January 2001 for our dissemination to the employers of these schemes. While addressing the concerns of the EOC, the Circular also serves to draw the attention of these employers to their possible contravention of the Sex Discrimination Ordinance (Cap. 480).

We are also concerned that there may be other ORSO schemes (for example, those that did not apply for MPF exemption) that have imposed discriminatory terms on retirement age. Hence, we have also drawn the captioned matter to the attention of concerned scheme administrators by issuing them letter urging for their early identification without delay of any potential problematic cases for rectification.

A copy of the Circular is enclosed herewith for your information. You may wish to disseminate it to your members.

If you have any questions, please feel free to contact us at 2292 1162 or EOC at 2511 8211.

Yours faithfully,

Executive Director
ORSO Schemes Division

EOC Circular for Employers Who Impose Different Retirement Ages for Employees of Different Sexes

It has been brought to the attention of the Equal Opportunities Commission (EOC) that there are a number of employers with retirement schemes that impose different retirement ages for men and women. Such retirement schemes are contrary to the Sex Discrimination Ordinance, Cap. 480 (SDO) and employers may find themselves liable for unlawful acts under the law.

Section 11(4) of the SDO provides that, where employees have entered into such schemes prior to 15 October 1997, and continue in such schemes thereafter, discrimination in terms of the amount of benefits payable to men and women, eligibility to enter the schemes, and the like, is exempt. However, pursuant to section 11(5), the stipulation of one retirement age for women and another for men is not exempt and is unlawful.

Compulsory retirement amounts to dismissal under the law. If a retirement scheme provides that a man is to retire at the age of (say) 60 years and a woman is to retire at the age of (say) 55 years, this may amount to less favorable treatment of one sex compared against the other and is unlawful discrimination under the SDO.

Employers should also note that, where an employee enters into a retirement scheme after 15 October 1997, there is no exemption at all in respect of discriminatory benefits, eligibility, and the like. Any form of discrimination under the SDO in such case is unlawful.

Employees who are the subject of discrimination in respect of retirement schemes have the right to lodge complaints with the EOC for the purposes of investigation and conciliation. Where the matter is not successfully resolved between the employer and employee, the employee may apply for legal assistance from the EOC to bring civil proceedings in the District Court.

The EOC urges all employers to ensure that their retirement schemes comply with the SDO and that they are not in breach of the law.

Equal Opportunities Commission
January 2001



Exposure Draft – Proposed revised Accounting Guideline (AG) “Financial Statements of Retirement Schemes”

The Hong Kong Society of Accountants issued an exposure draft on Accounting Guideline for “Financial Statements of Retirement Schemes”. This Guideline was issued in April 1997. The amendment is to incorporate the relevant requirements of the MPF Schemes Ordinance. Members interested in the details may contact the office of the ASHK at 2147 9418 or 2147 9419.

Guidance Note on Incidental Investment Advice

With the implementation of the Mandatory Provident Fund Schemes in December, it may be worthwhile for members to look at the relevant provisions in the Guidance Note on Incidental Investment Advice provided by Solicitors and Accountants which was issued by the Securities and Futures Commission (SFC) in August last year. To view the Guidance Note, please go to the SFC website (www.hksfc.org.hk).

GN7 – Guidance Note on Reserving Standards for Investment Guarantees

The Office of the Commissioner of Insurance (OCI) has recently issued a Guidance Note on Reserving Standards for Investment Guarantees. The objective of this Guidance Note is to ensure that insurers carrying on Class G of Long Term Insurance Business will set aside sufficient reserves and provisions to meet their obligations in respect of such business. The Guidance Note is now available for downloading at the OCI website (www.info.gov.hk/oci).

GN8 – Guidance Note on the Use of Internet for Insurance Activities

Members may also wish to note that the captioned Guidance Note has been issued by the OCI to all

authorized issuers and authorized insurance brokers on 31 January and is available for downloading at the OCI website.

11th East Asian Actuarial Conference (EAAC) Sponsorship Acknowledgement

It is a great pleasure for the ASHK, the host of the 11th EAAC, to extend sincere thanks to the following companies which have agreed to provide sponsorship for the Conference.

Gold Sponsors:

- 1) Munich Reinsurance Company
- 2) Prudential Corporation Asia
- 3) Swiss Re Life & Health

Silver Sponsor:

- 1) Tillinghast – Towers Perrin

Bronze Sponsors:

- 1) Centre Solutions (Asia) Ltd
- 2) ING Asia/Pacific Ltd
- 3) Standard Life Asia

The Society requires further sponsorship and would highly appreciate it if more companies could become sponsors of the event. For more details, please contact Kin Chung Chan at 2918 6343 or Patricia Kum at 2147 9418.

EAAC Call for Papers

We are also looking for volunteers to contribute a paper or chair a session at the 11th EAAC which will be held from 7-10 October 2001 at the Kowloon Shangri-La Hotel. If you are interested in contributing a paper or chairing a session at the Conference, please contact Patricia Kum as soon as possible. For more information on the Conference, please visit the ASHK website.

Revised Application Form for New Membership and Change of Membership Status

Members should note that the application form for new membership and change of membership status was revised in January. To get the updated application form, please go to the ASHK website.



Biennial Conference IACA Amsterdam June 23-26, 2002

The ASHK has been asked to bring to the attention of members the IACA Conference which will be held in June 23-26, 2002 in Amsterdam, Netherlands.

The principal activity of IACA, the consulting section of the IAA, is to organize a conference every two years covering topics of particular current interest to members of the actuarial profession engaged in consulting. Details of the Conference is as follows:

Dates: 23-26 June, 2002

Location: Hotel Krasnapolsky
Amsterdam, Netherlands

Program: 1) Professional Program on 24-25 June

Topics on 24 June:

Strategic issues facing consultants

- The HR aspects of mergers & acquisitions.
- A vision of the development of global pension schemes and funding.

Topics on 25 June:

Regulation and supervision of the insurance and pensions industry

- The importance of an overall global asset strategy in managing the assets of the pension funds of a global corporation and how Asset and Liability Modeling can be used to maximize effectiveness.
- The influence of Generally Accepted Accounting Principles and International Accounting Standards on the strategy of global pension programs.

2) Social Program on June 23-26

- A number of tours will be offered to enjoy the city such as a visit to the Van Gogh Museum and the old Dutch windmills.

Upcoming Events for Your Diary

Date	Event
29 Mar	EGM and ASHK Luncheon Meeting Speaker: Mr. Terry Probert, Swiss Re Topic: Global Trends in Distribution
10 May	ASHK Luncheon Meeting Speaker: Mr. David Kingston, President, Faculty of Actuaries
22 May	ASHK Luncheon Meeting Speaker: Professor Elias Shiu, University of Iowa Topic: Option-pricing Theory and its Actuarial Applications
4-11 Jun	SOA-sponsored Regional Seminar (Organizer will apply for PD credit status) Topic: Embedded Value/Appraisal; US GAAP and Effect of Low Interest Rate Environment on the Insurance Industry-Crisis or Opportunity Location: 4-5 June - Kuala Lumpur 6 June - Hong Kong 7-8 June - Taipei 11 June - Tokyo
14 Jun (tbc)	Appointed Actuary Symposium
1 Aug	ASHK Luncheon Meeting Speaker: Mr. Robert Thomas, Henderson Topic: Global Bond Indices & Benchmarks
7-10 Oct	11 th East Asian Actuarial Conference (Organizer will apply for PD credit status)