

10 September 2008



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

Dear Members,

**Actuarial Society of Hong Kong –  
Additional Guideline on AGN5: Principles of Life Insurance Policy Illustrations  
Exposure Draft**

In 2006, the ASHK Life Insurance Committee conducted a survey regarding the benefit illustration of investment-linked products. The results showed that currently there are a variety of approaches to the interpretation of the assumed growth rate used in the calculation of the illustration. The Life Insurance Committee concluded that there is a need for more consistency in the advice provided by Appointed Actuaries and has produced this guideline as additional guidance for AGN5. AGN5 is the guideline which covers life policy illustrations and may be found on the ASHK website at [Principles of Life Insurance Policy Illustrations](#).

Pursuant to the ASHK By-law on the Due Process for the Development of Professional Standards/Guidance Notes, members of the ASHK are now being given one month to provide any written comments to Council on the enclosed exposure draft. The AGN5 Working Party will present a summary of the resulting comments and a subsequent version of the exposure draft in October. Final recommendations will be submitted in November to the ASHK Professional Matters and Life Insurance Committees for approval and thereafter to the ASHK Council for final decision.

Please address all feedback to Ms. Pat Kum (email: [patkum@netvigator.com](mailto:patkum@netvigator.com)) by close of business day on **Friday, 10 October 2008**.

Thank you for your time and support.

Yours sincerely,

Foong Sai-Cheong  
Co-Chairperson  
Life Insurance Committee

Simon Walpole  
Co-Chairperson  
Life Insurance Committee

Encl.