Hong Kong Actuaries

Actuarial Society of Hong Kong's Newsletter

- Feature Articles

The Pandemic

- Council & Committee Updates
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- Call for Articles or Views for the next issue of Newsletter! – while all articles are welcome, we would especially like to receive articles for the Feature Articles and Knowledge Sharing sections. If you have written any inspiring articles or have read any interesting articles from other actuarial organisation(s), please feel free to let us know. We will try to reprint them in our newsletter. Welcome to email your articles or views at info@actuaries.org.hk.

APRIL 2020 I VOLUME 01

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Editorial

Dear Readers,

Welcome to the first ASHK newsletter for 2020. We trust that it is well worth the wait!

We understand that many of you are very concerned about the recent outbreak of the COVID-19, and we received enquiries asking if the inaugural Hong Kong Actuarial Summit 2020 (19-20 May) will still go ahead as planned. As the health and safety of our members and staff remain our prime concern, we will provide our exhibitors, sponsors, speakers and attendees with an update on the relevant arrangement as soon as practicable given the fluidity of the situation.

While there are many challenges ahead, we believe the year of 2020 will be a key milestone of ASHK. ASHK is exploring to organise a series of virtual events. Presented in a convenient format and completely online, we intend to bring the experts to you so that you can benefit from their insights while fulfilling your CPD requirement. I encourage you to sign up for the coming events. More updates to come – we will keep you posted.

In this issue, we are featuring a hot trending topic on the pandemic. The world may be on the edge of a pandemic of the COVID-19. There is an uneasy level of uncertainty actuaries and businesses are facing. Our feature article, written by Matthew Edwards, is on "*COVID-19 (coronavirus): An Actuary's Perspective*" where he shares the valuable views on the impacts and opportunities for the global insurers. In addition, our Actuarial Innovation Committee has also brought us an inspiring article – "*Driving Business Results with Artificial Intelligence*".

Stay safe, and happy reading!

Best regards,
Alexander Wong
EDITOR

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ACTUARIAL SOCIETY of HONG KONG 香港精算學會

COUNCIL – J. PETER DURAN

The Strategy Day 2020

The recent Council's annual strategy day was held successfully on 13 Mar 2020 at the Hong Kong Parkview and all Council members in attendance.

The day kick-started with a throwback on the statutory path project and the milestones achieved by the ASHK in the past year:

- A paper to formulate the Fellow of the Actuarial Society of Hong Kong with Practicing Certificate ("FASHKPC") – 'Roadmap towards Statutory Body'
- Registration of "FASHK" and ASHK trademarks. The "FASHK" (Fellow of the Actuarial Society of Hong Kong) designation adds significant value to personal credentials and is expected to benefit the actuarial careers of eligible members.
- Liaising with and gaining indicative support from local regulators and other major professional bodies for the Statutory Path Project
- Establishment of a joint working group between the Insurance Authority and the ASHK

There were productive open discussions on such strategic topics as the future steps for the Statutory Path Project, enhancing member engagement, raising public awareness and profile of ASHK, and enhancing the status of ASHK as an influential body across relevant industries.

Engagement with Hong Kong Retirement Schemes Association (HKRSA)

Our goal can only be achieved by working hand-in-hand with our stakeholders. From planning and management of our statutory path project, we have identified different stakeholders and regulators such as FSTB and MPFA who share different interests. To proactively engage them and understand their expectations, as well as letting them understand the rationale behind our project, we have organised various engagement initiatives.
Most recently, the ASHK had met with Ms. Janet Li, CFA and Mr. Calvin Chiu of HKRSA to facilitate assessment on the practicability of our proposal and to obtain feedback for pension actuaries.

CURRICULUM/EXAM TASKFORCE

PROFESSIONAL DEVELOPMENT COMMITTEE – NORA LI

Special Arrangement of the ASHK Examination 2020

The ASHK Examination 2020 scheduled for 29 May (Friday) has been postponed to 21 August (Friday) in view of the current evolving COVID-19 health crisis. The health and safety of our members and staff remain our primary concerns. In addition, the corresponding deadlines for exam registration and scholarship application have been extended.

We will continue to explore options given the fluidity of the situation including the free information session.

Early-bird registration deadline is **24 April 2020**. Other than Life Insurance and Pension tracks, General Insurance track is available for enrollment starting from February 2020.

To enhance your competitive advantage by equipping you with local knowledge in the actuarial regulatory environment, business practice and professional standards, we strongly encourage you to sign up for this additional qualification.

Updates on ASHK Examination Student Scholarship

With the launch of General Insurance track, the Committee is pleased to announce that up to 30 student scholarships will be awarded.

Applicants will be assessed and we will guarantee at least 5 scholarships will be allocated for each of Life Insurance track (plus core), General Insurance track (plus core) and Pension track (plus core). The remaining will be granted according to our ranking. As the pioneer batch, there are 8 scholarship applicants for the ASHK Examination 2020. The individuals are current full-time students in actuarial science major from the University of Hong Kong, the Hong Kong Polytechnic University as well as the Hang Seng University of Hong Kong.

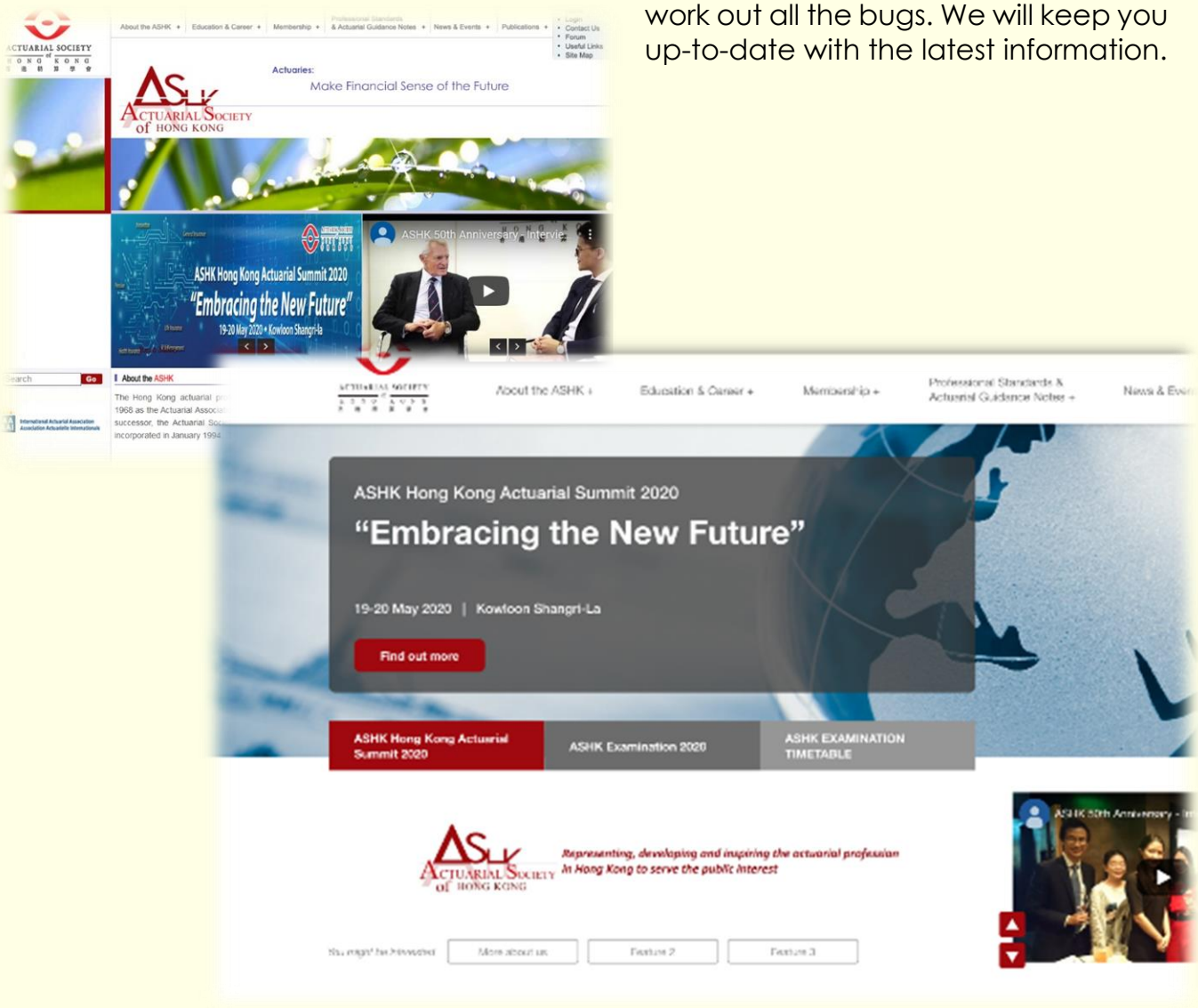
MEMBERSHIP AND COMMUNICATION COMMITTEE – ALEX WONG

New ASHK Website Revamp Development

We are getting a fresh new look very soon!

The Committee is delighted to share that a newly designed ASHK website is targeted to be launched in the 3rd quarter of 2020. The new site will better reflect who we are, what we offer and where we shine.

We are currently in the development phase, so thank you for your patience while we work out all the bugs. We will keep you up-to-date with the latest information.



PROFESSIONAL MATTERS COMMITTEE – ROCKSON LEUNG

Extension of 2019 CPD Deadline and Professionalism Credit

Following our announcement to members on 20 December 2019 about the extension of the deadline for 2019 CPD from 31 December 2019 to 31 March 2020, the ASHK Council has decided to further defer this deadline to 30 June 2020 for all Fellow and Associate members in view of the COVID-19 crisis. Health and safety of our members and staff remain our prime concern.

Based on the same consideration, the Professional Matters Committee has also decided that it is not feasible to schedule the March Professionalism Seminar in 2020 Q2. We are mindful that members need to earn Professionalism CPD credits to meet their 2019 CPD requirement and encourage members to seek such credits from their home actuarial associations in the interim.

The Committee is aware that members have been affected by the cancellation or postponement of CPD events and would like to remind members that self-learning (which can include private reading of updates on Hong Kong insurance regulations for instance) can count towards their ASHK CPD credits for Hong Kong-specific actuarial matters. Members are required to record their CPD activities and such records must be capable of being subject to independent audit.

In the meantime, we wish our members well and will continue to monitor the COVID-19 crisis and update members when the outlook becomes clearer.

STRATEGY AND STATUTORY PATH COMMITTEE –
SIMON LAM AND DICKY LAM

Trademark Registration and the FASHK Designation

As reported at the Annual General Meeting in December 2019, the ASHK had applied to register "FASHK", "Fellow of the Actuarial Society of Hong Kong" as a trademark under Hong Kong law as one step under the Statutory Path Project to have the FASHK credential recognised in the laws and regulations of Hong Kong. We are delighted to announce that the FASHK mark has been officially registered with the Trade Marks Registry of Intellectual Property Department in February 2020. Our trademark record is now searchable at https://esearch.ipd.gov.hk.

The FASHK designation adds significant value to your credentials that will benefit you throughout your actuarial career. Last but not least, we would like to extend our appreciation for your continued commitment to uphold the highest standards of actuarial professional conduct.

Trademark Usage Guide for the Fellow Member of ASHK

Introduction – Proper Usage of the FASHK Designation

All Fellow Members of the Actuarial Society of Hong Kong ("ASHK"), as approved and defined in the ASHK By-Laws, have the right to use the following designation:

FASHK

FASHK is a registered trademark and this designation may only be used by ASHK Fellow Member who is a fully paid-up member of the ASHK in the current membership year, complies with the Continuing Professional Development requirements set out in ASHK By-Law (2) : Continuing Professional Development ("CPD"), and whose membership has not been suspended or revoked.

As the FASHK designation adds significant value to the credentials of a Member, ASHK Fellow Members are eligible and encouraged to acknowledge such achievement by using this designation where appropriate when conducting actuarial business. For the avoidance of the doubt, ASHK Fellow Members are not required to use the FASHK designation.

This Trademark Usage Guide ("Guide") has been developed to assist members in using the FASHK designation in an appropriate manner and avoiding improper use or infringement. It sets out the ways in which the FASHK designation may be used, and the rules applicable to its usage. Members should always follow this Guide when using the FASHK designation.

This Guide is effective 1st March 2020. The ASHK reserves the right to change this Guide from time to time. ASHK Members who may have any questions or become aware of improper usage or infringement of the FASHK designation should contact the ASHK immediately at info@actuaries.org.hk.

Recommended Uses for the FASHK Designation

ASHK Fellow Members are permitted to use the FASHK designation in business cards, letterheads and signatures, promotional literature, signage, and other forms of printed, electronic, social media and written communications. Some examples include (but not limited to):

1. After the name of an ASHK Fellow Member in written correspondence and/or as part of email signature;
2. After the name of an ASHK Fellow Member on business cards, letterheads and/or name plates; and

3. As an identifier in resumes, curricula vitae, biographies, personal statements and/or published articles in magazines, newspapers, interviews, books and advertising.

ASHK Fellow Member should advise reporters, authors, editors, publishers and others the proper usage if his/her name as well as his/her FASHK designation are to be published.

Rules for Use of the FASHK Designation

1. The FASHK designation should only be used as described in this Guide.

2. The FASHK designation may not be used before 1st March 2020.

3. The FASHK designation must follow the full name of the ASHK Fellow Member, separated by a comma. It must be capitalized with no space nor punctuations between the letters.
Examples:

Proper Use	**Improper Use**
"Peter Chan, FASHK"	"Peter Chan, fashk"
	"Peter Chan, F A S H K"
	"Peter Chan, F.A.S.H.K."

4. The registered trademark symbol ("®") is not required when the FASHK designation is placed after the name of the ASHK Fellow Member.
Examples:

Proper Use	**Improper Use**
"Peter Chan, FASHK"	"Peter Chan, FASHK®"

5. The FASHK designation must not be altered in any way or used to form new words, symbols or designs nor may they be translated into another language.

Examples of Improper Use
"FasHk", "FFASHKK"

6. The FASHK designation must not be used in conjunction with a company name or as part of an email-address.

Examples of Improper Use
"FASHKProvider@web.com"
"BestFASHK Company Limited"

7. The FASHK designation must not be used generically as a noun and should only be used an adjective.
Examples:

Proper Use	Improper Use
"Peter Chan is a holder of the right to use the FASHK designation."	"Peter Chan is an FASHK"
"Peter Chan has obtained the FASHK credential."	"Peter Chan and Amy Wong are FASHKs

8. A tag line must always be inserted at the end of an article and at the bottom of an advertisement or promotional literature that the "FASHK" trademark is a property of ASHK. In this instance, a registered trademark symbol ("®") should be used.

Examples of Improper Use
"FASHK® is the registered trademark owned by ASHK." "FASHK® is the trademark owned by the Actuarial Society of Hong Kong."

9. If the membership of an ASHK Fellow Member is suspended or cancelled for any reason, he/she is prohibited from using the FASHK designation at any time during the period of suspension or after membership termination. Continued use of the FASHK designation by such Member constitutes an infringement of the FASHK trademark and the Member may be subject to civil prosecution due to illegal usage of the trademark.

10. While an ASHK Fellow Member who ceases membership for whatever reason may no longer be permitted to use the FASHK designation, he/she is not required to remove the FASHK designation from materials published prior to the membership cessation date.

11. Any ASHK Fellow Member who breaches one or more of the above rules and/or uses the ASHK designation in an inappropriate manner must rectify the breach/misuse as soon as practicable in accordance with the directions (if any) provided by the ASHK.

For the avoidance of the doubt:

(a) The ASHK Fellow Member is responsible for the usage of the FASHK designation in his/her name at all times; and

(b) The ASHK Council has the final decision on whether the FASHK designation has been misused by an ASHK Fellow Member and whether legal actions shall be taken in the event of an infringement of the FASHK trademark.

Driving Business Results With Artificial Intelligence

by ASHK Actuarial Innovation Committee

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(Disclaimer: The views and opinions expressed in this article are those of the author(s) and do not necessarily reflect the position of the actuarial profession or any actuarial communities.)

Artificial intelligence is the renewed hype in insurance innovation. The results of this hype are, however, very minimal and usually are stuck in the proof of concept stage. As it is driven by the technology push and urge to show that innovative technology is being explored, it is disconnected from real business impact. Where are we going wrong and how should the leaders in this field drive innovation beyond proof of concepts?

Innovation approach: business pull vs. technology push

At AIA we take a different approach in applying AI to drive business impact. We have observed innovation theatres creating pilots that are published to drive likes on social media and also concluded that what is missing is a structured innovation approach focusing on driving business results.

We, therefore, always start our innovation journey with first identifying the business objectives. Once we have defined the business problem, we turn that into an AI problem. In order to do that, we employ AI consultants who can communicate with both subject matter experts and technical experts. As a result, we can identify what business problems are most suitable to be solved with AI. AI solutions drive what business people find valuable: solutions that make money, save money, save time, improve customer experience or solutions that give our business units an edge in digital transformation.

As each specific goal is identified, we develop an AI solution that meets the needs of business sponsors to the envisioned targeted state, as opposed to searching for problems for AI technology driven solutions to plug into. Our AI solutions always mimic intelligence that is required to address the business problems.

Armed with the knowledge of the multiple intelligences theory from Gardner, we know how far we can drive AI to really address the problems in an economically sensible way without overselling what is technically feasible yet still remaining business attractive.

Beyond data science: employing multidisciplinary AI team

Real digital transformation requires deep technological knowledge of how to architect intelligent solutions and subject matter expertise in the insurance domain. This golden combination prevents falling in to the trap of employing expensive platforms that often invalidate the business case economically. Once the AI solution is designed and implemented, we create a learning environment to initiate and drive the key performance indicators that are important in business transformation which comes after the AI technology innovation.

AIA innovation teams,therefore, consist of insurance subject matter experts, AI expertsand IT developers working in close collaboration with problem owners in the business, driven by a solution architect capable of aligning objectives and solution options.

AI marathon vs AI sprint

We learned that meaningful application of AI is more than a “one and done” activity. It is rather a marathon in which innovation teams have to continue to engage business units in the transformation of their business processes and people skills to maximize the benefits of AI products. The AI journey we engage our business in, requires us all to rethink the way we collect, store and utilize data in an ethical way and to stay future proof.

We recognize that the future of AI is in empowering our workforce with the superpower that comes with AI and blending the subject matter expertise as in “Fusion skills”: Man and machine.

COVID-19 (coronavirus): An actuary's perspective

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(Disclaimer: The views and opinions expressed in this article are those of the author(s) and do not necessarily reflect the position of the actuarial profession or any actuarial communities.)

How the spread and mortality rate of COVID-19 might affect insurers and healthcare.

The variability of the mortality effect by age makes the impact of COVID-19 highly variable by type of insurer.

As the world grapples with the growing COVID-19 (coronavirus) threat, a useful reference point is the Spanish Flu of 1918. Given what we now know about COVID-19, are we looking at something of similar severity to the Spanish Flu, or materially less severe, or perhaps worse?

Up until now, the Spanish Flu has been generally regarded as a "worst case" reference point in pandemic modelling: This is as bad as it could get.

The thinking would be that healthcare is so much more advanced now, and we are not recovering from four years of strategic war as was the case then. These positive factors should more than compensate for the (then unimaginable) extent of international air travel and globalization of trade. But perhaps that rationale no longer holds, and we could be heading for something similar.

Plausible mortality impacts

An actuary's immediate reaction to COVID-19 is, of course, to model it. But even now, with more than two months of data, there are considerable obstacles to any plausible modelling using the typical pandemic modelling methods (e.g. the 'SIR' approach of splitting into the states of susceptible, infected, recovering, with age/gender-specific transition rates) and this article does not attempt any such modelling.

Most pandemic models involve a "spread" assumption, R0, which represents how many individuals an infected person will transmit the virus to (in an otherwise perfectly susceptible population). An R0 parameter of one, for instance, equates to a stable state; a value greater than one (at the start of an outbreak) implies growth in infections, with the potential for exponential growth in the absence of interventions. Normal influenza spread implies a parameter of two to three whereas measles is one of the most contagious viruses with an R0 of 12 to 16.

At the moment, even this fundamental element is uncertain by a wide range. Various publications so far have it ranging from 1.4 to over six, while even the World Health Organization's (WHO's) suggested range allows almost 100% variation (from 1.4 to 2.5). In addition, as a further complication, the effective rate of reproduction will differ between countries and also vary over time as people shift their routines to avoid infection (hopefully decreasing as people and Governments become more aware of the problems).

Then we have the problem of mortality, the case fatality rate (CFR), which measures the mortality of infected cases. Overall estimates are around 2%, but here there is wide variation between the experience in Wuhan (above 5%) and outside that area (of the order of 0.7%). Reporting and data issues add further uncertainty; even determining the number of cases is challenging, especially given the asymptomatic cases whose number cannot accurately be measured.

These figures compare with the following reference points:

Experience	CFR
COVID-19 (Coronavirus)	Circa 2%?
Spanish Flu	2%
Major flu pandemics (1957, 1968)	1%
Typical flu season	0.1%

The overall CFR in any country is likely to be heavily influenced by the availability of appropriate healthcare resources. However, the age variability seen so far is likely to be similar across countries.

The Chinese experience showed mortality rates varying broadly and exponentially by age, from circa 0.2% for ages up to 40 increasing to 4% for the 60 to 69 age band, 8% for the next decade of age, and roughly doubling again to 15% for anyone 80 or older. (This concentration of deaths at higher ages is supported by observation of the ages of reported European fatalities.)

So what sort of impact is plausible? To paint a very broad picture, if we assume a CFR in the 0.5% to 1.0% range (in line with the 'outside Hubei' COVID-19 figures to date, and the 1957/68 pandemics), this could lead to, as a plausible order-of-magnitude conjecture, a doubling of mortality in a country such as the U.K. – that is, an overall doubling of population mortality, not a doubling of mortality for infected cases. This would be a bad outcome (and is not a 'best estimate' prediction), but it is plausible.

Moreover, the above broad-brush perspective deliberately overlooks various likely and material indirect impacts. The likely surge in patient volumes at healthcare facilities related to a sustained COVID-19 outbreak in any country could mean a corresponding squeeze on access to care (and hence, increased mortality) for patients already suffering from other serious conditions in secondary care. There will be an equivalent but less severe effect at the primary care level. Quarantine and self-isolation will also have a detrimental effect on those suffering from chronic conditions at home. The healthcare workforce will itself be depleted by absences. Furthermore, supplies of medicine taken for granted will potentially be adversely affected by production supply chain issues.

There is one material mitigating point from an insurance perspective, if not from that of the individuals affected: the coronavirus will disproportionately affect the less healthy (in particular, people already with chronic conditions), and hence the mortality impact does not consist entirely of 'new' deaths but will include a material proportion of 'accelerated' deaths (hence leading to correspondingly reduced mortality in later years).

Impacts for insurers

The variability of the mortality impact by age makes the impact highly variable by type of insurer. Clearly, annuity writers will experience an unusually high mortality year (even under the more benign scenarios). Protection writers will see a mortality impact likely to be of similar order of magnitude to their capital allowance for life cat risk (for example, the Standard Formula of Solvency II sets this at 1.5 per mille, and internal model firms will have generally similar calibrations); the major question for them is the extent of their reinsurance. The main losers will be firms with large whole of life books but low levels of reinsurance: there is likely to be a large amount of sum at risk for policyholders in their 50s and 60s, with a material mortality impact from the COVID-19 outbreak.

Opportunities for some

A more positive point for insurers is the opportunity for innovative product design in the face of a very clear set of consumer concerns. By way of example, Generali announced in February a new product aimed specifically at providing coronavirus cover for healthcare costs and loss of earnings; other major insurers have launched similar products.

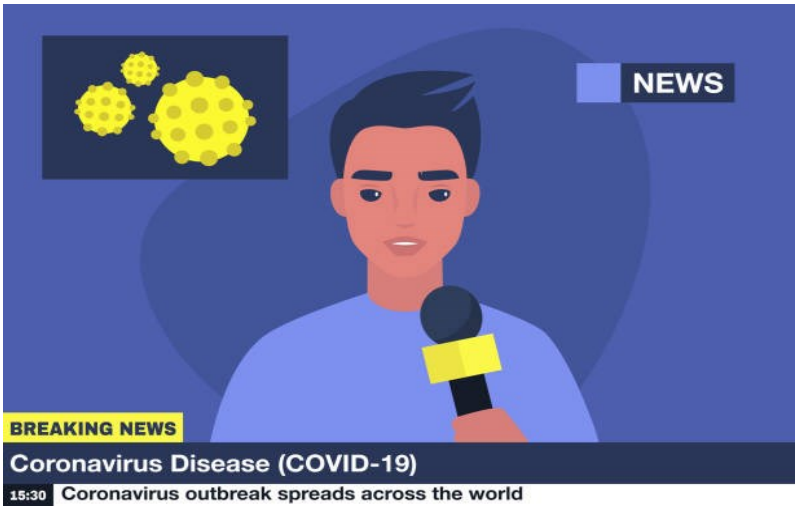
However, there are a range of other impacts that insurers with well-developed risk management functions and capital models should already be prepared for (one silver lining of the COVID-19 problem is that it does focus minds on real-life examples of complex interacting risks stemming from just one driver).

Asset markets are clearly badly affected, with (by way of example) the FTSE-100 down 12.7% and the S&P 500 down 8.6% from January 1 to February 28 this year. Operational risk will be a concern, with firms needing to prepare for significant staff absences, and absences in their suppliers (third-party outsourcers will not be "immune" to the problem themselves).

Occurring as this outbreak has immediately after most firms' year end means that insurers will have a couple more months to wait and see before finalizing their revised assumptions for mid-year reporting. By this time, mortality assumptions are likely to need increasing, probably with a short-term adjustment, while annuity writers might find it reasonable to wait and see as far as base assumptions go, noting that they can be fairly aggressive this year with improvement assumptions.

For instance, in the U.K., this is likely to mean no insurer will want to move to the latest mortality projection model CMI_2019, which gives slightly higher life expectancies than the previous versions. (In theory, the proper approach would be to combine a short-term adjustment to base tables with incorporation of CMI_2019, allowing for greater life expectancy for survivors. In practice, the uncertainties that will persist until even end 2020 will likely mitigate against this approach.)

In an ideal world, actuaries would wait for near-certainty before changing any major assumptions. In the first half of 2020, such an approach is unfortunately not feasible.



Modelling and COVID-19

Louise Pryor
Incoming President-elect
Institute and Faculty of Actuaries

(Originally published on IFoA website, IFoA's Pandemics Hub[1].
©https://www.actuaries.org.uk/news-and-insights/public-affairs-and-policy/epidemics-and-pandemics-hub)

(Disclaimer: The views and opinions expressed in this article are those of the author(s) and do not necessarily reflect the position of the actuarial profession or any actuarial communities.)

There's a lot of talk about models at the moment. Because COVID-19 is so new, we don't have much else to go on – no actual experience, just some projections of what might happen. So it's worth thinking about how much reliance we should place on models and what their limitations are.

The first thing to remember is that models are inevitably simplifications of the real world. They're a bit like maps: a map that is the same size as the real world is effectively useless, unless it covers a very small area. (Even if it covers a very small area it wouldn't be useful, eg a plan of a house that's the size of the house.)

Similarly, the value of a model for many problems is that you don't have to wait for things to happen in the real world. You can run a computational model in less than real time, and see what might happen under various circumstances. For example, you can try lots of different scenarios and find out what possible disasters are lurking in them and how likely they are to happen. Or at least you can if your model is close enough to the real world.

But there's the crux: how can we tell if a given model is close enough to the real world? Here are five questions that you can ask to help you decide whether the model's outputs are likely to be useful to you.

1. What purpose was the model developed for?

Models are simplifications of the real world, but there are many different ways of simplifying things. Different simplifications are suitable for different purposes. So if you are looking at the outputs of a model, you need to think about whether the purpose it was developed for is aligned with your own purpose. For example, disease transmission models are currently featuring heavily in the news. But there are many such models, sharing some features but varying widely in their details.

One model might be specifically tuned for use in projecting total population infection rates, so it might look at a country as a whole, while another might be intended to analyse the burden on health services and therefore focus on regional differences in health provision. Although these two matters are clearly linked, they are not the same, as the burden on health services will depend crucially on the severity and extent of the disease.

If you can't tell what purpose the model was developed for, you can't tell whether its results are applicable to your situation.

2. What assumptions does the model depend on?

Models use assumptions about the world in order to make simplifications. It's often difficult to find out what all the assumptions are, even though the model outputs are often very sensitive to them. Sometimes there are many implicit assumptions, which the people building the models don't even realise are there. For example, if the assumptions are based on data analysis, is the data representative of the situation to which the model is being applied? If it's being used for projections for the whole population, assumptions based on data for healthy adult males may not be appropriate.

It's also important not to confuse assumptions with outputs. An assumption is something its builders are telling the model about the world, not something the model is telling us.

3. Do the model results represent a best estimate or something else?

One thing we know about models is that their results are very unlikely to match precisely what actually happens. In that sense, all models are wrong. But their results can be useful, if you understand what they mean. Some models produce a best estimate outcome, or an average outcome, while others might have some prudence built in. In many situations, the best estimate isn't very useful on its own, without understanding something about what the possible range of outcomes is. For example, the best estimate result is 50 in both these illustrations, but in the second case it's very unlikely that the actual outcome is 50 – it is much more likely to be either 25 or 75.

Illustration one

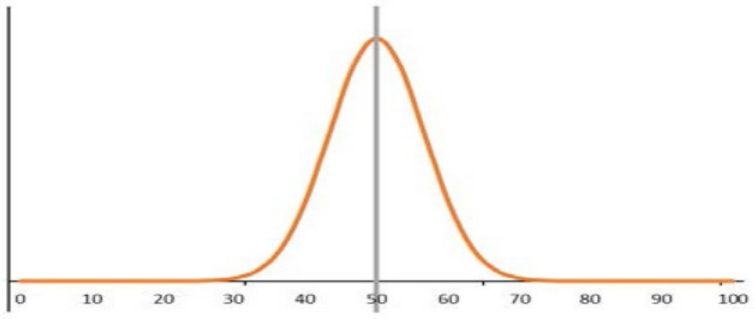
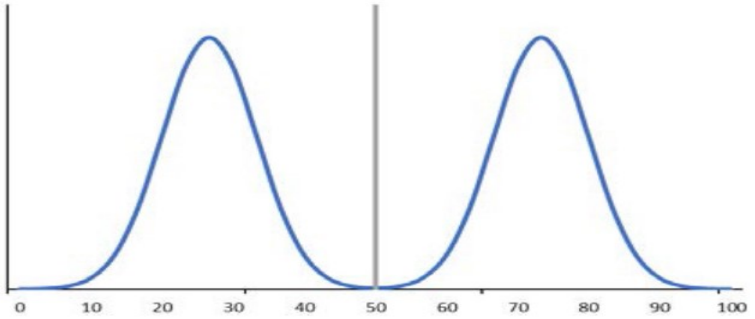


Illustration two



4. Are the assumptions or outputs at the extremes of possibilities?

Models are often built to operate well in particular circumstances. If they are used in other circumstances, their results are much less reliable. For example, an economic model may use historical data about yearly inflation rates, which have been between 0% and 10% in the period that the data covers. If it is then used to model an economy in which yearly inflation is currently 20% some of the relationships or assumptions which it relies on may be invalid. Typically, models operate best towards the centre of their ranges – anything on the edge is much less reliable.

5. How has the model been validated?

However sophisticated a model is, it is still a simplification, and relies on many assumptions that may or may not be valid. If it has been tested using historic data, and produces results close to what actually happened, it's easier to have confidence that it might be useful in the future. The same applies if it produces results close to those of other, trusted, models in areas in which they overlap. But if there has been no validation, and the model relies only on unproved theories, there is more scope for its results to be very different from what happens in the real world.

Finally, it's always worth comparing the results of a number of models. There is some comfort to be derived if they produce results that are consistent with each other, even though they take different approaches to the problem at hand. In relation to COVID-19, there do seem to be plenty of models out there, even if there is little historic data to use. Each model may get some of the details wrong, but the overall picture may become clearer. As in so many areas of life, diversity in modelling is generally a good thing.

1. As the global response to the COVID-19 (coronavirus) gathers pace, IFoA Pandemics Hub aims to provide the actuarial perspective on epidemic mitigation and control. Gathering together the most relevant research, articles, and insight on the subject from recognised experts; this resource is designed to ensure our members are fully appraised as to the actuarial approach.

Market Update

The Insurance Authority

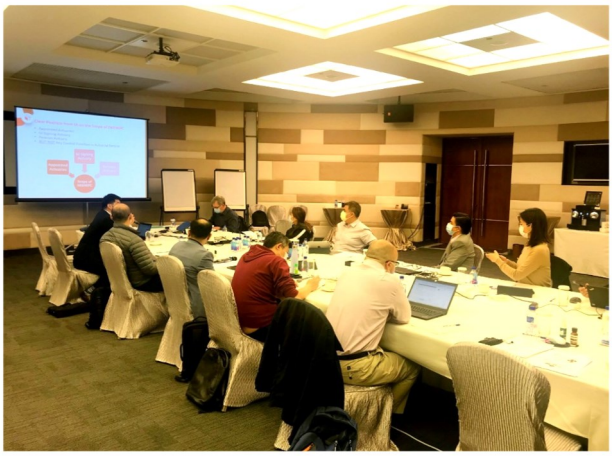
One-off Extension of CPD Fulfillment Deadline by 3 Months

In view of the recent coronavirus outbreak, many CPD activities have been either cancelled or postponed since late January this year. The IA is fully aware that individual licensees may encounter difficulties in earning the CPD hours required before the deadline of 31 July 2020 and may therefore be unable to comply with the CPD requirements for the Assessment Period ending on 31 July 2020.

With this in mind, the IA has decided that, as a one-off facilitative measure, for the purpose of fulfilling the CPD hour requirements in the first CPD Assessment Period, individual licensees will be considered as CPD-compliant if they can earn the CPD hours required for the first CPD Assessment Period on or before **31 October 2020** . They must then report their CPD compliance to the IA no later than **31 December 2020**. Details of the CPD compliance reporting procedures and the CPD Declaration Form will be announced in a future IA's circular.

Events Highlights

ASHK Strategy Day Mar 2020



Upcoming Events

Date	Event
24 Apr 2020	ASHK Actuarial Innovation Webinar: Human Can't Scale - The Limit in AI is Human
TBC	Joint Regional Seminar in Asia (Theme: IFRS 17 and ICS)
21 Aug 2020	ASHK Examination
4 Sep 2020	SOA IFRS17 Seminar, Seoul
28 Sep 2020	SOA Predictive Analytics Seminar, Bangkok
TBC	ASHK IFRS 17 Seminar
Oct 2020	ASHK GI Seminar
20-22 Oct 2020	AAC, Bali
13 Nov 2020	SOA Predictive Analytics Seminar, Hong Kong
Nov 2020	Hong Kong Actuarial Summit 2020
Dec 2020	IFoA Asia Conference, Kuala Lumpur
11 Dec 2020	ASHK AGM

Membership Update

New Members

Associate

Wing Chung Chan	Deloitte	Associate [ASA (2018)]
Ho Ting Kan	Milliman	Associate [ASA (2018)]
Carroll Stuart	Prudential	Associate [FIA (2001)]

Student

Ian Ying Heng Chow	Prudential	Ordinary Student [SOA Student]
Haowei Huang	Deloitte	Ordinary Student [SOA Student]
Eddie Taat Sing Siew	Deloitte	Ordinary Student [IFoA Student]
Iris Tsz Ching Chan	-	University Student (The Hang Seng University of Hong Kong)*
Chen Kang	-	University Student (Hong Kong Polytechnic University)*
Wendy Pui Yi Lai	-	University Student (The University of Hong Kong)*
Carl Siu On Wan	-	University Student (The University of Hong Kong)*
Marco Ka Chung Wong	-	University Student (The Hang Seng University of Hong Kong)*
Bibianna Cheuk Wing Yeung	-	University Student (The Hang Seng University of Hong Kong)*
Sum Yuet Yiu	-	University Student (The Hang Seng University of Hong Kong)*

Membership Advancement

Fellow

Beatrice Monique Marie Maisonneuve	HSBC	Fellow [FASHK (2019, Actuaire qualifie IA (2017)]

Corporate Advertisement

The ASHK will accept corporate advertisements in the ASHK Newsletter provided that the advertisements do not detract from the actuarial profession. Acceptance and positioning of advertisement will be at the editor's discretion.

File Formats

Advertisers have to supply the artworks which should be created in MS Word/PowerPoint/JPEG/ PDF formats.

Advertising Rate

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Tel: (852) 2147 9420 or e-mail: info@actuaries.org.hk

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Hong Kong Actuaries

ACTUARIAL SOCIETY OF HONG KONG'S

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We welcome members' contribution to the "Hong Kong Actuaries" Newsletter, especially, the Feature Articles and Knowledge Sharing sections. If you have written any inspiring articles or have read any interesting articles from other actuarial organisation(s), please feel free to let us know. We will try to reprint the article(s) in our newsletter to share with our members.

For the above issues, please e-mail your articles or views to Alexander Wong by email at alexanderkpwong@hsbc.com.hk or ASHK Office by email at info@actuaries.org.hk. Publication of contributions will be at editor's discretion.