VOLUME
02
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ASHK Newsletter

FEATURE ARTICLES

Highlights of activities from ASHK Committees …… …... **P.2**

The Role of Actuaries in Enterprise Risk Management ……..…….. **P.5**

Membership Update & Actuaries on the Move……..**P.6**

Actuaries in the Media, Message Board & Market Update…..…… .**P.7**

Prize to Give Away …….... ….**P.8**

Upcoming Events …..... ….**P.9**

Events' Highlights…….. ..**P.10**

Highlights of activities from ASHK Committees

China Committee

China Committee Chairperson

Mr. Stuart Leckie
O.B.E., J.P., F.I.A., F.S.A.

The China Committee of ASHK has been in existence for 10 years. The broad purpose of the Committee is to help develop the actuarial profession in Mainland China.

Over the years there has been increasing contact between the actuaries in China (mostly based in Shanghai and Beijing) with the actuaries in Hong Kong. A landmark event took place in May 2009 when the newly formed China Actuarial Association was officially recognised by the Chinese Government's Ministry of Civil Affairs.

The International Actuarial Association has had a China Sub-committee since 1998, and to some extent ASHK's China Committee acts on behalf of the IAA regarding China. The Joint Office and the China Committee have the advantages of proximity, language and familiarity in relation to the Mainland. For example two very successful international seminars have been held in Xiamen and Xian, where ASHK's China Committee handled a great deal of the work.

The Society of Actuaries has a China Region Committee but that is quite different in that its purpose is only to assist SOA Members.

The CAA is now revising its examination syllabus to better align it with the IAA model. At the same time a number of Hong Kong actuaries have spent a great deal of time and effort in translating textbooks and preparing other material for the CAA's exam system. Although the profession in China is at present skewed towards life insurance, there is a strong desire to ensure that China has a unified actuarial profession covering:

- life insurance
- non-life insurance
- pensions
- investments
- social security
- medical
- regulation
- education

and of course the special word "risk" has to be featured throughout.

The latest news is that in August 2010 the CAA formally applied to the IAA for full membership. There are a number of requirements to satisfy for this, and it is quite likely that it will take until the next IAA series of meeting, taking place in Sydney in April 2011, before we can celebrate with China. In the meantime the Actuarial Society of Hong Kong and the Actuarial Institute of Chinese Taipei are both full IAA members.

Even after the CAA attains full membership of the IAA, there will an important ongoing role for ASHK's China Committee in helping to ensure that the profession in China is strong, vibrant and serving society in the Mainland.

Professional Matters Committee

Since re-grouping in early 2009 the Professional Matters Committee has been busy.

Tasked by the ASHK Council with drafting a new By-Law on Continuous Professional Development and updating the existing By-Law on due process, the Committee sought initial feedback from the audience at last November's Appointed Actuary Symposium on the two initiatives. Having considered such feedback the Committee agreed with the Council on the draft By-Laws. These were published as Exposure Drafts in June this year and communicated to ASHK members for comments. The Committee thanks everyone who had commented, and a September Committee meeting had taken place to review the comments. It appears that members are ready to accept the updated draft By-Law on due process, and additional feedback have been collected on CPD. Further work will now continue with a view to finalise these draft By-Laws.

This Committee is also continuing to provide support to the ongoing work lead by the Statutory Path Project Committee, reviewing and suggesting amendments to the Memorandum and Articles of Association of the ASHK.

Earlier this year the ASHK was contacted by the UK Actuarial Profession to explore ways of collaboration to better service members of the UK profession who work in Hong Kong. If you are an FIA/FFA (or one in waiting!) out there and have ideas of how you want the profession to help you, then just get in touch with any member of this Committee.

ASHK members will recall that two Exposure Drafts were published back in 2008, an AGN3 supplementary guidance for Appointed Actuaries and a revised AGN7 on dynamic solvency testing. First round comments were gathered and evaluated by the Life Insurance Committee and the Council. As required by the Due Process By-Law, the Professional Matters Committee is required to review new professional standards and guidance notes or proposed changes on existing ones. The review by this Committee is not so much on the technical contents of these standards and guidance notes but on the language being used and consistency with other standards. Upon clearance by this Committee, a second round members consultation will take place in due course.

Professional Matters Committee
Mr. Kelvin Kwok, FIA

Experience Committee

Experience Committee Chairperson

Mr. Tony Kin-Shun Cheng
MBA, FIAA

The Experience Committee has been working on the mortality and critical illness experience study in 2010. This study is based on data collected in Hong Kong over a 5 year period from 2002 to 2006. Data requests were sent to forty insurance companies and twenty-three companies responded. This compares to nineteen companies who responded for the previous study, which was conducted over a 4 year period from 2000-2003.

The main intention of this experience study is to compare the results with the previous study. Therefore, to ease comparison, all the tables are presented in the same way as the last study. The Society of Actuaries' (SOA) experience study tool is used in order to perform the analysis.

This year, the focus has been finalizing the results and drafting the report. Preliminary results were sent to the industry in December 2009. A follow up survey was conducted and the responses were collected in July 2010. All of the respondents were satisfied with the preliminary findings and found no material error or abnormality. Consistent with prior reports, the study calculates the actual-to-expected ratio by comparing the experience with the HKA01 mortality table. This report examines mortality and critical illness policies under standard individually underwritten life insurance and excludes group policies and substandard cases.

We look forward to presenting the final experience study report by the end of this year. Additional analysis will be included as suggested by the respondents. The findings will be presented during an evening event organized by the Actuarial Society of Hong Kong in late November.

Climate Change Working Group

The ASHK Climate Change Working Group was established in 2007, with an aim of reflecting and researching on how actuaries can allow for climate change in their daily work.

The working group ran a survey in 2008 to gauge members' views on climate change, and the survey findings can be found in the ASHK Newsletter (Vol. 01/2009, pages 19-21). Further to this survey, we are currently working to collate existing academic and industry research (conducted both locally, in the ASPAC region, and further afield), to provide an executive summary for the membership. It is hoped that an executive summary of research already undertaken will provide actuaries with the means to further investigate relevant topics.

We look forward to reporting our findings in an upcoming ASHK newsletter. If anyone is interested in joining the group, please contact the ASHK office at info@actuaries.org.hk or Martin Noble at martin.noble@kpmg.com.

Climate Change Working Group
Mr. Martin Noble, FIA

THE ROLE OF ACTUARIES IN ENTERPRISE RISK MANAGEMENT

BY MS. KA-MAN WONG, FSA
CHAIRPERSON
INVESTMENT & RISK MANAGEMENT COMMITTEE

With the increasingly complex and evolving business environment, organizations are seeking enterprise risk management professionals to join their teams. Actuaries are amongst the best positioned professionals to play important roles in enterprise risk management ("ERM"), with an increasing trend of actuaries expanding their traditional role to take up senior management roles in insurers and banks as Chief Risk Officers and risk analysts.

The key actuarial credential in ERM is the CERA credential. The Chartered Enterprise Risk Actuary ("CERA") credential, by the Society of Actuaries in the United States, is the most comprehensive and rigorous demonstration of ERM expertise available. In order to meet current and future needs in the ERM marketplace, the CERA credential was developed to include the theoretical, practical and professional underpinnings of ERM. It is designed to focus on how all types of risk, including operational, strategic and reputational risks, collectively impact an organization.

CERA GOES GLOBAL

In November 2009, 14 actuarial organizations from around the world converged in Hyderabad, India, signing a global treaty establishing the CERA credential as the globally recognized enterprise risk management credential. This is the first time in any profession that multiple organizations have banded together to offer their members and candidates a specialized credential. This is the second time the Society of Actuaries has made history with the CERA credential.

The first time was in 2007 when the SOA launched the CERA credential, the Society's first new designation in 58 years. The SOA's vision for the credential was to broaden the reach of the actuarial profession and provide the global marketplace with a preeminent standard of ERM practice. "Our profession is relatively small, compared with, say, accounting, or other professions that may provide risk advisory services," explained Mike McLaughlin, FSA, CERA, president of the SOA 2009/2010. "Although we are highly trained and well recognized, we work mostly in the insurance sector. As we grow in number, we can reach outside the insurance sector, expanding into broader financial services and other industries."

BENEFITS

A CERA provides a forward-looking, comprehensive approach to enable smart, well-rounded business decisions. Due to the rigorous ERM training through the credentialing process, a CERA can offer practical solutions to complex business challenges and is well positioned to assume leadership positions in the enterprise risk management marketplace.

THE CERA CREDENTIAL BENEFITS YOU AS A PRACTICING ACTUARY IN HONG KONG :

Receive the most comprehensive and rigorous ERM training available

- Enhance your exposure to the C-Suite
- Differentiate yourself from other risk professionals
- Advance the field of enterprise risk management

THE CERA CREDENTIAL BENEFITS YOU AS AN ACTUARIAL EMPLOYER :

- Increased value of human capital through enterprise risk management expertise
- Knowledge obtained from the CERA credential can help internal ERM program
- Knowledge obtained from the CERA credential can help clients implement ERM framework
- Differentiate your firm from others with enterprise risk management expertise
- A CERA demonstrates strong quantitative and financial assessment skills

ELIGIBILITY

A CERA achieves their professional status by passing a set of examinations. Unlike other professions, many professionals who earn the CERA credential do so while working in the business world and receive on-the-job training while enrolled in the examination process. The CERA credential exam process is completed through self-study and does not require specific university coursework or major. A degree in business or math is helpful, but other majors in economics, liberal arts or finance are applicable.

In the next newsletter, we will set out more about the curriculum and examination route in paving your way to this CERA credential. For more information, visit www.ceranalyst.org. We would like to express our special thanks to contribution of the Society of Actuaries on this article.

MEMBERSHIP UPDATE & ACTUARIES ON THE MOVE

New Members

Fellows

Doug CALDWELL
ING Asia Pacific, *MAAA (1994), FSA (1997), CERA (2008)*
Zita Sze-Dar CHUNG
Mercer Investment, *FIAA (2006)*
Mark DAVIS
Transamerica Life, *FSA (1987), MAAA (1987)*
Winnie Yin-Wing FONG
Greater China Appraisal, *FIAA (2010)*
Mary Hong-Wai KWAN
Ernst & Young, *FIA (2009)*
David O'BRIEN
Transamerica Life Insurance, *FIA (1997), FSA (2002), MAAA (2002)*
Judy Ying-Shuen WONG
RGA, *FSA (2007), MAAA (2008)*
Sasa Jiesha HU
Partner Reinsurance, *FIAA (2007)*
Richard PAYNE
Prudential, *FFA (2002)*
Tinny TSUN
RGA, *FSA (2005), FCIA (2005)*
Michael LOCKERMAN
PricewaterhouseCoopers, *FSA (2002), MAAA (2001)*
Sandor WEYERS
Prudential Corporation Asia, *FSA (1999), MAAA (1999)*

Membership Upgrade

Associates

Jack Chin-Hei CHOI
Fortis, *ASA (2010)*

New Members

Associates

Helen Ka-Pik CHAU
Principal, *ASA (2009)*

Students

Xiangnan GU - *(SOA Student)*
Erin Jun HU - *(SOA Student)*
Amy Sau-Yung YAN - New York Life, *(IoA Student)*
Elsie Oi-Chi MAK - *(IAAust Student)*
Eddy Hok-Tin YEUNG - Transamerica Re, *(SOA Student)*
Chenlong FENG - Hong Kong Poly, *(SOA Student)*
Lay-Choo LIM – Deloitte, *(CAS Student)*
Kai-Shing LAU - Manulife (International), *SOA Student*
Franky Tsun-Ping TSE - *SOA Student*

Reinstated Members

Fellows

Adrian Thomas O'CONNOR
Prudential, *FIA (1989), FSA (2001), MAAA (2000)*
Orchis Tzy-Lan LI
ING Life, *FIA (2003)*
Carol Hiu-Kwan WONG
Manulife, *FSA (2007)*
Wilton Wing-Tao KEE
ING Asia/Pacific, *FSA (2005)*

Associates

Jenny Lai-Wah LEUNG
QBE Australia, *AIAA (2006)*
Daphne Oi-Yee WONG
Transamerica, *ASA (2007)*

Actuaries on the Move

Fellows		Associates	Students
Vinky Wing-Ki CHU	Ronald Yu-Ching CHENG	Claude PENLAND	Jimmy Chung-Ming LUI
Ken SU	Queenie K.L. HUI	Trinity PONG	Alvin Chi-Chiu CHO
Ka-Man WONG	Rachel Yee-Man CHONG	Estee Yin-Wa YEUNG	
Nigel KNOWLES	Harald BRAUN		
Aaron Wai-Hung WONG	Danny Ka– Ming CHOW		
Andrew TANG	Jeff Yau-Chung LAU		
Wilson Chi-Ko LAM	Norm Chun-Nam LAU		
Delme PRITCHARD	Jeany CHOW		
Rockson Lok-Shuen LEUNG	Joanne Chin-Wen YEO		

Market Update

The Management Board of the Authority has recently approved one set of revised Guidelines and one set of new Guidelines:

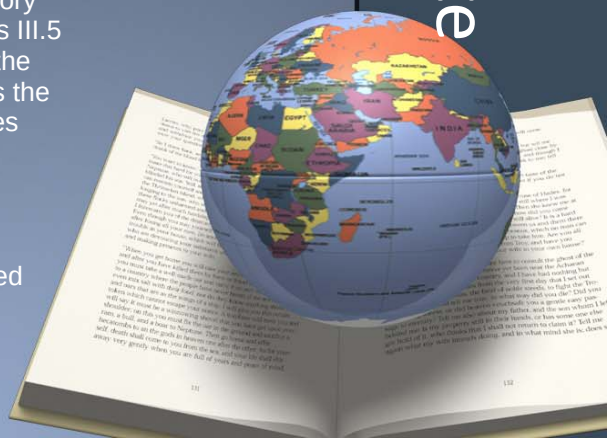
Revised Guidelines on Internal Control Report for Each Registered Scheme (Guidelines II.6)

In recent years, data leakage by a number of government bodies and financial institutions has aroused considerable public concerns. The Guidelines II.6 have been revised to provide the MPF approved trustees with guidance on data security controls.

New Guidelines on MPF Exempted ORSO SCHEMES—Investment Managers (Guidelines V.12)

The list of regulatory authorities recognized by the Authority for the purposes of section 3(1)(b) of Schedule 3 to the Mandatory Provident Fund Schemes (Exemption) Regulation was developed in 2000 based on the list of regulatory authorities recognized by the Authority as set out in Guidelines III.5 on Investment Managers for the purposes of section 45(4) of the Mandatory Provident Fund Schemes (General) Regulation. As the two lists share similar regulatory objectives, the new Guidelines V.12 have been issued to introduce a mechanism for better alignment of the two lists.

Copies of the revised and new Guidelines could be downloaded from the Authority's website at http://www.mpfa.org.hk.



MESSAGE BOARD

CHINESE DUMPLINGS (JIAOZI)

Ingredients

- Dumpling wrappers
- 6 cups finely shredded Chinese cabbage
- 200g ground pork
- 1 1/2 tablespoons soy sauce
- 1 tablespoon salt
- 1/2 teaspoon sugar
- 1 teaspoon sesame oil

Method

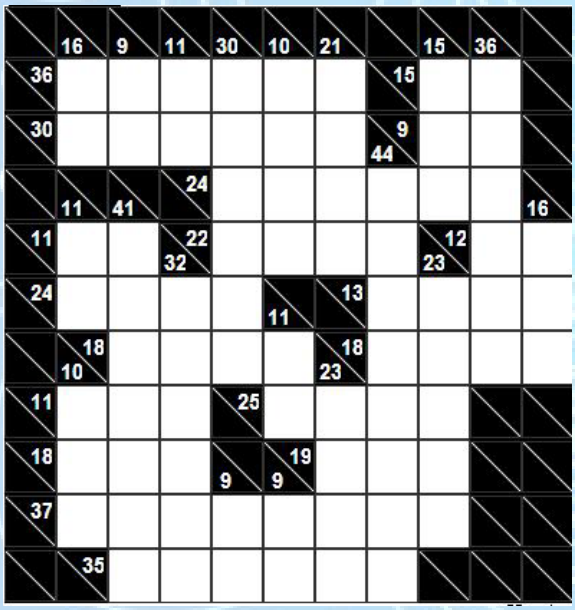
1. Mix the shredded Chinese cabbage with salt and put them aside for twenty minutes. Squeeze the Chinese cabbage so it becomes as dry as possible.
2. Mix the squeezed Chinese cabbage, ground pork, soy sauce, sugar and sesame oil together in a large bowl. Place a small portion of the filling into the middle of each wrapper.
3. Wet the edges of the dumpling and fold the wrapper over the filling into a half moon shape and pinch the edges to seal. Continue with the remainder of the dumplings.
4. Fill a large pot with 3/4 full of water and bring it to a boil. Put the dumplings into the pot and let it cook for about 5 min until they start to float.
5. Transfer the dumplings to a bowl of cold water to stop the cooking process. Drain the water in a strainer.
6. Pour a small amount of oil in the frying pan and turn on medium heat. Fry the dumplings until slightly golden on both sides.
7. Serve with black vinegar and shredded ginger as a dipping sauce.

ACTUARIES IN THE MEDIA

- The May 2010 issue of the Actuary Australia published an article "International Activities - Overview and Representatives" interviewing some IAA members working overseas. Ms. Sim Ng was one of the representatives being interviewed giving a brief overview of her role and views on living and working in Hong Kong.
- The July 2010 issue of the Actuary Australia published an article "actuary unearthed" interviewing Mr. Alan Merten. Mr. Alan Merten has just moved to Jakarta to become CEO for Manulife Indonesia.

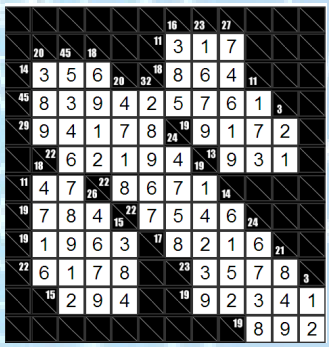
PRIZE TO GIVE AWAY!

A prize will be presented to the member who submits the first correct entry of **the Kakuro**. Join the game and submit your entry to ASHK Office by email: actuaries@biznetvigator.com **NOW** !!!



How to play:

- Place the digits 1 to 9 into a grid of squares so that each horizontal or vertical run of white squares adds up to the clue printed either to the left of or above the run.
- Numbers below a diagonal line give the total of the white squares below; numbers to the right of a diagonal line give the total of the white squares to the right.
- **No digit can be repeated** within any single run. Runs end when you reach a non-white square.



Suggested solution for May 2010

AND… the winner of the last issue is **Mr. Victor Cheung** of Manulife!

Register by 15 October 2010 for Early Bird
Closing Date : 3 December 2010

Please visit http://www.actuaries.org.my/?p=56 for details.

Actuarial Society Of Malaysia
Persatuan Aktuari Malaysia

WHEN : 2 November 2010, Tuesday (Cocktails 6:15 pm / Dinner 7:15 pm)
WHERE : Hong Kong Jockey Club Happy Valley Clubhouse
The Chater Room I-III, 2/F, 25/F Shan Kwong Road, Happy Valley, Hong Kong

Raffle Draw Sponsorship Opportunities Available!

Please contact Ms. Pat Kum at patkum@netvigator.com for details.

Upcoming Events

October			14 SOA CRC Webcast on Professionalism	25 ASHK Evening Talk	26 SOA CRC Talk (Beijing)
November	2 ASHK 7th Annual Dinner	3 ASHK 10th AA Symposium	5 AICT Talk (Taipei)	7-10 IAAust 17th General Insurance Seminar (Queensland, Australia)	
	8 SOA CRC Talk (Shanghai)	22 SOA APC (Hong Kong)	24-25 ASHK Soft Skills Course	26 SOA APC (Shanghai)	29 ASHK Evening Talk
December	2 SOA CRC Senior Actuaries Forum	3 Global ERM Webcast	6 ASHK & Macquarie University (Seminar)	16 ASHK Annual General Meeting	

EVENTS' HIGHLIGHTS

ASHK
Evening Talk
4 May 2010

IAAust
Presidential
Dinner
27 May 2010

ASHK
Luncheon
Meeting
28 May 2010

SOA EBIG Conference (Tokyo) 31 May—1 Jun

ASHK Luncheon Meeting 2 Jun 2010

ASHK Effective Presentation Skills 26 & 29 Jul

Joint Regional Seminar (Bangkok) 3-4 Aug 2010

Joint Regional Seminar (Singapore) 5-6 Aug 2010

Joint Regional Seminar (Taipei) 9-10 Aug 2010

Joint Regional Seminar (Hong Kong) 11 Aug 2010

Joint Regional Seminar (Beijing) 12-13 Aug

SOA IFRS & US GAAP Seminar (Hong Kong) 30 Aug - 1 Sep 2010

SOA IFRS & US GAAP Seminar (Taipei) 3 Sep 2010

ASHK Luncheon Meeting 6 Sep 2010

ASHK Breakfast Meeting 4 Oct 2010

Thank you for your participation!

ASHK NEWSLETTER

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Contributions to the ASHK Newsletter

We welcome members' contribution to the following sections of the ASHK Newsletter: Feature Article, Actuaries on the Move, Puzzle Corner and Message Board.

Send correspondence to the ASHK Office at the address below. When sending in correspondence which has 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. Publication of contributions will be at editor's discretion.

Corporate Advertisement

The ASHK will accept from insurance companies' or actuarial consulting firms' advertisements in the ASHK Newsletter provided that the advertisements do not detract from the actuarial profession. 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:

	One Off	Whole Year
Full page	HK$4,000	HK$3,600@

To advertise, please contact the ASHK Office by tel: (852) 2147 9418 / 9419 / 9420 or
e-mail: patkum@netvigator.com / actsoff@netvigator.com / actuaries@biznetvigator.com

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