2024 PRESIDENT'S REPORT

Timothy Wong *FASHK*
ASHK President

ACTUARIAL SOCIETY of HONG KONG
香港精算學會

PRESIDENT'S REPORT 2024

My fellow ASHK members, it is my great pleasure to present this 2024 President's Report at the end of a very successful year for the Actuarial Society of Hong Kong. Thanks to the unwavering support from council members, committee members, volunteers, honorary legal adviser, auditor and ASHK office colleagues, we have fully come back from the pandemic and become stronger than ever before. Together, we have made many accomplishments, as you can see from the different committee sections. Let me highlight a few here.

Our members form the cornerstone of our profession. I am pleased to share that we have made significant headway in membership growth. Our most recent figures show that we have grown in all membership classes, including fellows, and that our membership is now at a historical high.

After years of dedication and leadership from generations of ASHK leaders, we have finally reached an important milestone – starting July this year, fellow membership of ASHK (FASHK) is now a requirement for being an Appointed Actuary or Certifying Actuary. We introduced the ASHK Certificate Equivalent Course for grandfathered fellow members and have added an exam diet to facilitate our members fulfil this new regulatory requirement.

In 2024, the Council expanded to 15 members, and two new committees were formed - the Asian Actuarial Conference Special Project Team and the Par Fund Management Special Project Team. These were especially important in a year when ASHK undertook four new initiatives: hosting the Asia Actuarial Conference, preparing for the FASHK recognition, reviewing the Professional Standards and Actuarial Guidance Notes to address the imminent regulatory changes to Risk Based Capital, and supporting the GL34 introduction and related Par fund management regulatory development.

In the past the ASHK shared offices with our international counterparts. However, working arrangements have changed since the pandemic, and the different bodies have reassessed their workspace needs. The ASHK has now relocated to its own office, allowing more efficient use of resources. This change in work pattern does not affect our ongoing close collaboration with our overseas partners but rather strengthens our communications with more digital exchanges.

During the year we increased our engagement with different stakeholders. At home our exchange with the Insurance Authority has intensified. Across the estuary we have provided feedback on proposed Macau Risk Based Capital and Macau Accounting Standards to the Monetary Authority of Macao and the Macau Professional Committee of Accountants respectively. Regionally, we chaired the Executive Board meeting for the Asian Actuaries Association in Hong Kong, which was attended by ten actuarial societies from Australia, Taiwan, Malaysia, the Philippines, Japan, Korea, Singapore, Thailand, Sri Lanka, and Cambodia. On the international front, I would like to congratulate our two Committee Chairs, Alex Wong and Steve Cheung, on their appointments as the Vice-Chairs for the Membership Committee and Insurance Accounting Committee respectively, at the International Actuarial Association.

Lastly, I want to highlight our largest and renowned event – the Asian Actuarial Conference, that had over 1,000 registered participants, over 100 speakers, almost 50 sponsors, and over 300 overseas guests from more than 30 regions attended the event. Many travelled very far to be with us in Hong Kong, so I would like to thank them again for their great efforts. I would also like to express my deepest appreciation to the tireless members of the AAC organising committee who made the AAC a resounding success. Their behind-the-scenes work was the foundation upon which the conference stood, and I am immensely grateful for their hard work and dedication.

On this note, I encourage each member to continue your steadfast dedication and support in the upcoming year!

With great pleasure, I present to you this report detailing the efforts and achievements of each Committee during the year towards achieving the ASHK's mission and strategic priorities. A short video summarising this 2024 President's Report is available on our website and social media.

Best wishes for a healthy and joyous holiday season ahead! Thank you.

Sincerely

Timothy Wong *FASHK*
ASHK President (2024)

Presidents from CAS, IAAust, SoA, IFoA and ASHK working collaboratively together to develop good professionalism in Asia

ASHK host the Asian Actuaries Association leaders in Hong Kong

Frequent engagement with the Insurance Authority

15-person strong ASHK Council

Asian Actuarial Conference Special Project Team

Chaired by Alexander Wong, Billy Wong and Simon Lam

In June 2023, the ASHK was awarded the right to host the Asian Actuarial Conference in 2024 by the Asian Actuaries Association. To ensure that the event would be delivered successfully, a 15-person organising committee was gathered in the form of the Special Project Team.

The conference drew over 1,000 participants from 32 regions, including leaders from international and Asian actuarial organisations. We were honoured to feature more than 100 distinguished speakers over 8 plenary panels and 33 parallel sessions. Most critically we were able to gather support from over 40 sponsors and supporting organisations, without them, the event would not have been possible.

The event commenced on 22 Oct 2024 with a vibrant cocktail reception that facilitated networking among professionals from diverse backgrounds. There was also an opportunity to visit the exhibitors who showcased different actuarial-related initiatives.

Day one featured keynote addresses from distinguished figures, including Timothy Wong, the ASHK President; Joseph Chan, Under Secretary for Financial Services and the Treasury of Hong Kong SAR; Stephen Yiu, Chairman of the Insurance Authority; and Daisy Ling from Swiss Re, the Platinum Sponsor for the AAC. Attendees engaged in high-level discussions with regional insurance CEOs and participated in sessions covering critical topics such as technology, investment strategies, climate risks, and asset liability management. The evening was equally eventful. During the Gala Dinner, international guests had a taste of local delicacies and were also entertained with performances from talented actuaries from Hong Kong, Thailand, and Japan.

On day two, the AAC continued to deliver valuable content, delving into subjects such as sustainable healthcare, emerging markets, and machine learning. The sessions were structured to cater to a diverse range of actuarial interests, ensuring relevance for all participants. Day three focused on innovation, digital transformation, and professionalism, emphasising the need for adaptability in a volatile environment.

Asian Actuarial Conference Special Project Team Members 2024

Alexander Wong (Co-chairperson)

Billy Wong (Co-chairperson)

Simon Lam (Co-chairperson)

Christopher Tam

Iris Lun

Kevin Lee

Mark Saunders

Minnie Yu

Orchis Li

Sean Deehan

Sherry Du

Steve Hui

Timothy Wong

Yen Liu

To enhance the overall experience, tours were organised, including insights into fintech innovations and cultural excursions. A highlight was the trip to the Greater Bay Area, as participants were presented the latest technology development from Ping An and Tencent. Feedback from participants has been overwhelmingly positive, highlighting the high standard of sessions, the calibre of speakers, and the flawless execution of the event.

We would like to express our heartfelt gratitude to our sponsors, and everyone involved in making this AAC a huge success. We eagerly anticipate next year's conference in Bangkok, where we hope to build on this year's achievements and continue fostering collaboration within the actuarial profession.

Exhibitors at the cocktail reception

Actuary society presidents (or their representatives) with the opening ceremony officiating guests

Regional insurance CEOs panellist

Tasting local delicacies at the gala dinner

Performances at the gala dinner

Fintech excursion tour

Actuarial Innovation Committee

Chaired by Iris Lun and Sean Deehan

The Innovation Committee began 2024 with a renewed focus, adopting a simplified name and welcoming several new members. This refresh has strengthened our diversity and brought fresh, innovative ideas to drive our mission of promoting innovation within the actuarial community.

Throughout the year, we contributed thought-provoking articles to the ASHK newsletter, covering topics such as AI and innovative applications in insurance. These articles provided valuable insights, sparking discussions and encouraging actuaries to explore emerging technologies.

In August, we hosted the **Gen AI Networking Evening**, an event open to all ASHK members. Attendees had the opportunity to build professional connections, exchange ideas with some of Hong Kong's most innovative actuaries, and enjoy drinks and snacks in a relaxed setting. The event featured engaging presentations on cutting-edge applications of Generative AI, including:

- Roger Chan (WTW): Automated workflows for experience analysis and valuation, showcasing how cashflow results could be sent to ChatGPT for drafting commentary.
- Chadwick Cheung (Oliver Wyman): Practical tips on prompt engineering to maximize the utility of GPT models.
- Allan Wong (FWD): Function calling, demonstrating how Large Language Models can integrate seamlessly with other software tools.

On the global stage, we actively participated in the new **AI Taskforce** of the International Actuarial Association (IAA), with four ASHK members serving as volunteers. Notably, committee member Chadwick Cheung presented an innovative professionalism workshop on AI governance, featuring "Chad"GPT, at a recent IAA Asia Taskforce meeting.

A major highlight of the year was our contribution to the **Asian Actuarial Conference**. We hosted panels on innovation and technology and organized visits to **Cyberport** and **Science Park**, offering local and international delegates an exclusive look at Hong Kong's cutting-edge advancements.

Looking ahead, we remain committed to inspiring and influencing actuaries to embrace innovation. We welcome your ideas, collaboration, and support as we continue to drive transformative change in the actuarial profession.

Actuarial Innovation Committee Members 2024

Iris Lun (Co-chairperson)

Sean Deehan (Co-chairperson)

Bob Charles

Brian Kelly

Catherine Lu

Chadwick Cheung

Donat Piras

Jonathan Cheung

Karina Xian

Louis Lee

Orchis Li

Perkin Shek

Financial Reporting Committee

Chaired by Steve Cheung

With the effective of HKRBC in 2024, the HK insurers have to manage the financial reporting and statutory reporting under IFRS 17 and HKRBC respectively. IFRS 17 introduces a fundamental change to the financial reporting requirements for insurers, which requires careful interpretation of the standard, additional actuarial modelling, and the set up new processes and systems to collect the appropriate data, perform calculations, and prepare presentation & disclosures. HKRBC brings additional perspectives for insurers to manage the capital and prepare for its reporting/ regulatory filings. Many insurers have taken the chance to transform their current operating model and systems to prepare for the new era, and considered the interaction & potential leverage between the IFRS 17 and HKRBC.

The ASHK Financial Reporting Committee (FRC) has responded to the relevant consultations this year including (i) Revision of the Macau Accounting Standards Consultation issued by Comissão Profissional dos Contabilistas (Macau accounting professional body) focusing on the IFRS 17 Insurance Contracts which is expected to bring profound impacts for Macau insurance industry; and (ii) Exposure Draft on Practice Note 810.2 (Revised): The duties of the auditor of an insurer authorized under the Insurance Ordinance issued by the Standard Setting Department of HKICPA. The responses were discussed among the committee members to highlights the area that will impact financial and statutory reporting for both the preparers and auditors.

With the evolvement of the financial and statutory reporting requirements for insurers, the FRC have been cooperating and will continue to work with different parties, including the HKICPA IAP, IAA etc. on the related topics. On behalf of the FRC, we wish you every success on your company's financial reporting.

Financial Reporting Committee Members 2024

Steve Cheung (Chairperson)

Brian Kelly

Carrie Yip

Danny Chow

Edward Cheung

Eric Tsang

Ernest Yip

Fred Choi

Jeremy Menzies

Joseph Au

Matsuta Ng

Wilson Wu

Simon Lam (Advisor)

General Insurance Committee

Chaired by Trinity Pong

Following a successful 2023, the ASHK General Insurance Committee has continued the strong momentum to deliver industry-related activities and organise events for the members of ASHK. Although 2024 is not the year for our General Insurance Conference, we collaborated with other committees to deliver an even greater event: the Asian Actuarial Conference 2024, held in the Marriott Hotel in Ocean Park. This event welcomed actuaries from all over Asia over four days. Amongst the General Insurance topics were how insurance companies can expand their General Insurance business into the Greater Bay Area, risks with electric vehicles and autopilot, and provisioning for airline reward miles.

In addition to the grand event, the GI Committee has organised regular GI Technical Forum discussions amongst fellow actuaries who wish to seek solutions to practical difficulties at work, or discuss more technical topics, especially with the changing regulation which has come into effect this year (Risk Based Capital). These discussion forums have proven to be very well received, and we expect to continue hosting these sessions in 2025.

Besides new activities, the GI Committee has continued to further work that was initiated last year. One of these activities was the updating and reviewing of the ASHK General Insurance Paper Examination curriculum and question bank. There were two exam sittings this year with 26 GI candidates passing the exam, who subsequently also became new ASHK Fellows. ASHK has also partnered with HKU Space to deliver 4 sessions of the ASHK Certificate Equivalent Course for grandfathered fellows. Within the course, there was a two-hour session specifically tailored for the 47 General Insurance actuaries who attended.

The Committee has continued maintaining healthy dialogues with the Insurance Authority (IA) throughout 2024, where we have continued to support the IA with GL9 which was launched in July 2024. We also aim to finalise the updated version of ASHK's Actuarial Guidance Note 4 (AGN4) in 2025 to support local GI actuaries with their day-to-day work activities.

General Insurance Committee Members 2024

Trinity Pong (Chairperson)

Xavier Lo (Vice-Chairperson)

Cathy Hwang

Fred Choi

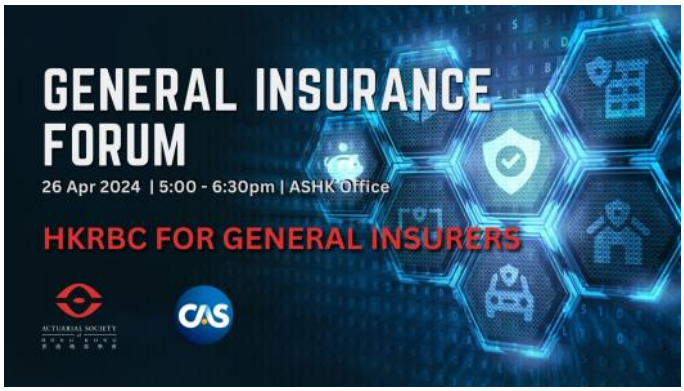
Jonathon Ko

Jenny Lai

Janet Yang

Mark Wylie

2025 will be the year of our next General Insurance Conference and we will continue to organise regular events in 2025 like the GI Technical Forum to provide value to our GI ASHK members. In addition, we aim to publish AGN4 next year to align our technical guidance with the IA's GL9. Given the various regulatory changes which has happened in the past two years (i.e. IFRS 17 and RBC implementation), we will also carry out a more significant review of the exam syllabus to reflect the latest regulatory positions in the General Insurance market of Hong Kong.



Health Committee

Chaired by Kevin Lee

The objective of the Committee is to represent, develop and inspire the health insurance actuaries in Hong Kong to serve public interests.

In 2024, the Health committee was involved in the health content within the Asian Actuarial Conference.

Dr Koh Yi Mien from Bain & Company was invited to moderate the panel, “Creating a Sustainable Healthcare system”. She was joined by panelists Dr. Axel Baur from Amplify Health, Prof. Fung Hong from CUHK Medical Centre, Sam Hui from Hong Kong Health Bureau and Yuman Chan from Bupa Hong Kong. This panel delved into the development of a sustainable healthcare system in Asia, featuring insights from ecosystem leaders. Participants explored the key challenges associated with creating sustainable healthcare financing, as well as the concept of Value-Based Care, including the differences between "Pay for Service" and "Pay for Outcome." Additionally, the panel highlighted how data and insurtech can enhance product innovation within the healthcare sector. Participants learnt about strategies for healthcare providers to effectively share risks, as well as the impact of government interventions and public policies in promoting sustainability. Finally, the discussion outlined opportunities for actuaries to contribute to the development of a sustainable healthcare system.

Kevin Lee hosted two other presentations. Raymond Cheung, Group Chief Executive Officer of Basel Medical Group, explored the dynamic intersection of medical technology (Medtech) trends and Environmental, Social, and Governance (ESG) principles within the healthcare industry, highlighting its implications for the insurance sector.

The final presentation “Enhancing the Sustainability of Voluntary Medical Insurance in an Aging Portfolio” was by Chye Pang & Catherine Lu from Milliman. This presentation explored the potential changes that need to be made to the premium rate structure and product designs and the need to provide lower cost options to enhance the sustainability of individual private medical insurance. They shared case studies from several Asian countries involving both the public and private sectors.

Health Committee Members 2024

Kevin Lee (Chairperson)

Sam Yeung (Vice-Chairperson)

Alan Lam

Betty Lee

Ben Ng

Bob Charles

Ken Cheung

Orchis Li

Peter Lau

Peter Fang

Simon Pang

Steve Tong

Wolfgang Droste

Zhaoyu Zhong

Creating a Sustainable Healthcare system panel

Raymond Cheung presents the MedTech Trend and ESG Application in Healthcare Industry

Kevin Lee presenting a small token of appreciation to Catherine Lu & Chye Pang

Life Committee

Chaired by Alexander Wong, Chris Hancorn and Flora Chan

In 2024, the committee completed the review on the appropriateness and relevance for the existing Actuarial Guidance Note (AGN) on shelf, resulting in the withdrawn of use from Hong Kong for the AGN 3 Additional Guidance for Appointed Actuaries and its two related supplements, effective from 23 October 2024, in response to the HKRBC becoming fully effective across all insurers since 1 July 2024. Other AGNs, including AGN 9 Best Estimate Assumptions, AGN 10 General Actuarial Practice, remains relevant post transition, and thus have been kept unchanged.

Throughout the year, the committee has a positive and constructive dialogue with Insurance Authority (IA) on the proposals putting forward, with the key topics highlighted and summarised below. Going into 2025, we look forward to further dialogue on investments, in particular on the treatment of green bonds and infrastructure bonds, in HKRBC, considering the profound and long-lasting impact from these not only to insurers, policyholders but also to the wider public on these important topics.

Insurance (Valuation and Capital) Rules and Insurance (Submission of Statements, Reports and Information) Rules
In January, the committee shared important feedback with the IA regarding the consultation on the draft rules to be made under section 129 of the Insurance (Valuation and Capital) Rules and Insurance (Submission of Statements, Reports and Information) Rules. The feedback was assembled by members from the Life Committee and General Insurance Committee, with input from a number of other senior and experienced ASHK members and conveyed in writing and through a series of constructive dialogues with the IA. The feedback was with a view to ensuring that the new rules both provide a strong level of solvency protection while ensuring that the approach leads to enhanced risk management outcomes, focused on the following particular areas:-

- composition of capital base and the amount of the capital to be maintained by an applicable insurer
- approach and basis on the valuation of assets and liabilities

Life Committee Members 2024

Alexander Wong (Co-Chairperson)

Chris Hancorn (Co-Chairperson)

Flora Chan (Co-Chairperson)

Abhishek Kumar

Ellick Tsui

George Tang

Ing Tai Ching

Iris Lau

Jeremy Porter

Jiang Bin Lai

Kim Yeoh

Rejoice Wai

Simon Lam

Steve Cheung

Stuart Carroll

- categorization of the respective risk modules and the corresponding stress factors or risk factors for long term business and general business in the determination of PCA

We were pleased to lead a positive dialogue with the IA on these important matters, which contributed to the very successful launch enactment of the final HKRBC rules, which is increasingly being recognised internationally as a leading example of a modern Risk-based capital regime.

Guideline on "Fit and Proper" Criteria in relation to Insurers under the Insurance Ordinance
Pursuant to section 133 of the Insurance Ordinance (Cap. 41) being introduced, the IA published a draft guideline on "Fit and Proper" Criteria in relation to Insurers under the Insurance Ordinance (Cap. 41) (GL4). In January, the ASHK provided comments to the IA on the following areas.

- Factors for Determining "Fit and Proper" Persons
- Criteria for Individual Person
- Criteria for Body Corporate

The feedback was important to ensure that the details were aligned with the ASHK membership and local knowledge requirements outlined in the new IA IC-P04 form - Applicable to position: actuary under section 15AAA(1) of the Ordinance (i.e. Appointed Actuary and Certifying Actuary).

Guideline on Actuary's Report of Investigation in respect of Long-Term Business
Further to the commencement of the Insurance (Submission of Statements, Reports and Information) Rules (Cap. 41S), the IA proposed to publish a new Guideline on Actuary's Report of Investigation in respect of Long-Term Business to outline the minimum scope and content of the appointed actuary's report to be furnished for the actuarial investigation required under section 18 of the Insurance Ordinance.

In October, a number of members from the committee reviewed the draft guideline and had no substantive comments. Those members who reviewed the draft guideline believe that it makes sense in the context of the Ordinance.

Response to Macao Risk-Based Capital Quantitative Impact Study (QIS)
As part of the plan to move to a Risk-based capital regime, the Monetary Authority of Macao (AMCM) issued the first QIS in May. The proposed Macau RBC framework will change the solvency supervision of insurers and insurance branches in Macao.

The committee lead the preparation of ASHK's formal response on the QIS, focusing on the technical aspects of the proposed rules. We will continue to collaborate with AMCM and the industry for the healthy development of the new capital regime.

ASHK 22nd Appointed Actuaries Symposium
On 29 November, the committee hosted the annual Appointed Actuaries Symposium (AA Symposium) with around 100 Appointed Actuaries and senior actuaries. The AA Symposium is an important platform for discussing hot topics and issues affecting the roles and responsibilities of Appointed Actuaries and other senior actuaries in Hong Kong.

We were pleased to have Mr. Clement Lau from the IA to deliver the Keynote Speech.

The programme included a wide range of hot topics for the actuarial community.

- Par Fund Management – latest development and impact to actuaries: the panel highlighted the significance of participating business in the Hong Kong insurance market, and the critical roles that Appointed Actuaries play in ensuring the healthy and sustainable development of this important line of business. The panellists shared some international experiences and provided valuable advice on key topics such as managing policyholders' expectations, determining appropriate expense charges etc.
- Market Pulse - Latest Trends and Insights: three speakers were invited to share their insights on the latest trends impacting the insurance industry, namely critical illness experience, medical claims cost experience and capital management using reinsurance. Their sharing allowed us to keep abreast of market development.
- Tech-Savvy Actuary: AI has been a hot topic in recent years, not just within the insurance market. The speaker shared how new technology can help to improve the efficiency of the day-to-day work of actuaries, with a live demo on process automation.
- The Evolving Role of Actuaries: What's Next?: to wrap up our Symposium, three senior insurance leaders shared their views about the current roles of actuary and how actuaries can transform themselves to be valuable business partners.

There was also an update from the Hong Kong Federation of Insurers and an investment outlook from an economist. The committee wishes to thank all the speakers, panellists, and the generosity of the sponsors.

Membership & Communications Committee

Chaired by Dicky Lam and KP Wat (Dr.)

Membership growth remains a major priority of the society. The Membership and Communications Committee continued to recruit new members as well as to retain existing members to strengthen our actuarial community.

Membership Growth

The recruitment and retention strategy for membership growth has come to a harvesting stage. In 2024, we have received a net increase of 152 members. Owing to the new statutory requirement of Life Appointed Actuaries and GI Certifying Actuaries, we have seen an increase in demand for the FASHK qualification and actuaries have obtained the ASHK Fellowship by passing the exam for the ASHK Certificate in Hong Kong Insurance Markets and Regulations.

For the large growth of University Student Membership, the committee is thankful to many ASHK members who continue to deliver talks and workshops in various universities, promoting ASHK as well as the actuarial profession, such as career prospect of actuaries and the recent market development like HKRBC and Par Fund Management. These talks have successfully attracted many university students to know more about actuarial practice and the importance of joining ASHK.

To help students and companies fill internship placements, the ASHK continues to offer the Actuary Internship Portal twice a year in December and May. We currently have 52 registered employers who offered 160 internship jobs in 2024.

Partnership with University Students

The ASHK is working with the Statistics and Actuarial Science Society (SASS), Science Society from The University of Hong Kong to extend collaboration opportunities with university students to promote the ASHK and the actuarial profession. Activities include a tea gathering session where newly qualified actuaries shared their experience, a firm visit to understand the work of an actuarial consultancy, supporting student activities such as the orientation and the inter-university competition, Actuarial Cup, and the ASHK Vice President, Steve Hui delivering an inspiring speech at the SASS annual dinner.

Membership & Communications Committee Members 2024

Dicky Lam (Co-Chairperson)

KP Wat (Dr.) (Co-Chairperson)

Mary Kwan (Vice-Chairperson)

Amy Chan

Donald Chan

Greg Soloman

Jessica Sun

Shirley Fong

Stephen Cheung

Wendy Lai

Reform of ASHK Newsletter

In 2024, one of the breakthroughs from the Membership and Communications Committee is the reform of the ASHK Newsletter to the rebranded ASHK Magazine termed Actuzine 精誌. Thanks to the long-lasting support of the ASHK members, our committee members and the previous editorial teams, the newsletter has been greatly reformed over the past two decades, from a simple society announcement report in a length of 4 to 5 pages, to a well-structured magazine with feature articles, interviews of actuaries, and the new student corner. The new ASHK Magazine is modern in design with AI-generated graphics, and rich in content covering various aspects of the actuarial profession. We even adopted a new flipbook style to publish Actuzine on top of the traditional pdf file, enhancing the readability and interactivity of the magazine.

Diversity of the Committee

We are glad to receive strong support from committee members coming from a wide diversity. Our committee consists of senior and junior actuaries who work in insurance companies, banks, consulting firms, as well as members who are independent consultants, university faculties and also actuarial science students. The spectrum of different professions of actuarial practice has enriched the committee in terms of knowledge exchange, members' views and a broad coverage of stakeholders.

How to smash your next
Actuary job interview
The University of Hong Kong, 23 March 2024

NEVER STOP

Flora Chan FASHK – Deputy Chief Actuary, Manulife
Candy Chan FASHK – Senior Director, Actuarial, Ma

How to smash your next
Actuary job interview
The University of Hong Kong

Deloitte
香港大學理學會統計及精算學會
Statistics and Actuarial Science Society, SS, HKU

Par Funds Special Project Team

Chaired by Chris Hancorn and Dicky Lam

Following ASHK's feedback to the Insurance Authority (IA) proposals for participating fund management in September 2023, the ASHK council decided to form a Special Project Team (SPT) to work on the anticipated detailed proposals that the IA would issue in 2024. The main objectives of the SPT are:

- to ensure that ASHK liaises appropriately with the IA as they develop the final proposals; and
- to develop appropriate guidance for ASHK members who are involved in advising insurers or performing independent reviews of insurers on meeting the key objectives set out by IA.

Independent review for the initial implementation of fund requirements

In April 2024, the SPT provided feedback on the independent review for the initial implementation of fund requirements proposed by the IA. This feedback summarises ASHK's recommended independent review approach and key review procedures for the independent review for the initial implementation of fund requirements on participating businesses. The coverage of the review procedures included Participating fund setup and surplus transfers, and Physical segregation of assets backing the participating fund (as at the commencement date of the Insurance (Amendments) Ordinance 2023).

GL34: Guideline on Establishment and Maintenance of Fund(s) in respect of Participating Business

Following ASHK's feedback, the IA issued a draft Guideline on Establishment and Maintenance of Fund(s) in respect of Participating Business. ASHK submitted further feedback to the IA in 15 areas on this draft, covering Scope and Application, Identification of Assets and Liabilities, Opening Balance, Expenses and Charges, Allocation of Surplus/Profits, Physical Segregation of Assets, and Independent Report of the Establishment of Participating Fund upon the Commencement of the Insurance (Amendment) Ordinance 2023.

The final GL34: Guideline on Establishment and Maintenance of Fund(s) in respect of Participating Business was issued in June 2024.

Par Funds Special Project Team Members 2024

Chris Hancorn (Co-Chairperson)

Dicky Lam (Co-Chairperson)

Brian Chan

Flora Chan

Sean Deehan

Peter Duran

Nasir Khan

Iris Lau

Kevin Lee

Alfred Leung

Paul Melody

With feedback from members on the GL34 (particularly on the footnote to 6.3 of GL34). The SPT produced the first draft of an Actuarial Guidance Note (AGN) for Participating Fund Management for external stakeholders to comment on in July 2024. The purpose of this guidance note is to assist the Appointed Actuary in meeting regulatory requirements for the management of participating business, taking into account the requirements of the Insurance Authority's GL34.

This AGN was a product of a great deal of effort and input from several experts, and it was coordinated by the SPT and with input sought from Appointed Actuaries who are ASHK members.

The draft is being subjected to a 30-day member consultation across the entire ASHK membership and, in parallel, provided to the IA for further comments. Following consideration of all feedback, the AGN will be presented to ASHK Council for final approval, with a view to putting it into effect from January 2025.

Participating business governance proposals

In September 2024, the SPT provided comments to the IA on its participating business governance proposals. The feedback set out a number of key observations from ASHK, which has considered the proposals as written.

Insurers and their Boards should be trusted to select appropriate members of the Participating Business Committee

The requirements for independence go beyond typical corporate principles

Reporting of departures from advice should be in agreement with the insurer, and would be expected to be in exceptional circumstances only

Enhanced measures for participating products in Hong Kong

Following an IA town hall meeting in November 2024, the SPT took the opportunity to provide some feedback to the IA on their proposed enhanced measures for participating products in Hong Kong. The main points communicated were

- Scope should apply to all long-term savings products
- Any cap should apply consistently to existing business, as well as new business, prospectively from the implementation date
- Caps should apply to the investment return assumption – rather than the customer's IRR
- Investment return assumption caps should vary by scenario and should be derived using sound economic principles based on a published study
- Investment return assumptions should be disclosed in customer illustrations

This has been an exceptionally busy year for the SPT, and we would like to offer our heartfelt gratitude to all of the members who attended the very early morning meetings to discuss the various issues related to par fund management.

Professional Development Committee / Curriculum and Examination Task Force

Chaired by Patrick Au and KP Wat

2024 is a remarkable year for the Professional Development Committee (PDC) and the Curriculum and Examination Taskforce. We have successfully launched the ASHK Certificate Equivalent Course for grandfathered Fellows and continue to administer the ASHK Certificate Core, Life and GI examinations.

ASHK Certificate Equivalent Course for Grandfathered Fellows

With the effective of the HKRBC, it is required by the insurance ordinance that both long-term insurance and general insurance actuaries to have local market knowledge in order to be qualified as Appointed Actuaries and Certifying Actuaries, respectively. We have engaged HKU SPACE to launch the ASHK Certificate Equivalent Course. The course is 7 hours long and is split with Core, Life and GI sessions with the Core session being compulsory, and Life and GI sessions being electives. The Core session covers the roles and responsibilities of regulatory bodies and industry bodies, risk management and reinsurance, as well as the latest industry developments. In the Life session, it covers the overview of market landscape, regulations, standards and guidelines applicable for Life insurance. The GI session covers the roles of actuaries in the GI market, main types of products in the HK market and overview of market landscape. The course will then be concluded by a group discussion within the Life or GI session.

In 2024, we delivered the course four times with 195 life actuaries and 47 GI actuaries successfully completed the course. We also offered the course for 12 grandfathered fellows who are now based overseas and not able to attend the course in Hong Kong.

Professional Development Committee Members 2024

Patrick Au (Chairperson)

KP Wat (Co-Chairperson)

Joey Yu

Julian Man

Kelvin Lee

Leong Chew

Minnie Yu

Stanley Wang

William Man

Examination Task Force Members 2024

Patrick Au (Co-Chairperson)

KP Wat (Co-Chairperson)

Adrian Yang

Brian Mak

Dr. Jae Kyung Woo

Eva Yan

Janet Yang

Sean Deehan

Steve Cheung

Shirley Fong

Terry Chen

Wilson Wu

Xavier Lo

As there are new guidelines being issued by the Insurance Authority including GL34 and updates in the Actuarial Guidance Notes, we are working to update the course materials accordingly. We will continue to offer the ASHK Certificate Equivalent Course for a limited period subject to demand. The course is expected to be available either until most of the grandfathered fellows obtain the certification or when there is slowdown in registrations for the course. Once it is no longer available, passing the examination of the ASHK Certificate in Hong Kong Insurance Markets and Regulations will be the only way to demonstrate your local market knowledge in future.

ASHK Certificate in Hong Kong Insurance Markets and Regulations

This year we launched the first round of exams for the ASHK Certificate in June which offered the Core, Life and GI papers. In order to accommodate the high demand from the members to obtain the qualification needed to become a GI certifying actuary, we arranged an additional exam sitting in September which offered only the Core and GI papers. We had 52 and 30 members attended the exams in June and September respectively.

Similar to the ASHK Course, we have also started preparing the syllabus update for the ASHK Certificate. The Examination Taskforce members will also update the study guide and the question bank for Core, Life and GI exams accordingly. In 2025, we plan to offer two exam sittings again, with the first one in June and the second one in October/November.

ASHK Certificate Award Ceremony

Given that the ASHK Certificate has been administered since 2019, a certificate award ceremony was held at the Appointed Actuaries Symposium in November to recognise the candidates' efforts and raise awareness in the industry. Recent candidates who passed the Core and Elective papers were invited to attend the ceremony, followed by a luncheon to commemorate this occasion.

Actuview – Free Online Self-Learning Resource for ASHK Members

The Actuview platform continues to be made available to eligible ASHK members. Members were continuously encouraged to use this resource for their CPD, as there was no additional cost for doing so. The online platform provided various topics within insurance (life, pension, health, etc.), emerging topics (risk management, RBC-type regulatory framework updates, actuarial data science). Members can print a list of recordings they watched as a CPD record.

Pension & Employee Benefits Committee

Chaired by Sean Deehan and Zita Chung

The objective of the Committee is to represent, develop and inspire pension and employee benefits actuaries in Hong Kong to serve public interests.

In 2024, the committee was involved in the pension content within the Asian Actuarial Conference.

In early Jan 2024, the Committee held a catchup meeting with Hong Kong Retirement Scheme Association (HKRSA) to explore the opportunity of collaboration and better growth of the retirement industry.

Zita Chung moderated the panel, “Challenges in Retirement Accumulation and Evolving Retirement Solutions”. She was joined by panelists Cynthia Hui from the MPFA, Lilia Wan from Heng An Standard Pension Company, Martin Franc from Invesco Asia Pacific and Thomas Cheong from Principal. The panel delved into topical issues and trends shaping the evolving retirement landscape, with a focus on regional developments drawing on expert insights across global experiences. The session explored the latest retirement solutions as some pension schemes in the region are moving from accumulation to decumulation phase, with the growing need for innovative products tailored to an ageing population.

Sean Deehan hosted two other presentations. Joey Zhou, Associate Professor at Nanyang Business School, NTU, shared insights from an international "Retirement Protection Gap" study under the NTU-GAIP collaboration. It focused on addressing the pressing issue of retirement adequacy, examining retirement schemes from multiple countries, including Singapore, Japan, China (Mainland), and Indonesia.

The final presentation was from Fongnei Chan from Gallagher Re Japan. She provided an insight on the retirement and pension issues through a Japan case study. Starting with an overview of the Japan National Pension System, the session explored the challenges of individuals under an ageing population, how this contributes to the recent movement of saving products in Japan, and what other Asian countries can learn from Japan's situation.

Pension & Employee Benefits Committee Members 2024

Sean Deehan (Co-Chairperson)

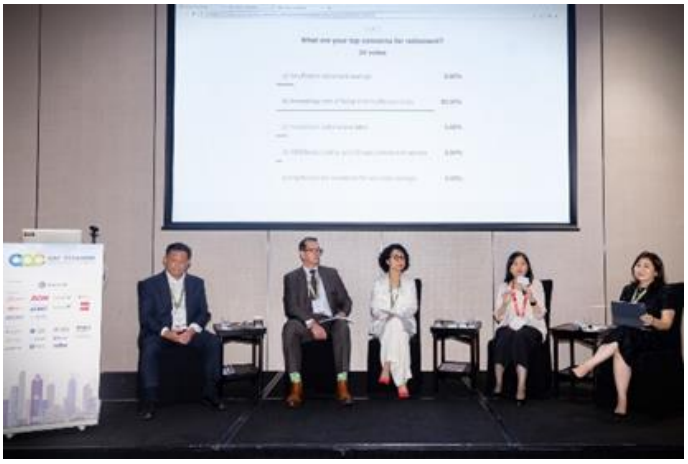
Zita Chung (Co-Chairperson)

Alvin Cho

Isabella Chan

Terry Yung

William Chow



The Challenges in Retirement Accumulation and Evolving Retirement Solutions panel

Joey Zhou presents the Retirement Protection Gap study

Sean Deehan presenting a small token of appreciation to Fongnei Chan

Professional Matters Committee

Chaired by Flora Chan & Ronald Tse

Reviewing Procedures or Standards

The recent Insurance (Amendment) Ordinance 2023 introduces important changes for actuaries in Hong Kong. Under this ordinance, both the Appointed Actuaries of long-term insurers and the Certifying Actuaries responsible for the Actuarial Opinion on General Insurance Liabilities are now required to be Fellow Members of the Actuarial Society of Hong Kong (FASHK).

In light of this new requirement, the Professional Matters Committee (PMC) introduced amendments to the Professional Conduct Code and Professional Standard 1. The Profession Conduct Code has been updated to align with standards from other international actuarial bodies, ensuring consistency and high ethical standards with other jurisdictions, while the Professional Standard 1 has undergone substantial revisions to clearly outline the principles and key requirements that both Appointed Actuaries and Certifying Actuaries must follow. To gather feedback from members regarding these changes, a one-month members consultation was conducted in October 2024 to ensure that the updates reflect the needs and and address concerns of the industry.

The Actuarial Guidance Notes AGN 3[1] – Additional Guidance for Appointed Actuaries and AGN 4 – Outstanding Claim Liability and Premium Liability for General Insurance Business were both withdrawn from use. The PMC also reviewed the Exposure Draft of the new Actuarial Guidance Note 11 (AGN 11) - Participating Fund Management, prepared by the Par Fund Management Special Project Team to elaborate HKIA's Guideline 34, before it was circulated for members consultation.

[1]AGN 3 has been withdrawn from use in Hong Kong.

Professional Matters Committee Members 2024

Flora Chan (Co-Chairperson)

Ronald Tse (Co-Chairperson)

Chris Hancorn

Des Thomas

Jeff Lau

Rockson Leung

Roddy Anderson

Thomas Tang

Professionalism training

A Professionalism webinar was successfully conducted in early July, attracting over 200 attendees. The webinar featured two insightful case study videos presented and discussed by PMC members. The first one “Picking up the Slack” shared their views on delivering a project under tight deadline while staying professional while the latter discussion “Lying A.I.s” was about facing conflicting interests from the company, individuals, and remaining professional. The webinar was well received.

The PMC will host an additional Professionalism seminar during the AGM on 11 December. This in-person session fostered greater interaction among members, allowing them to share their views on the recent updates of Professional Standard 1 and Professional Conduct Code. Another case study will also be discussed.

CPD Audit

The PMC performed an audit of 5% of members who were subject to CPD requirements for the calendar year 2023.

Strategy & Statutory Path Committee

Chaired by Mark Saunders and Steve Hui

The following is a short summary of key initiatives progressed by the Strategy & Statutory Path Committee (the Committee) this year:

Strategy Day 2024
The Council gathered in March to determine the priorities for ASHK's work plan for the upcoming year as well as to formulate strategies for the years to come.

Resources would need to be focused to ensure the success of the Asian Actuarial Conference. This would not only uplift ASHK's exposure but would also assist Hong Kong to establish itself as a recognised centre for actuarial excellence.

Membership growth remains a priority; this includes recruiting a new generation of actuaries from our universities, attracting overseas qualified actuaries and retaining our existing members.

ASHK needs to be prepared for the launch of the RBC in the middle of the year, as it will have a profound influence on our members. With this in mind, our engagement with the Insurance Authority will become closer. ASHK will serve as a sounding board for some new regulations; this will help demonstrate ASHK's ability to shape industry regulations and standards. Looking a bit farther, our expertise could also extend to the opposite side of the estuary, in Macau.

FASHK being recognised designation
During the year, ASHK met with the Insurance Authority on multiple occasions to ensure that ASHK was aligned with the pertinent information in the Insurance (Amendment) Bill 2023 and was prepared for the supplementary rules/regulations.

After many years of working on this, the Committee is pleased to see that the ASHK Fellowship is now formally recognised as an actuary qualification; the details are outlined below.

Strategy & Statutory Path Committee Members 2024

Mark Saunders (Co-Chairperson)

Steve Hui (Co-Chairperson)

Annie Cheng

Bob Charles

Christine Wu

Erica Chan

Geoffrey Cheng

Han Chua

Jackie Chu

Jessica Pang

Kevin Lee

Linda Jin

Thomas Tang

Simon Lam

Cap.41A Insurance (Actuaries' Qualifications) Regulation

Schedule - Qualifications for Appointment as Actuary of Authorized Insurer

Part 1 - Local Qualification

1. Fellow Member of The Actuarial Society of Hong Kong

Part 2 - Overseas Qualification

1. Fellow of the Institute and Faculty of Actuaries of the United Kingdom
2. Fellow of The Institute of Actuaries of Australia
3. Fellow of the Society of Actuaries of the United States of America
4. Fellow of the Casualty Actuarial Society of the United States of America

GL4: Guideline on "Fit and Proper" Criteria in relation to Authorised Insurers under the Insurance Ordinance (Cap.41A)

Appointed Actuary

4.9 The appointed actuary is required to possess the following qualifications as prescribed under the Insurance (Actuaries' Qualifications) Regulation (Cap. 41A) or qualification acceptable to the IA as being comparable to the following:

(a) any of the following qualifications:
  (i) Fellow of the Institute and Faculty of Actuaries of the United Kingdom;
  (ii) Fellow of The Institute of Actuaries of Australia; or
  (iii) Fellow of the Society of Actuaries of the United States of America, and

(b) Fellow Member of The Actuarial Society of Hong Kong.

Certifying Actuary

4.12 The certifying actuary is required to possess the following qualifications as prescribed under the Insurance (Actuaries' Qualifications) Regulation (Cap. 41A) or qualification acceptable to the IA as being comparable to the following:

(a) any of the following qualifications:
  (i) Fellow of the Institute and Faculty of Actuaries of the United Kingdom;
  (ii) Fellow of The Institute of Actuaries of Australia;
  (iii) Fellow of the Society of Actuaries of the United States of America; or
  (iv) Fellow of the Casualty Actuarial Society of the United States of America, and

(b) Fellow Member of The Actuarial Society of Hong Kong.

As we conclude this significant goal, we'd like to express our gratitude to the committee members and everyone else who has worked so hard over the years on this project.

As a strategic vision we want the ASHK to become more influential and impactful. This in turn will help us attract more members including those from outside the profession as we aim to make a positive difference to the insurance industry and beyond through societal and economic impact. After the 2024 Asian Actuarial Conference we plan to establish a Public Policy Committee as a core component of this vision.

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