

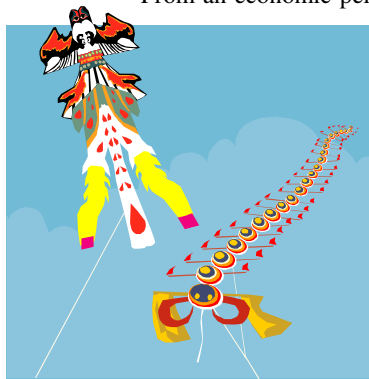


Editorial

by Ms. Sim Ng

Welcome to the second issue of the newsletter for 2006!

The theme that has been selected for this issue is **China**.



From an economic perspective, we are all well aware that China has been bubbling along at GDP rates of approximately 10% p.a. for at least a decade and shows no signs of slowing. In addition, China has also been the subject of many M&A

transactions, with such activity accounting for USD 28 billion in 2005. This includes not just foreign investment in China but also includes initiatives by Chinese companies within China and outside of the country. However, what is not readily read from books and magazines are the experiences of people who have worked in China. In this issue, we shed some light from this perspective.

Many of you would have noticed that ASHK has embarked on several new initiatives this year. Firstly, a social evening was held for the first time on 9 June 2006 on one of the high floors of the HSBC building in Central (many thanks to Estella Chiu for making this possible). Despite the black rain weather warning on that day, the event was well attended by nearly 60 members. In view of the success, another similar event will be organized shortly and we trust that even more members will attend the next event. Secondly, a junk trip has been organized for ASHK members and their family and friends. This enables new members from overseas to meet new friends from varied backgrounds, and not just actuaries!

I would like to remind members that this is your newsletter and we welcome contributions for articles and new ideas. The theme for the next newsletter is Risk Management. We would be happy to publish any thoughts and ideas which you would like to share with other members.

Enterprise Risk Management, which is the concept of managing all risks across an enterprise to achieve a

balance between risk and return, has been growing in importance. This is an area of opportunity for actuaries, where they can contribute and extend their influence. For example, actuaries could critically assess the nature of the risks and develop models to quantify the risks. Risk-based Capital and Risk Adjusted Return on Capital are also increasingly important concepts as investors become more aware and reward and penalize companies based on their risk-return characteristics. In addition, the implementation of Basel II means that banks need to model and hold capital for operational risks. It is a matter of time before such regulations are extended to the insurance industry. As actuaries, we should be leading the developments in Risk Management and adapting to the changing circumstances.

(Chairperson of the ASHK Membership & Publications Committee, Ms. Sim Ng, FIAA, FSA can be reached at sim.ng@cba.com.hk.)

ASHK Newsletter

Volume 02/2006
July Issue

CONTENTS

Editorial	1
Council Update	2
Country Feature Article.....	3
Membership Update.....	9
Actuaries on the Move.....	10
Market Update	10
Book Review	11
Event's Highlight.....	11
Obituary	16
Do you Sudoku?.....	19
Upcoming Events.....	21



Council Update

Committee Reports

General Insurance Committee

At the invitation of the Insurance Authority (IA), the ASHK has commented on the compilation and release of Hong Kong insurance business claims development statistics.

The former practice of compiling claim statistics was done every year based on the Hong Kong General Business Returns from insurers which remain authorized. The IA's proposed change in compilation practice is to accumulate and preserve claims development data for prior years, aiming to prevent loss of data due to insurer exit, including portfolio transfer. In addition, the revised format of publishing the statistics is amended to split claims development statistics for each of business into three tables covering separately: direct business, facultative business (on accident year basis) and facultative and treaty business (on underwriting year basis).

Members may wish to note that the above proposals will be implemented commencing with the statistics for 2005.

(Chairperson of the ASHK General Insurance Committee, Mr. Pang Chye, FIA, MAAA, can be reached at pang.chye@milliman.com.)

Life Insurance Committee

The Committee is moving ahead with this year's Appointed Actuaries Symposium scheduled to be held on 15 November 2006. Some suggested topics for the symposium are:

- Risk Management
- HK/US Currency PEG
- Product Development
- IFRS in Practice
- Risk Based Capital and Solvency Issues
- Resilience Reserve
- Asset & Liability Valuation *(A membership survey of valuation basis will be conducted in the later part of the year)*
- UK's Perspectives on its Changes of Appointed Actuaries System and Consequences

Further details and formal invitations will be sent out in September/October 2006.

(Chairpersons of the ASHK Life Insurance Committee, Mr. Tony Cheng, FIAA, and Mr. Sai-Cheong Foong, FIAA, FSA. They can be reached at tcheng@hk.rgare.com and sai-cheong.foong2@aig.com respectively.)

Membership & Publications Committee

ASHK annual subscription fees have remained unchanged over the last seven years. In order to meet the rise in Society and office operating expenses and further enhance membership services, the Council will be reviewing the need to increase the current level of membership subscription fees. The proposal on the fee increase will be voted for approval by the Council and membership at the AGM to be held on 12 December 2006.

(Chairperson of the ASHK Membership & Publications Committee, Ms. Sim Ng, FIAA, FSA can be reached at sim.ng@cba.com.hk.)

Professional Matters Committee

A comment from a UK actuary on the ASHK's Professional Standard 1 (PS1) was received. The PS1 was introduced in 1993 based on the UK regulatory environment. The UK regime has changed radically since then. In particular, the Appointed Actuaries System no longer exists in the UK and the sign-off of solvency and the adequacy of the valuation bases is provided by the directors, not by an actuary. The Committee is reviewing what in addition to the preamble needs to be updated in the PS1 as well as AGN3.

In recent meetings with the IA and the Financial Bureau, it was learnt that the Hong Kong Government has expressed support for the proposal for recognition of ASHK as a statutory body. Rather than setting up a Hong Kong qualification examination, the Committee is exploring the feasibility of introducing a professionalism course and experience requirements to be placed on actuaries practicing in Hong Kong.



(Chairperson of the ASHK Professional Matters Committee, Mr. Kevin Lee, FIA can be reached at kevin.lee@hk.zurich.com.)

Retirement Schemes Committee

The Mandatory Provident Fund Schemes Authority (MPFA) invited the ASHK to provide feedback on its recent proposals to improve the content of annual benefit statement, which aims to help scheme members better understand the details of their MPF accounts and manage their MPF retirement savings. The paper can be obtained through the MPFA website at http://www.mpfahk.org/doclib/Consultation_Paper_on_ABS_eng.pdf.

(Chairperson of the ASHK Retirement Schemes Committee, Mr. Billy Y.L. Wong, FSA can be reached at billy.wong@watsonwyatt.com.)

ASHK's Contribution to the UK Actuarial Professional's Equitable Life Assurance Society Archive

In March 2006, the ASHK contributed £1,000 to assist the UK Actuarial Profession in securing the archive of the Equitable Life Assurance Society at the auction. The archive, which goes back to the 1760s, is of unique importance, as it contains unpublished documents which illustrate the first application of actuarial science to life assurance.

With generous support from individual members, companies, actuarial societies and actuarial associations worldwide, the appeal fund not only met but exceeded its target, placing the UK Actuarial Profession in the position to complete the purchase of archive.

The key documents of the archive will be made available electronically on the UK's website as part of a presentation on the history of actuarial science. Latest information on plans to conserve and publicize the archive will be announced in due course.

ASHK Annual Dinner, 14 November 2006

This year's ASHK Annual Dinner is scheduled on 14 November 2006 at the Hong Kong Jockey Club, Happy Valley Clubhouse. While more details will be available in October, we would like to take the liberty of seeking your support.

CALL FOR VOLUNTEERS: We cordially invite you to put your talent and creativity to the best use in the evening's program. Members who are interested in joining the organizing committee and making the Dinner fun & memorable, please contact ASHK office at email: patkum@netvigator.com as soon as possible. **Don't miss this excellent chance to impress your actuarial colleagues or friends with your talent and creativity!**

NEWLY QUALIFIED FELLOWS – CHANGE OF MEMBERSHIP STATUS: As in the past 2 years, newly qualified Fellow members* are invited to attend the Dinner on a complimentary basis. Members who have recently attained Fellowship from the overseas actuarial bodies but not yet updated us with your change of membership status, please submit the completed change in membership status application form (it can be download at <http://www.actuaries.org.hk/doc/ASHK-applicationform.pdf>) to ASHK office by **22 September 2006**. A formal Annual Dinner invitation will be sent to you in October.

* A newly qualified Fellow member shall be either a new member or an existing member of the ASHK who attained Fellowship from the overseas actuarial bodies in 2005 or 2006 and whose membership has been approved by Council during the period 1 October 2005 to 30 September 2006.

Country Feature Article

Working in China... F.Y.I.

by Mr. Henry Lok

This feature article begins with an update on China's insurance industry. In the latter part, first-hand information of what it is like to work and live in China is shared by actuaries and an investment bank analyst with working experiences in China.

The Insurance Market is Highly Concentrated

Both the life and property and casualty (P&C) insurance markets in the PRC are fragmented in terms of the number of players, but highly concentrated in terms of market share.

PRC Insurance Market Participants

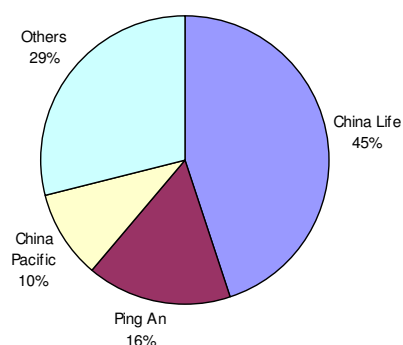
	Local	Foreign & JVs	Total
Life			
Number of participants	17	22	39
Insurance premiums (RMB in billions)	273.6	30.2	303.8
Insurance premiums (excl. one-offs of Generali China)	273.6	10.2	283.8
P&C			
Number of participants	20	13	33
Insurance premiums (RMB in billions)	107.1	1.4	108.5

Source: CIRC, China Life

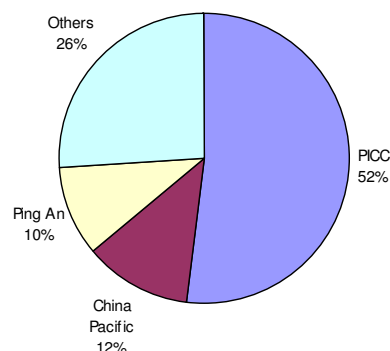
Note: Data as of October 2005

As of October 2005, the life insurance market had 39 players. However, 70.8% of the total market premiums are controlled by the top three players. The P&C market is similar, with the top three insurers controlling 74% of the market. Although more foreign insurers have entered the market, their representation is still minimal, with a 3.6% market share in the life market and 1.3% in the P&C market as of October 2005. The domination of the insurance market by the top domestic players is likely to continue, particularly in the life insurance market where the number of insurance agents and the nationwide network play a critical role in attracting business.

China Life Insurance Market Share



China P&C Insurance Market Share



Source: CIRC

Competition between Domestic Players is Intense

Among the domestic players themselves, it is quite common that the largest insurers have been losing market to the younger and smaller competitors. In the life insurance sector, China Pacific Life, Xinhua Life, and Taikang Life are rivals of both China Life and Ping An. In the non-life sector, China Pacific P&C and China Union and Tian'an are aggressively expanding at the expense of PICC.

Domestic Banks are Entering the Insurance Market

In addition, banks have diversified into the insurance business in recent years. For instance, Bank of Communications (BoComm) is planning to use its Hong Kong insurance subsidiary as a foreign investor to set up a JV insurer with several large corporations in China, pending CIRC approval. China Construction Bank is in discussions with CBRC to enter the insurance business. Bank of China plans to follow BoComm's model, pending CBRC's approval. Industrial & Commercial Bank of China is considering setting up a JV insurer with Allianz, one of its strategic investors.

The Market is Highly Regulated

The insurance industry is highly regulated in the PRC. The China Insurance Regulatory Commission (CIRC) was established in 1998 with a mandate to implement reforms in the PRC insurance industry, minimize solvency risk for insurers, broaden the types of investment for insurance companies, and promote the development of the PRC insurance market.



The PRC Insurance Law limits the scope of business activities of insurance companies. Life insurance companies cannot engage in the property and casualty insurance business in the PRC. Similarly, P&C insurance companies cannot engage in the life insurance business. However, with the approval from CIRC, a P&C insurance company can engage in the short-term health insurance and accident insurance businesses. In addition, different companies within the same corporate group may separately engage in life insurance and P&C insurance business with the approval of CIRC (e.g. Ping An Group). The specific scope of business of an insurance company and the geographical area an insurance company may operate in must be approved by the CIRC. All geographical limitations for foreign insurers have been removed since the end of 2004.

Major Restrictions on Foreign Ownership

China entered the WTO in end-2001, and as a result, the Chinese insurance market has been gradually opening up to foreign insurers. Upon accession, foreign life insurers have been permitted to own up to 50% in a joint venture, while foreign non-life insurers are allowed up to 51%.

Under the administrative regulations for insurance companies, foreign financial institutions can invest in insurance companies, subject to CIRC approval. Foreign financial institutions may not individually own more than 20%, nor collectively more than 25% of the registered capital of a Chinese insurance company. Carlyle has recently acquired a 12.5% stake in China Pacific Life. This limitation does not apply to investments made by foreign shareholders marking investments in listed insurance companies.

Gradual Expansion of Investment Scope

The 1995 Insurance Law significantly restricts investments that life insurance companies are allowed to make. Insurance funds were only allowed to invest in bank deposits, Chinese treasury bonds, and government agency bonds issued by the central bank or quasi-sovereign policy banks. Since 1999, the CIRC has implemented a gradual but deliberate regulatory expansion of insurance companies' investment capacity.

Prior to June 2003, PRC insurance companies were allowed to invest only in bonds issued by four types of state-owned companies, and this was restricted to no more than 10% of the total assets. Since June 2003,

they can invest up to 20% of their total assets in corporate bonds issued by PRC companies that are rated AA or above. Recently, the investment in corporate bonds has been further relaxed to 30% of total assets, indicating a more accommodative stance by CIRC. Apart from the relaxation in corporate bonds investment, PRC insurance companies have recently permitted investments in overseas shares of Chinese companies traded on the stock exchanges in New York, London, Frankfurt, Tokyo, Singapore, and Hong Kong, including investing in their initial public offerings, or primary market, as well as the secondary market. Total investments in overseas stocks cannot exceed 10% of the total foreign exchange investment quota approved by the State Administration of Foreign Exchange.

Interviews

Interviewees:

Mr. Clement Cheung (CC)

*Chief Actuary & Deputy General
Manager of Ping An Life Insurance
Chief Actuary of Ping An Annuity
Insurance
Chairman of Ping An Health Insurance*

Ms. Melanie Cheah (MC)

Investment Banking Analyst of Credit Suisse

Mr. Paul Kin-Yang Fung (PkyF)

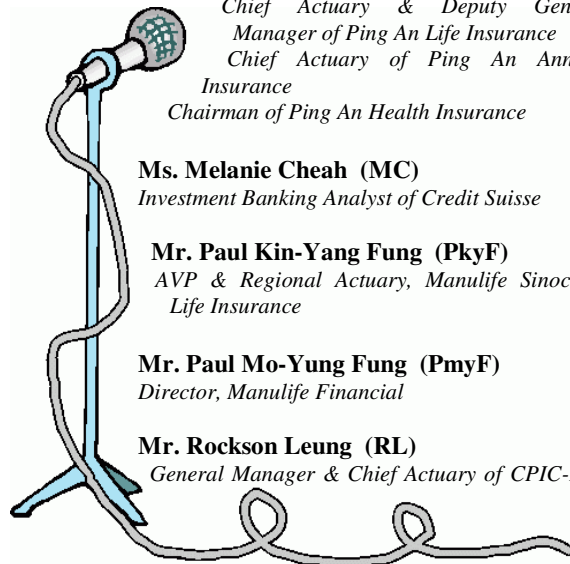
*AVP & Regional Actuary, Manulife Sinochem
Life Insurance*

Mr. Paul Mo-Yung Fung (PmyF)

Director, Manulife Financial

Mr. Rockson Leung (RL)

General Manager & Chief Actuary of CPIC-ING



How frequently do you travel to China? Or how long have you been living in China?

CC: I travel to Shenzhen everyday. It's manageable. It takes under an hour and a half each way. Travel on multi mode transport – drive to border, catch train/bus, take taxi to office

MC: I travel to China fairly extensively as all my projects are based there. I usually make a trip to China weekly or fortnightly.

PkyF: 6 months. And travel back to HK about once a quarter.



PmyF: 3 years. On average I travel back to HK every 1.5 months.

How would you describe the living environment in China compared to Hong Kong?

CC: Travel a lot! We have 2 head offices, one in Shenzhen and one in Shanghai and need to visit the branches, which are wide spread. Work a lot with CRC and their meetings, which are not in Beijing or Shanghai, can be in far out places. I also still live in HK, work in Shenzhen and travel frequently to Shanghai and Beijing and other parts of China. My colleagues also travel a lot, as we have branches all over China. My actuarial team has recently cut down a lot of traveling as we no longer handle the branch functions anymore. However, the management team still travels a lot.

MC: China is still a developing country and as such not really comparable to Hong Kong. I was fascinated simply by being in China and many of the less attractive things about Beijing (e.g. the climate, air pollution, traffic) did not bother me especially when I first arrived. Beijing remains one of my favourite cities partly because of my memories there but also because it is more laid back, full of cultural monuments and not yet a big, fast-paced, modern city.

PkyF: (Minimum daily amount of money required - just enough that you can get by the day) 0. If I forgot to bring my wallet, I will find someone to pay for the meal.

(price for a movie ticket?) Expensive, about 100 RMB! Foreign language movies are translated to Mandarin.

(tax rate?) Marginal tax rate at 45%, very high. Effective tax rate ~30%, with the help of accountants.

PmyF: (Minimum daily amount of money required - just enough that you can get by the day) Lunch RMB 10-15, and Dinner 30-40, subway 4 bucks, so around 60 a day.



(price for a movie ticket?) Roughly RMB 60 but seldom watched movies as there weren't a lot of western movies, some of the good movies are not allowed to show in China and maybe you can try the other channel, morally not right though....you could get those movies at RMB 6 with good quality somewhere near you.

(tax rate?) Progressive rates, averaged over 30% but I didn't have health care or social security like other tax payers...



RL: The living environment in Shanghai is comparable with Hong Kong where there are good education, medical, dining, shopping and transport facilities. In fact, the night life could even be said to be "better" than Hong Kong since it is diverse and covers a larger geographical area.

For expatriates with Chinese language skills, adapting to the living environment is straightforward. Even for those with no such language skills, Shanghai is an English-friendly city. There are English menus in restaurants, English road signs and the familiar food and beverage chains, McDonalds, KFC and Starbucks. Nevertheless, expats do receive a "hardship allowance", which is a benefit not usually received by their counterparts in Hong Kong.

Cost of living can vary significantly depending on



one's lifestyle – a dinner in a local Chinese restaurant would typically cost less than RMB 100 per head whilst a trip to a steak house near the Bund could easily cost over RMB 500 per head.

How would you describe the work culture in China compared to Hong Kong? (e.g. working hours, management style, mix of local and expat staff?)

CC: Initially very different. Its also not just one Chinese culture, there are many! Over time, we are moving to combining Eastern and Western culture e.g. encouraging teams to know more about background of rules and procedures, not just follow blindly, question more. Change is not easy, but with more expatriates joining the company, it helps. Still a lot of compromise required.

Ping An has a good standard. Good people who just need experience and exposure. With instruction, very quick at picking things up. At Ping An uniform approach is implemented, and this helps.

Hire several graduates each year – from university/with master degree/actuarial program from local universities. The PRC students who have studied overseas are more difficult to attract back and the local standard is pretty good. We're not so good at hiring experienced staff. We do have a location problem, being based in Shenzhen – difficult to attract staff. We don't poach, most of our staff is built from scratch. However, our staff get poached especially those in Shanghai.

(hire from HK?) The drawback is salary levels – local terms are not attractive enough to attract. The tax rate is very high too, relative to HK, up to 45% with low deductions. This is offset by the lower cost of living. They also have to adapt to everything being in Chinese (except Investment Analysts)

MC: Hong Kong as a major global financial centre is fast-paced and intense. Working hours are extremely long and the workload is heavy, especially in investment banking. As the demand for local language skills increases, there is a shift towards hiring more people with such language

skills. Beijing is still relatively relaxed with more predictable and shorter working hours, and a more domestic outlook. There are generally less expats. Infrastructure-wise, Hong Kong and Beijing are not really comparable.

I think that the job market at the moment is excellent for finance professionals, particularly those with strong Mandarin language skills.

PkyF: *(working hours compared to HK)* Sometimes less, sometimes more.

I like working with Mainland co-workers, but they may not like me as we redefined normal working hour.

(do you nap Mon-Fri during lunch time?) Love to, but can only do it legally during weekends.

PmyF: *(working hours compared to HK)* Sometimes less, sometimes more.

Actuarial students in China I met were generally very intelligent, prudent and very eager to learn.

On the personal side, they were generally nice to me. There might be some cultural differences, but then they were willing to listen if you had really good points.



Paul M.Y. Fung (left) at Xian

(do you nap Mon-Fri during lunch time?) We didn't switch off the lights at noon or allow afternoon nap like many other local companies.

RL: For those of us who are weary with the long working hours in Hong Kong, we may be able to achieve a balanced life by relocating to Shanghai! A typical working day starts at 8:30am and finishes at 5:30pm with a lunch and siesta break of 1.5-2 hours. This certainly sounds like bliss compared to the late nights that are expected of actuarial staff in Hong Kong. However, working hours for actuarial staff amongst foreign Joint Ventures are lengthening under the leadership of chief actuaries seconded



from overseas.

The composition of actuarial teams is diverse with staff members from various parts of China. Only a small minority are local Shanghainese.

Compared to Hong Kong, the culture of aggressive negotiation at remuneration reviews is prevalent in Shanghai. This could be due to year-on-year of superb GDP growth in China, thus creating a generation which does not know the meaning of a recession. The cost of actuarial graduates are slightly below Hong Kong, i.e. RMB 7k-9k per month, after including contributions to statutory funds and the strict adherence to overtime payments and allowances. Salary level for actuarial staff has been rising rapidly in recent years due to active poaching from new market entrants and the expansion of existing insurers. Overall, the cost of doing business is increasing rapidly in Shanghai.

How would you describe the regulatory environment in China? How involved are you?

CC: It takes up more than 20% of my time – lobbying, education, helping them with product, etc. China is still in the building stage and the regulators are collecting a lot of information and need a lot of advice.

Most of my area of involvement is with product approval as well as solvency requirements, pricing/actuarial concepts, reporting, mortality study, etc.

RL: The current criteria for the Appointed Actuary role are being reviewed and a committee with industry representation is providing input to the government.

New regulations which require Embedded Value reporting will take effect for the financial year ending 31 December 2005. Reports are to be submitted to the regulator by 30 June 2006.

The regulator is currently investigating the feasibility of implementing a Risk-Based Capital (RBC) framework. Industry representatives have also been invited to perform trial runs on the draft proposal and to assess the impact that a RBC framework would have on the solvency position.

In China, the regulator visits insurance companies frequently, approximately once a month. It also uses companies as a source of information. Some companies have 1-2 full-time resources to perform research activities to meet the information needs of the regulator.

What would you recommend for investing in China?

RL: Unless the insurers have a capital base of at least of RMB 5 billion, insurers are required to invest in domestic instruments. There are several challenges with the domestically available bond investments and these include:



- The demand for bonds exceeds the supply, resulting in a very low and flat yield curve.
- Longer-term bonds, e.g. 10-years+ bonds are not traded frequently and are difficult to purchase on the secondary market.

In terms of investments in shares and mutual funds, an insurer is limited to a maximum of 15% of assets backing the liabilities of the non-linked fund.

Even if insurers have easy access to international markets, the duration risk may be mitigated but the insurers are then subject to currency risks, where currently there is no instrument in the capital market available to manage this risk.

Do you recommend someone to pursue a career in China? What is your advice?

MC: An investment in learning Mandarin is useful. Hong Kong is a great place to start working, especially as it is a more sophisticated and structured market and would present more opportunities for picking up useful job skills, training and experience. Starting in Hong Kong and working on China deals here, at least initially, is probably an easier way to start working in China than moving directly to China.

PkyF: That's an option. In Shanghai, we have actuaries from different parts of China including HK & Taiwan.

Call one of those Paul Fungs. Our advisory services are reasonably priced.

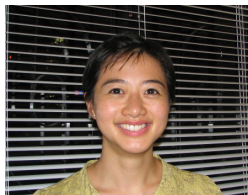


PmyF: The interesting part is the real exposure to the Chinese system and the people (also Chinese but with slightly different mindset). In fact, some of the bad stories I heard before the move (to China) were not true. Do expect the pay to be lower than Hong Kong, although the low living standard in China will offset. For ASAs or below, there might be more opportunities if you are willing to take low pay. For near FSAs, basically it would not be easy as the salary difference would be very big and most of the JV companies had headcount limit for foreign senior management.

Be prepared about the wide difference in living standards between Shanghai and Hong Kong. You may be living in much bigger apartment but the services may not be as good as in Hong Kong, also there are not a lot of shopping to go if you look for good clothes or brand names.

What would you do/recommend for leisure when in China?

MC: Visit the more remote and rural areas of China, especially in the West. Would recommend Xinjiang, Sichuan and Yunnan. These present a great contrast to a visit to Beijing or Shanghai. In Beijing, a visit to the Great Wall is a must, as is exploring Beijing's old "hutongs" and of course eating Peking Duck and dumplings.



A great big bowl of handmade beef noodles for RMB2.50-4.00 (depending on which part of the city you're in) and bicycle paths are what I missed most in China!

PkyF: (*favorite diner in Shanghai?*) The Chinese restaurant in Renaissance (Cantonese food), but Shanghai food are great too.

(*sports?*) I like hiking but cannot do it in SH unless walking up or down the staircase.

PmyF: (*favorite diner in Shanghai?*) Some Hong Kong Tea restaurants with my favorite newspapers from Hong Kong. However, it is very hard to locate HK food except in some Hong Kong area, but there were some pseudo-HK food that were

acceptable. More and more famous HK restaurants came to town including fast food (like Café de Coral), but yet the choices are still limited.

(*sports?*) Tennis and golf, but both were a bit expensive on local standard, though much cheaper than Hong Kong, especially golf coach.

Apart from sharing working and living experiences in China, any other funny stories?

PmyF & PkyF: Now Manulife has 2 Paul Fungs in HK & 1 in Shanghai. Credit perhaps to the other Paul Fung, as he had built up a good reputation of our brand "Paul Fung" in Manulife.

PkyF: Our colleagues call us as "Fat Paul", "Skinny Paul", "Old Paul", "Young Paul" or whatever that can distinguish between the Pauls. During a conference call, somebody addressed "Handsome Paul" but none of us responded !

PmyF: I was already aware of the other Paul when I checked my exam results in Canada as we almost always took similar courses, but then he normally took more courses than me, so I normally got surprises that I passed the courses I didn't take, as his name (on the passing candidate list) is usually right before mine. My supervisor (back in my Tokyo days) already told me she knew another Paul Fung at a Big Four accounting firm in Hong Kong, so I was looking forward to meeting him.....

(*Mr. Henry Lok, Alibaba.com can be reached at henrylok@alibaba-inc.com. The interviews were conducted by Ms. Sim Ng, Ms. Bonita Leong, Mr. Andy Liu and Ms. Bronwyn Loong.*)

Membership Update

We would like to extend the warmest welcome to the following new members who joined the ASHK since April 2006.

Fellows

Tuan-Miang CHUA, FIAA (1998), Cologne Reinsurance
Greg DELLA, FIAA (1989), Zurich
Pichet JARAMANEETANEESIN, FSA (2005), AIA
Clara MCINERNEY, FFA (1998), AXA Asia Pacific
Andrew WHITEHOUSE, FIA (1995), Friends Provident
Alan YIP, FIAA (1998), FIA (1999), Dresdner Kleinwort Wasserstein



Associates

Maple LAM, ASA (2001), Swiss Reinsurance
Flavia POON, ACIA (2000), ASA (2003), RGA Reinsurance
Kay-Lee SHONG, AIAA (2004), Deloitte
Huan WANG, AIAA (2005), Unity Investment Holdings Ltd

Students

Victor Kit-Chung CHAN, SOA Student, AXA Asia Pacific
Daniel CHENG, SOA Student, Swiss Reinsurance
Lillian CHENG, SOA Student, Sun Life of Canada
Marianne Pui-Yu HO, AIAA (2003), AIA
Chris Chi-Shing KAM, SOA Student, EarthTech
Ellen Ho-Ying LAM, SOA Student, Pacific Century
Kin-Sing LEUNG
Richard LO, IAAust Student, Deloitte
Chun-Nam NG, IoA Student, AXA Asia Pacific
Philip Piao-Hsin PANG, IoA Student, Watson Wyatt
Yuen-Ying TSANG, SOA Student, Hannover Life Reinsurance
Kwok-Wai YEUNG, CAS/SOA Student
Minnie Jing YU, IoA Student, Deloitte
Yui-Ko YUEN

Change of Membership Status

The following members have changed their membership status.

Fellows

Patrick Chi-Lai AU, FSA (2005), New York Life
Ray See-Kwong CHAN, FSA (2006), Watson Wyatt
Regina Pui-Ying CHE, FSA (2005), Manulife Financial
Jeff Kam-Chiu CHENG, FSA (2005), HSBC Life
Hugo Ming-Cheung CHOI, FSA (2005), Munich Re, Japan Services
Paddy Kwok-Wing CHOY, FSA (2005), Zurich Life
George Kin-Chung KUNG, FSA (2005), Sun Life Financial
Kenneth Hoi-Keung LAW, FCAS (2005), KPMG
Shirley Shut-Ling LEUNG, FSA (2004), ING Life
Candice Wing-Kei YAM, FSA (2005), Manulife Financial

Associates

Stephen Chun-Ching CHENG, ASA (2006), Watson Wyatt
Joseph Yun-Peng CHU, ASA (2003), Manulife
Sylvia Sau-Kei LI, ASA (2004), HSN Life

Reinstatement of Membership Status

The following members have reinstated their membership status.

Fellows

Eric Hon-Nan KWONG, FSA (2000), AIA
Edward Tat-Man NG, FCIA (1992), FSA (1992), Pacific Century

Actuaries on the Move

The following members have changed their business details from March 2006 onwards.

Fellows

Xiao-Lei CHI
Hugo Ming-Cheung CHOI
Simon Shau-Ming DAI
Angela KOECHLI
Jeff Yau-Chung LAU
Betty Yuk-Ki LEE
Eddie Pak-Siu LEUNG
Rockson Lok-Shuen LEUNG
Albert Ling-Ho LIU
Lilian Lup-Yin NG
Patrick POON
Michael ROSS
Andrew Chung-Fai SIU
Chi Fai YAM
Jackie Yuk-Wah YAN

Associates

Eddie Tak-Yin CHAN
George CHAU
Carole Kay-Lock HO
Steven Siu-Kei KONG
Michelle Yee-Mui LAU
Rodney LEUNG
Florence Ka-Ying SO
Sharon Hoi-Yee YIU

Students

Elaine Yim-Ling LAW
William Hai-Jian LIANG
Norman Yiu-Man LO
Henry Chun-Yu LOK
Grace Ho-Shuen LUK

Further details of members' movements are available on ASHK online membership directory at: <http://www.actuaries.org.hk/doc/2006%20Members%20hip%20Dir.pdf>

Market Update

New Commissioner of Insurance

The Hong Kong Government recently announced that Mr. Clement Cheung Wan-Ching, JP, formerly Deputy Secretary for the Environment, Transport and Works (Works), will succeed Mr. Richard Yuen as Commissioner of Insurance on 31 July 2006.

Mr. Cheung, aged 44, joined the Administrative Service in October 1983 and rose to his present rank of Administrative Officer Staff Grade B1 in April 2006. He has served in various bureaus and departments, including the former Office of Unofficial Members of the Executive and Legislative Councils, the



former City and New Territories Administration, the former Office of Members of the Executive and Legislative Councils, the former Civil Service Branch, the former Health and Welfare Branch, the former Handover Ceremony Co-ordination Office and the Housing Department. He was Director, Hong Kong Economic and Trade Affairs, Singapore from August 1998 to October 2001 and has been Deputy Secretary for Works (later re-titled as Deputy Secretary for the Environment, Transport and Works (Works)) from October 2001 to June 2006.

Book Review

by Mr. Greg Brennan

Review of “Economic Capital and Financial Risk Management for Financial Services Firms and Conglomerates” by Bruce T. Porteous and Pradip Tapadar

The authors deal with the subject from the perspective of a broad spectrum of financial services businesses. The material includes information which will be of interest to both companies and financial services practitioners seeking to understand economic capital at a general level and the associated stochastic modeling in more technical detail.

The early chapters 1 to 6 provide a useful conceptual overview. Economic capital is placed in context with both equity and regulatory capital. Key drivers of economic capital are outlined, including the importance of the tails and dependencies in the distribution and incidence of risk.



In contrast to the early chapters, the treatment of the stochastic modeling in Chapter 7 is designed for the technical specialist. The authors advise the general reader to skip this section and lose an opportunity to provide a simplified exposition of the stochastic. Parts of the technical treatment could be insightful even for non technical readers who take the time and trouble to work through it.

The following 5 chapters examine economic capital from the perspective of a range of financial services businesses, banks, life and general insurance companies, pension funds and financial services

conglomerates. Issues of relevance to the particular characteristics of each institution are explored to illustrate the financial dynamics and their interactions in the determination of economic capital.

The concluding chapters look at capital management and performance measures, bringing together many of the important ideas discussed in previous chapters. The ideas presented could be applied to facilitate process development to improve company performance.

Finally the authors provide an overview of ongoing regulatory change and point to the desirability of developing and using more generic methods and principles across financial services firms. The summary and conclusions in chapter 15 was disappointingly short, given to wide range of issues explored in the book.

The book should be of interest and assistance to financial services firms and practitioners seeking to manage their businesses more effectively and may provide inspiration for them to develop new and improved methodologies to better reflect the risks in their businesses.

(This book review is contributed by Mr. Greg Brennan, FIAA, Chief Actuary of ING Asia/Pacific Ltd. He can be reached at greg.brennan@ap.ing.com. Visit the link below for further material on both the book and the authors:

<http://www.palgrave.com/products/Catalogue.aspx?is=1403936080>)

Event's Highlight

PolyU Career Talk on Actuarial Profession





On 26 January 2006, the Department of Applied Mathematics of the Hong Kong Polytechnic invited the ASHK to deliver a talk on the career prospect of the actuarial profession in Hong Kong. Our Retirement Schemes Committee Chairperson, Mr. Billy Y.L. Wong represented the ASHK to speak on the subject and shared with around 180 HKPolyU students experiences in taking actuarial exams and work in collaboration with two other actuaries, Mr. Stephen Cheng and Mr. Kin-Yin Pang. Currently, HK PolyU offers two actuarial programs, namely, Master of Science in Applied Mathematics for Science and Technology (Actuarial and Investment Science specialism) and Bachelor of Science (Hons) in Actuarial Science.



The ASHK is dedicated to raising the profile of the ASHK and educating the public on how actuaries can play a vital role in business strategic making and social policies.



The 8th Global Conference of Actuaries

The 8th Global Conference of Actuaries, jointly hosted by the Actuarial Society of India (ASI) and the International Actuarial Association (IAA) was held in Mumbai on the 10th and 11th March 2006.

Notable addresses

The inaugural session started with lighting the lamp. It comprised of a welcome address and a theme presentation by Dr. R. Kannan, President of Actuarial Society of India and Mr. Jean Louis Masse, President of the International Actuarial Association. This was followed by a special address by Mr. D. Swarup, Chairman, PFRDA. Following this, observations were made by Mr. Graham Watson, CEO, RGA International

and Mr. Peter Dunphy, Group CEO, Darwin Rhodes. The Inaugural and keynote was addressed by Dr. Y. V. Reddy, Governor, Reserve Bank of India. The Inaugural session was then concluded by a vote of thanks by Mr. Liyaquat Khan, Chairperson, International Relations Board, Actuarial Society of India.



Dr. Y V Reddy, Governor, Reserve Bank of India lighted the lamp during the inaugural session



Dr. R. Kannan, ASI President gave welcome address and theme presentation at the Conference

Mr. Reddy spoke about the Financial sector reforms and Financial Stability in India. In his speech, he mentioned that the National Authorities have typically adapted the design of financial sector reforms – the pace, the sequencing direction and ambit - to country - specific situations, mindful of the threats to financial stability. He also mentioned that in the current context “High Growth coupled with low inflation is indeed a central banker’s dream”.

Dr. Kannan in his welcome note mentioned that India has an enormous opportunity to become a global hub of actuarial services. The most notable feature of his speech was a short video clipping where Mr. S P Subhedar and Dr. R Kannan interviewed Mr. A Rajagopalan, ex-controller of Insurance & first Chairman of GIC of India and one of the founder members of the Actuarial Society of India.

Mr. Masse, President, IAA mentioned about the Developments in International Actuarial Association with reference to the IAA core curriculum and Insurance Accounting Standards.



Mr. Jean Louis Masse, IAA President, Ms. Lesley Traverso and Mr. Chris Daykin during plenary session

Mr. Swarup explained the various features of the New Pension System. He mentioned about recognition of the role of Actuaries in the New Pension System. He also mentioned that although the New Pension System is regarded as fund management at this stage, the role of actuary is to be given due importance.

The session was concluded by a Vote of Thanks by Mr. Liyaquat Khan. He appreciated the efforts put in by all the concerned individuals to make this event a success.

Discussion papers

Over the years, the GCA has become a forum where actuaries, students and other interested professionals share their views on a host of topics that affect the Indian and global actuarial professions.

For 8th GCA, 39 papers were accepted; of which 14 are from Life Insurance, 8 from general insurance, 3 from Pension and Social Security, 8 from Health and Long Term care and 6 from general topics.

Plenary Sessions

Two Plenary sessions were held on Day 1. The topics of discussion in the first session were “Professionalism with the business context” by Mr. Chris Daykin and “So, how many Actuaries does India need?” by Mr. Lesley Traverso. In the second session the topic of discussion was “Interaction of other professionals with actuaries” by Dr. Phillip Smalley, RGA Reinsurance, Mr. Ramesh Lakshman, Chartered Accountant and Mr. Varadarajan, Legal Advisor to IRDA. The next Plenary session was on Day 2. The topics of discussion were “Pricing Micro Insurance Products” by Mr. Denis Garand and Mr. John Wipf and “Life Insurance Expenses – An Economic Analysis” by Mr. D.V.S.Sastry.

Actuarial Evening

The Actuarial evening was sponsored by EMB. The function was held to felicitate fellows, associates and successful candidates of ASI. There were awards for best paper presented during the previous GCA, the best article in Actuary magazine and many such awards.

The award function was then followed by a Ghazal program and cocktails and dinner.

Valedictory address

The conference was concluded on 11th of March 2006 by a valedictory session that comprised of a presentation made by Mr. Jean Louis Masse, a valedictory address by Mr. Anantharaman, Member, SEBI, the observations made by Dr. R Kannan followed by Vote of thanks by Mr. G N Agarwal, Vice President, Actuarial Society of India.



(The article is contributed by Madhuri Sawant, AASI, and Bhakti Gaitonde of SBI Life Insurance, Mumbai. They can be reached at madhuri.sawant@sbilife.co.in and bhakti.gaitonde@sbilife.co.in. This reportage first appeared in the May 2006 issue of the ASI Magazine.)

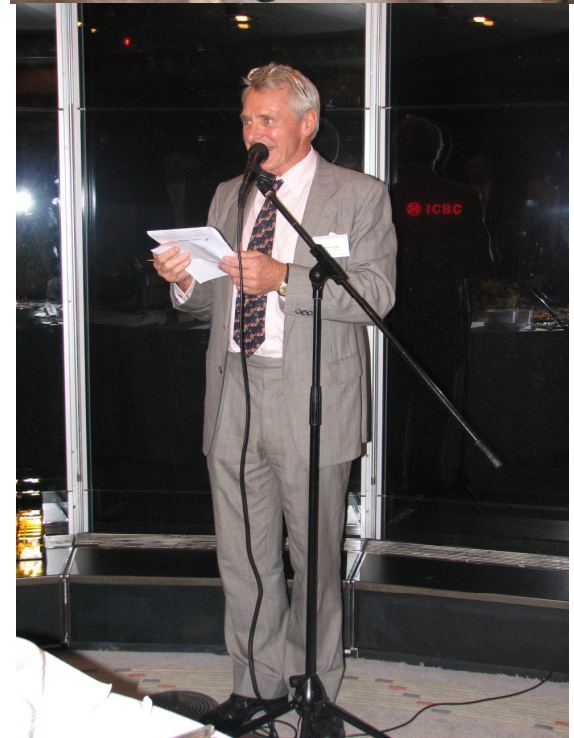
Actuarial Circle – Mingle & Unwind

“Actuaries must be the ones with nothing better to do after work on a Friday night.” professed one actuary who attended the inaugural ASHK Actuarial Circle on 9 June 2006 on the top floor of HSBC Main Building in Central. Actuarial Circle is a Friday evening social gathering where actuaries can let their hair down and mingle with ASHK Council and other members and catch up on the latest news and gossip in the industry. No matter whether you agree with the above observation or not, we had close to 60 actuaries & friends at the event despite the black rain signal issued



earlier on in the day. Everyone was energized by the entertainment like number games and catchphrases and the food & drinks.

Spurred on by the success of this event, we have lined-up the next Actuarial Circle for Friday, 8 September 2006. This time, it will be held at AIG Tower which is also noted for its unimpeded harbour views. See you there!





VIPs in Town



Front row, from left to right: Ms. Martha Sikaras and Ms. Doreen Tan, SOA Staff
Back row, from left to right: Mr. Linden Cole and Mr. Jerry Brown, SOA FAC Faculty members

The first-ever Fellowship Admission Course (FAC) of the Society of Actuaries was held at InterContinental Hong Kong on 6-7 July 2006. Two faculty members, SOA President and staff flew in from the US especially for the Course. The other faculty members were Mr. Mark Saunders and Mr. Bruce Moore. Years of hard work paid off. 39 new FSAs received their certificates at the graduation ceremony. In between their tight program schedule, the FAC faculty & staff visited the HK Actuaries Office.

Pictures from SOA FAC Graduation Ceremony:





Obituary

Yuan Chang 1934 - 2005 *SOA China Region Committee Founder*

I was fortunate to have met Yuan for the first time in Berlin in 2003. We met by chance in the business center of the Maritim Hotel. We introduced ourselves and after asking him to tell me about himself, I learned he was the first person of Chinese heritage to receive the FSA designation. Being of Chinese heritage myself, but born in Jamaica, I was fascinated by his story. Our next meeting happened in New York City in 2004 when some of us got together to socialize after the Chinese Actuarial Club's banquet dinner. This was the last time many of us spent some time with Yuan. I have collected tributes from Hongjian Bao, Nian-Chih, Shirley Shao and Duncan Szeto. This article also includes excerpts from an article written by Yuan Chang. I would like to celebrate Yuan's life and convey the essence of the actuary who many admire.



Yuan Chang, actuary and retired executive, husband of Mary Han Chang and father of four, died August 1, 2005 at Stanford University Hospital at the age of 71. All his professional, community and family accomplishments throughout his life, together with the care and kindness he had for people, made him a special person.

Prior to retiring, Yuan was chairman and chief executive officer of Greater China Operations for Metropolitan Life Insurance Company and was responsible for expanding the firm's operations in the region. He worked at MetLife for 12 years in many areas including corporate investment, pension asset allocation, and financial management. Before moving to MetLife, he was a vice president at Travelers Insurance Company, where he started his career as an actuary and worked for 30 years.

In 1961, Yuan Chang was the first person of Chinese descent to become a fellow of the Society of Actuaries (FSA). He remained active in the SOA for the rest of



On 12 July 2006, the ASHK had great pleasure in inviting Mr. Martin Stevenson (photo below), President of the Institute of Actuaries of Australia to present a luncheon talk on the Global Actuarial Profession to members. On the same evening, Mr. Martinson hosted a Presidential Dinner to meet actuaries in Hong Kong. It was a convivial evening of good food, fellowship and lively discussion.



Mr. & Mrs. Stevenson and Hong Kong members at the Presidential Dinner



his life. He was also the first Chinese person to be elected to the SOA's Board of Governors and served as chairman of the Society's Asia Committee. He advocated establishing the China Region Committee in the SOA and was the driving force behind the creation of the first SOA satellite office in Hong Kong. This has been instrumental in the development of the actuarial profession in China and also in serving the SOA members in the Greater China area. That office has grown in both size and responsibility and is now a jointly sponsored effort between the SOA, CAS, Faculty & Institute of Actuaries, Institute of Actuaries of Australia and the Actuarial Society of Hong Kong. Yuan's work also led to the Nankai initiative. This was a 12-year partnership, which helped to establish the first actuarial science program at a university in China. Its graduates became the first FSAs from mainland China in the mid-1990s. In July 2006, the first ever Fellowship Admissions Course was conducted in Hong Kong. That graduation ceremony will be a testament to the growth in the region, spurred on by Yuan's work. It is regrettable that he did not live to see this very special moment in the profession's history.

Yuan Chang was born in Beijing in 1934. His father was the undersecretary of North American affairs in the State Department of the Republic of China. When he was 12, Yuan's family moved to the United States so his father could join the Chinese delegation to the United Nations. After the communist takeover of China, the family settled in Great Neck, N.Y., where they became American citizens.

Yuan remembered facing the language barrier when he first came to the United States, like many of us do. He told us there were many occasions when he had something to say, could not think of the right words in English, then someone else made the point and he kept quiet in order not to be repetitive. He advised us to force ourselves to speak up constantly. Yuan was an active high school student, having been elected treasurer in his junior year and student representative in the following year. Obviously, he came up with the right words then.

Yuan distinguished himself during his undergraduate life by winning scholarships while working two part-time jobs (grading papers and answering telephones) to put himself through college. The rest of the time, he was busy being the president of the math club and the Cosmopolitan, designing the class banner, playing soccer and fencing. He confessed that he was not a very good student because he didn't spend a lot of time

studying! But he did learn to play tennis, pool and ping-pong.

Yuan really wanted to be a career diplomat and pursue a degree in political science and law. However, since the family finances were limited, he made a practical decision to study mathematics and to become an actuary because this career offered the attractions of earning a good living and job security. Yuan Chang earned a BA in mathematics from Oberlin College in 1956 and a JD from the University of Connecticut School of Law in 1966. He was in the class of 1982 at the advanced management program of Harvard Business School. He maintained a lifelong relationship with Oberlin and served as President of the alumni association as well as on several boards and committees related to the school.

During the 30 years Yuan spent in Hartford working at Travelers, he played an active role in the city's development, most notably as Chairman of the city's pension committee. He also sat on the boards of various schools and philanthropic organizations, including The Hartford Conservatory and the Producing Guild.

Yuan had a lifelong interest in China and other Asian countries. He maintained strong ties with a number of universities in the greater China region including Beijing University, Renmin University, Nankai University, University of Hong Kong, Huazhong Science and Technology, and Soochow University. He served these institutions in various capacities, including acting as a consulting professor and lecturer. In the early 1970s, Yuan lived in Taipei, Taiwan where he served as a senior advisor to the minister of finance of that country. He moved to Hong Kong to become CEO of MetLife Hong Kong a few years before his retirement. Up until his death, Yuan was an advisor to China Life Insurance Company in Beijing and China Pacific Insurance Company in Shanghai.

After his retirement, Yuan settled in Blackhawk, Calif. He was a golfing enthusiast and a member of several local singing groups. He enjoyed the company of his family, particularly his four grandchildren. Even while Yuan was in the hospital, he still tried to keep in touch with all those he mentored as long as he had the strength to talk.

Yuan's Golden Advice

Shirley Shao refers to Yuan as "The Guiding Light." Professor Chang was a role model to many Chinese actuaries and his professional success has given them



inspiration. He advised us to get our English up to par, participate in the American culture, interact and share mutual interests with non-Chinese people. In order to work well with people and deal with problems, we need to understand their culture and their ways. We can't bulldoze straight ahead, because that would likely upset the system. No culture is completely straight forward. We can't be too far on either side of the norm because we will lose the power to influence change.

On the topic of ethics, Yuan said it's fortunate nobody ever forced him to steal or to commit fraud. Ask yourself: "Have I violated ethical standards? What are the ethical standards?" Actuaries may become too rigid. Yuan facilitated Fellowship Admission Course sessions on ethical issues. He always said there was no right answer. One has to make a judgment call while maintaining one's own integrity. On the other hand, it's not just about one's own beliefs. *If the boss does not understand, that's different. But if he has no integrity, I am ready to leave anytime.*

Actuaries tend to be too concerned with numerical precision. All numbers are just a tool to provide the picture and show the alternative routes to take. He says when you ask yourself, "What's the key question/problem?" you will see what's important. *If small changes in the key assumptions cause very volatile results, then you had better spend more time on that. No one is responsible for each small part, but you are responsible for the whole answer!*

Yuan's last words of advice were *be patient*. Other people have other problems too, so look at things from their point of view. Also, do not avoid making decisions, but do avoid getting identified as a technician. Speak of the impact rather than merely the technical result.

We can keep Yuan with us by continuing all the good work he did in all facets of his life.

(This obituary was written by Ms Catherine D. Lyn, FSA, FIA. She is a consulting actuary in Missisaga, Ontario and can be reached at lcathy88@yahoo.co.uk. The article first appeared in July 2006 issue of SOA International Section News. It is reproduced with permission.)

Peter Clark 1947-2006

President of the Institute of Actuaries 2000-2002



Past President of the Institute of Actuaries, Peter Clark, died suddenly and unexpectedly on 11 June at the age of only 59. His death will leave a large void in the UK and international actuarial profession.

He was educated at King's College School, Wimbledon and read mathematics at University College, Oxford, graduating with a double first in 1968. He joined the Prudential in 1968 and qualified as a Fellow of the Institute of Actuaries in April 1971. He occupied a number of positions at the Prudential and its subsidiaries, with a particular focus on overseas business, culminating as Group Deputy Actuary.

In 1991, after 23 years at the Prudential, he joined Sun Life as Director and Chief Actuary. Immediately before being elected President of the Institute in 2000 he was Chief Actuary of AXA Sun Life. After retiring from AXA Sun Life, he worked as an adviser to the Financial Services Authority (a "grey panther") and had part-time positions teaching in the Department of Statistics at Oxford University and carrying out some research at the Institute of Ageing in Oxford. He also had non-executive Director positions with Ecclesiastical Insurance Office, Nationwide Life and Western Provident Association.

He served on the Council of the Institute of Actuaries for three terms. He was Honorary Secretary 1989-1991 and Vice President 1994-1996, before becoming President 2000-2002. His latest senior role in the UK Actuarial Profession was as Chairman of the International Committee.

Peter Clark was always a strong advocate of the global nature of the Profession, and was an Institute of Actuaries delegate to the European Actuarial Consultative Group (the "Groupe Consultatif") for 25 years, having been introduced to the Groupe in its formative stages by Brian Corby, his boss at the Prudential. He served as Chairman of the Groupe from 2000 to 2001.



He was actively involved in the International Actuarial Association (IAA) and had been on its Executive Committee for several years. At the time of his death he was President-elect of the IAA and was due to have taken up the post of President in 2007.

He had a great love for Africa, initially stimulated by a visit to Prudential's offices in East Africa in 1983, and a keen desire to assist in the continent's development. He supported the growth of the African actuarial associations and was made an Honorary Fellow of the Actuarial Society of South Africa in recognition of his work. He was actively involved as a trustee of the IAA Fund in seeking to develop the actuarial profession globally in actuarially developing countries. He was instrumental in the Profession funding a research project at the University of Cape Town, and called on his fellow professionals not only to help fund various relief projects but to become volunteers themselves through the IAA section 'Actuaries without Frontiers'. Peter and his wife Lynda were actively involved in the Dagoretti project in Nairobi, working with indigenous people giving hope and a future to street children. During his last visit to South Africa he was involved practically in helping to build houses in a community project in a Johannesburg township.

He was a committed Christian and a strong advocate for the Christian faith, having acted as a lay preacher and later as church warden of the local parish church in Nympsfield, the village in Gloucestershire to which the family moved in 1996. The family's latest move was to Ampfield in Hampshire in 2004, where they were also able to accommodate Peter's father-in-law Harold until his death earlier this year.

Peter is survived by Lynda, his daughter Rachel and two sons, Daniel and Ben. He inspired many by his deep faith and commitment, the high standards he set himself and others and the energy and enthusiasm with which he sought to fulfill his dreams and ambitions. Many were touched by his selfless life and dedication and enriched by their contact and friendship with Peter, as evidenced by the vast crowd who attended the Service of Thanksgiving at Romsey Abbey on 22 June. He will be greatly missed by many around the world.

[This obituary first appeared on the Faculty & Institute of Actuaries' website (www.actuaries.org.uk) and is reproduced with permission. Please also visit the website dedicated to Peter at www.noels.org.uk]

Do you Sudoku?

Wanna take a break? Previously we received the 1st correct entry (from Mr. Fred Chan of Sun Life Financial) a few minutes after the newsletter was sent out. Congratulations, Fred. They say that playing Sudoku can help stimulate our brains and slow down the progress of brain disorder conditions. So here you go.....

How to play: fill in each square with a number so that each row, column and each 3 X 3 block contains 1 to 9

5			3				1	7
				1		8		
	1				7		3	
3	8							2
					8		9	
				9				
6	5	4					2	
9			2	5		1		
2			4					5

Again, a prize will be presented to the member who submits the first correct entry. Join the puzzling craze and submit your entry to ASHK Office by email: actuaries@biznetvigator.com

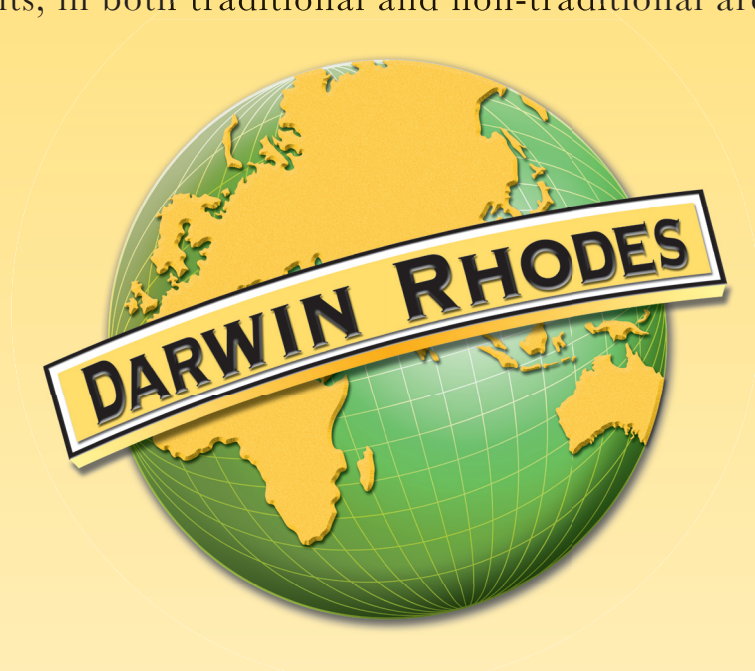
NOW!

Solution for last issue's Sudoku:

7	3	4	1	9	2	6	5	8
5	6	8	4	3	7	2	9	1
9	1	2	5	8	6	4	7	3
6	9	5	8	2	4	1	3	7
8	2	3	7	5	1	9	6	4
4	7	1	3	6	9	8	2	5
3	8	9	2	4	5	7	1	6
1	5	6	9	7	8	3	4	2
2	4	7	6	1	3	5	8	9

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For UK, Europe & Middle East

Darwin Rhodes
32 Threadneedle Street
London, EC2R 8AY
Tel: +44-207-763-6261
actuarial@darwinrhodes.com

Darwin Rhodes
1 St Colme Street
Edinburgh, EH3 6AA
Tel: +44-131-220-8416
actuarial@darwinrhodes.com

For USA

Darwin Rhodes
75 Maiden Lane
New York City, NY 10038
Tel: +1-212-402-7830
recruit@darwinrhodes.us

For Asia

Darwin Rhodes
1103 Tower 1, Lippo Centre
89 Queensway, Hong Kong
Tel: +852-3101-0930
recruit@darwinrhodes.com.hk

For Australia

Darwin Rhodes
1003, 46 Market Street
PO Box Q110, Queen Victoria Building
Sydney NSW 1230
Tel: +612-8264-0327
recruit@darwinrhodes.com.au

Darwin Rhodes
Suite 07, Level 08, 320 Adelaide Street
Brisbane QLD 4000
Tel: +617-3018-9990
brisbane@darwinrhodes.com.au

For India

Darwin Rhodes (India) Pvt Ltd
501 CQ, 5th Floor,
Poonam Chambers
Shivasagar Estate
Dr Annie Besant Road, Worli
Mumbai 400018
Tel: +91-22-5507-8764
recruit@darwinrhodes.co.in

For CEE

Darwin Rhodes
Centrum Zielna, Budynek 'C'
Ul. Zielna 37, 8 pietro
00-108 Warsaw, Poland
Tel: +48-22-31-46-677
warsaw@ni-cee.com

Darwin Rhodes
Delta Office Building
Ul. Towarowa 35
61-869 Poznan, Poland
Tel: +48-61-85-10-900
poznan@ni-cee.com

For China

Darwin Rhodes
Low Willow Enterprises
1006-1007 Building B,
Universal Mansions
No 1 Wan Hang Du Road
Shanghai 200040
Tel: +86-21-6249-5407
shanghai@darwinrhodes.com.hk

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Karen Tovell
T +852 2521 8884
F +852 2521 8499
E karen.tovell@hays.com.hk
The Entertainment Building
Level 31, 30 Queen's Road,
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The Actuarial Society of Hong Kong

NEWSLETTER

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Editor

Sim Ng
Tel: (852) 3667 8907 Fax: (852) 3667 8937
E-mail: sim.ng@cba.com.hk

Assistant Editors

Greg Brennan
Tel: (852) 2843 9325 Fax: (852) 2525 8881
E-mail: greg.brennan@ap.ing.com

Bonita Leong
Tel: (852) 2510 5031 Fax: (852) 2104 2791
E-mail: bonita_leong@manulife.com

Andy Liu
Tel: (852) 2582 5619 Fax: (852) 2598 1914
E-mail: andy_liu@swissre.com

Henry Lok
Tel: (852) 2215 2150 Fax: (852) 2215 5200
E-mail: henrylok@alibaba-inc.com

Bronwyn Loong
Tel: (852) 2519 1553 Fax: (852) 2598 5736
E-mail: bronwyn.loong@axa.com.hk

Sandra Tso
Tel: (852) 2588 7166 Fax: (852) 2877 6221
E-mail: sandra.tso@transamre.com

Victoria Wen
Tel: (852) 2887 2686
E-mail: dantes19@yahoo.com

Kitty Yan
Tel: (852) 2820 8204 Fax: (852) 2827 7700
E-mail: kitty.yan@watsonwyatt.com

Coordinators (ASHK Staff)

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

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

Christina Lai
Tel: (852) 2147 9420 Fax: (852) 2147 2497
E-mail: actuaries@biznetvigator.com

Contributions to the ASHK Newsletter

We welcome members' contribution to the following sections of the ASHK Newsletter: *Feature Article, Actuaries on the Move and Do you Sudoku?*

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 Rates:

	One Off	Whole Year
Full page	HK\$4,000	HK\$3,600@
Half page	HK\$2,000	HK\$1,800@
Quarter page	HK\$1,000	HK\$900@

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



Upcoming Events

(More details can be found on ASHK website at www.actuaries.org.hk)

Date	Event
<u>24 Jul – 4 Aug 06</u>	Actuarial Seminar of East Asia, Tokyo, Japan
<u>31 Jul – 3 Aug 06</u>	SOA Asset Liability Management Training Courses, Taipei, Taiwan
<u>3 – 4 Aug 06</u>	Institute (UK) Modelling Module CA2 Workshop, Singapore
<u>5 Aug 06</u>	ASHK Summer Fun – Lai Chi Wo & Kat O (Crooked Island) Ecotour
<u>8 Aug 06</u>	ASHK Evening Talk “Rating Agency View of Insurer ERM” by <i>Mr. David Ingram, Standard & Poor’s</i>
<u>14 -17 Aug 06</u>	SOA Course 7, Hong Kong
<u>8 Sep 06</u>	Actuarial Circle – Networking Evening <i>33/F, AIG Tower, 1 Connaught Road Central</i>
<u>8 Sep 06</u>	SOA Associateship Professionalism Course, Shanghai
<u>14 Sep 06</u>	ASHK Luncheon Meeting by <i>Dr. Johnathan Mun, Real Options Valuation</i>
<u>17 - 24 Sep 06</u>	Chinese Actuarial Examinations, Hong Kong
<u>28 – 29 Sep 06</u>	Society of Actuaries of China Annual Meeting, Chongqing, China
<u>9 – 10 Oct 06</u>	Asian Retirement Conference 2006, Singapore
<u>24 – 26 Oct 06</u>	SOA US GAAP Seminar, Hong Kong
<u>14 Nov 06</u>	ASHK 3rd Annual Dinner <i>The Hong Kong Jockey Club, Happy Valley Clubhouse</i>
<u>15 Nov 06</u>	ASHK 6th Appointed Actuaries Symposium <i>The Hong Kong Jockey Club, Happy Valley Clubhouse</i>
<u>27 – 30 Nov 06</u>	SOA Course 7, Hong Kong
<u>4 – 8 Dec 06</u>	Health Seminar, Hangzhou, China by <i>Mr. Howard Bolnick, IAA Health Section Chairman & Adjunct Professor of Finance, Kellogg GSM</i>
<u>12 Dec 06</u>	ASHK Annual General Meeting
<u>14 Dec 06</u>	ASHK Half-Day Talk by <i>Prof. Elias Shiu, University of Iowa</i>
<u>15 Dec 06</u>	SOA Associateship Professionalism Course, Shanghai