ASHK Newsletter

VOLUME 02

July 2012

MPF Employee Choice Arrangement

Editorial

Dear Readers,

Welcome to the second newsletter for 2012!

In this issue, our theme is the MPF Employee Choice Arrangement that will be effective on 1 November 2012. We have interviewed the Executive Director (Supervision) of Mandatory Provident Fund Schemes Authority and also solicited an article from an MPF trustee. This will provide our readers with viewpoints from both the regulatory body and the service provider.

Furthermore, we have also included an article on the motor insurance market in China. As more and more of our members are involved or interested in general insurance especially in the China market, we would like to thank the General Insurance Committee for contributing such an informative article.

Happy Reading…

Dr. Louis Ng
EDITOR

Interview with Cynthia Hui

Executive Director (Supervision)
Mandatory Provident Fund Schemes Authority (MPFA)

1. When will the ECA come into effect and what are the key changes to the current system?

This question is timely. On 21 June 2012, the Legislative Council passed the amendment bill to establish a statutory regulatory regime for MPF intermediaries. The bill also specifies that the Employee Choice Arrangement (ECA) will come into effect on 1 November 2012.

Under the current MPF System, employers are responsible for selecting MPF schemes offered by MPF trustees, while employees have the right to choose which funds to invest their MPF contributions in from those available under the schemes chosen by their employers. Only under the following circumstances can employees choose their own MPF trustees and schemes:

- when they open a preserved account upon change or cessation of employment;
- when they make special voluntary contributions; or
- if their current employer provides them with choice of more than one MPF trustee and scheme.

With ECA coming into effect, employees are given greater rights to choose MPF trustees and schemes. Employees will be able to transfer the accrued benefits (i.e. contributions and investment returns accumulated to the time of transfer) derived from the mandatory contributions made by the employees during their current employment, on a lump sum basis, to an MPF scheme of their own choice once every calendar year.

2. What are the main reasons for adopting the ECA?

The objective of ECA is to give employees greater autonomy in respect of choice of MPF trustees and MPF schemes. It is expected that the arrangement will encourage employees to become more proactive in managing their own MPF investments, thereby further stimulate market competition to bring down fees.

ECA is of great importance both to the MPFA and to over 2.5 million employee members of MPF schemes. The new arrangement is by far the most significant reform of the MPF System since inception, and is a response to the call of many scheme members for greater rights in choosing their own MPF schemes.

3. What impact do you expect the introduction of ECA will have on the MPF providers and the Hong Kong MPF market in general?

It is expected that ECA will change market dynamics from being predominantly employer-driven to being driven by both employees and employers. We believe it will bring about keener market competition and in the long run bring fees down benefiting all scheme members.

In fact, in the past few years even before the commencement of ECA, all MPF trustees have reduced the fees of some of their MPF funds or introduced new, low-cost MPF funds. The average Fund Expense Ratio (the expenses of an MPF fund expressed as a percentage of fund size) of all MPF funds has dropped 17% in the past four years to 1.74% as at 31 May 2012.

4. Do you think this change will create opportunities for the MPF intermediaries? Would there be any changes on the regulations on the intermediaries?

Upon the launch of ECA, the target clients of MPF intermediaries will increase from the 200,000 plus employers to over 2.5 million employee members. In anticipation of more vigorous and intensive sales and marketing activities, and in view of rising public expectation in respect of investor protection after the 2008 global financial crisis, the Government earlier introduced into the Legislative Council a bill which would put in place a statutory regulatory regime for MPF intermediaries.

As mentioned earlier, the bill was passed on 21 June 2012 and the statutory regulatory regime for MPF intermediaries will be established on 1 November 2012 – the same day when ECA will come into operation. The establishment of this regime will enhance the regulation of sales and marketing activities of MPF schemes, thereby further strengthening protection of scheme members' interests.

Under the new regulatory regime, the MPFA will be the sole authority to register MPF intermediaries and to issue guidelines on compliance with statutory conduct requirements. It will also handle complaints on MPF sales and marketing activities. In misconduct cases, the MPFA will be the sole authority to impose disciplinary sanctions.

The Hong Kong Monetary Authority, the Insurance Authority and the Securities and Futures Commission will be given the statutory role as frontline regulators responsible for the supervision and investigation of MPF sales and marketing activities of registered MPF intermediaries whose core business is in banking, insurance and securities respectively.

From 1 November 2012 onwards, subject to certain specific exceptions in the legislation, it will be an offence for anyone who is not a registered MPF intermediary to engage in the sale or marketing of MPF schemes.

Registered MPF intermediaries will also be required to follow prescribed conduct requirements, which include, acting honestly, fairly and in the best interest of their clients, disclosing sufficient information to their clients and making their best endeavours to avoid conflict of interest. The intermediaries will be subject to disciplinary sanctions for non-compliance with the conduct requirements. The sanctions that may be imposed include reprimand, fine, and revocation or suspension of registration.

5. How many MPF schemes are in the market at the moment? Do you expect this to change after the introduction of the ECA?

There are currently 19 MPF trustees, offering 40 schemes. The introduction of ECA will foster greater competition among the MPF service providers, hopefully resulting in better services and lower fees to benefit all scheme members.

6. Who will bear the additional administrative costs due to ECA?

Under the law, trustees are prohibited from charging scheme members for making benefits transfers.

7. What should employees consider before they transfer to another MPF scheme? How often should they consider switching schemes?

MPF scheme members are advised to consider the range and quality of services provided by trustees, choice and suitability of funds offered by the schemes, and fees and charges. Other factors to consider include their own investment objectives, years to retirement and risk tolerance levels.

MPF scheme members should also note that:

- They are not obliged to transfer their accrued benefits after the launch of ECA. Scheme members should not make a transfer purely on the merits of promotional offers.
- MPF is a long term investment and one should not transfer or switch funds in response to short-term price fluctuations. It is also impossible to time the market accurately.
- Transferring one's accrued benefits may or may not result in higher investment returns. If an employee is satisfied with the employer chosen trustee and scheme, there is no need to make a transfer.
- A transfer will take some weeks to complete. If one decides to make a transfer, there will be a short period during which one's accrued benefits will not be invested (i.e. the scheme member will be subject to "out of market" risk). Fund prices may change during the period, and if the movement is unfavourable, it can possibly result in a "sell low, buy high" situation.
- Like other fund investments, MPF funds are traded on a "forward pricing" basis. One cannot specify in advance or predict the price of a fund at the time of placing a transfer instruction.
- If one has invested in a guaranteed fund, one should check whether the transfer would affect certain guarantee conditions. One may not be able to receive the guaranteed return if certain underlying conditions are not fulfilled.

8. Will MPFA provide any education to the public before the introduction of the ECA?

Yes, definitely. In the run up to the commencement of ECA, the MPFA will launch a territory-wide publicity campaign to educate scheme members on what ECA means, how to make a transfer and the key points to note when deciding whether or not to make a transfer.

Breakthrough for MPF

What the ECA means for Hong Kong

The Mandatory Provident Fund Schemes Authority (MPFA) first put forward its proposal for the Employee Choice Arrangement (ECA) to the government in the financial year 2007-08, with two key aims in mind: [1]encouraging MPF members to more actively manage their MPF investments, and increasing market competition among MPF service providers.

The ECA represents a fundamental change to the overall MPF system and may have significant and wide-ranging implications for the MPF market. It is hoped that the ECA would promote other positive outcomes, including greater fund choice, lower fund administration fees and better services etc. Due to the importance of the ECA, quite a substantial amount of preparatory work have to be done prior to implementation. In keeping with their commitment to ensure proper protection of MPF member interests, the MPFA began identifying several areas for improvement, including investor education, MPF intermediaries' compliance with statutory conduct requirements, financial advisor training and more. All these had to be prioritised ahead of the launch of the ECA.

A Bill for the Benefit of Hong Kong's Working Adults

The bill to enhance the regulation of MPF intermediaries was passed by the Legislative Council on 21 June 2012, the ECA will probably commence with effect from November this year. A total of current 2.58 million working adults in Hong Kong will then be free to choose their own MPF scheme - The ECA will allow employees to transfer from their contribution account the accrued benefits derived from the employee mandatory contributions made during their current employment to a MPF scheme of their choice on a lump sum basis once every calendar year. In other words, employees will enjoy greater decision-making power over their own MPF investments.

Greater Choice Means Greater Competition

With the implementation of the ECA, one can foresee that the MPF market will shift from solely employer-driven to market-driven by both employer and employee, as the opportunity for employees to choose their own MPF scheme opens up. Consumer choice is a good thing. It is likely to induce competition in the MPF market which in turn drives improvements in product and service quality. Hong Kong employees will be the ultimate beneficiaries of the ECA as MPF service providers innovate, strive and compete to offer the best MPF schemes and services.

[1]Source : MPFA Annual Report 2009-2010

More Funds to Choose From

As competition intensifies among MPF service providers, several significant consequences may be envisioned. First of all, there could be an increase in fund choices, in particular, low-fee funds or passively managed funds, to cater for the needs of the expanded customer base.

With more funds to choose from, customers can switch between funds according to the market situation, their individual risk appetites or other financial considerations, giving them a higher degree of flexibility and control.

Lower Fees to meet customers' demands

Competition will probably trigger MPF service providers to review their management fees. A recent MPFA article[3] reveals that there has been a notable reduction in the average Fund Expense Ratio (FER) of MPF funds to 1.74% (as at 30 March 2012), a 17% reduction compared with four years ago. All MPF trustees have already reduced their fees or introduced low-fee MPF schemes or funds. Among the MPF trustees, 13 have reduced their fees more than once. This indicates that MPF trustees are proactively responding to public concerns. For example, the FER of some AIA MPF's funds are the lowest in the respective fund categories as at 31 May 2012.

Average, highest and lowest FER in mixed assets, bond and equity fund categories

Fund Type	Average FER (%)	Highest FER (%)	Lowest FER (%)	
Mixed Assets Fund	1.93	4.62	0.18	***Manager's Choice Fund*** *(AIA MPF- Basic Value Choice and AIA MPF – Prime Value Choice)*
Bond Fund	1.60	2.85	0.25	***Global Bond Fund*** *(AIA MPF – Prime Value Choice)*
Equity Fund	1.82	2.89	0.21	***World Fund*** *(AIA MPF – Basic Value Choice)*

Source: *MPFA Fee Comparative Platform (as at 31 May 2012)*

The management fees (including the trustee and the investment management fees) for Manager's Choice Fund, Global Bond Fund, and World Fund which are classified as Mixed Assets Fund, Bond Fund, and Equity Fund respectively in the above table have been fully/partially waived during the financial period ended November 2010. Waiver of management fees of these constituent funds during the said year is temporary. It is not one of the product features and does not imply waiver of management fees in future years, of which the waiver for Global Bond Fund has ceased on 1 November 2010.

Better Service, Better Value

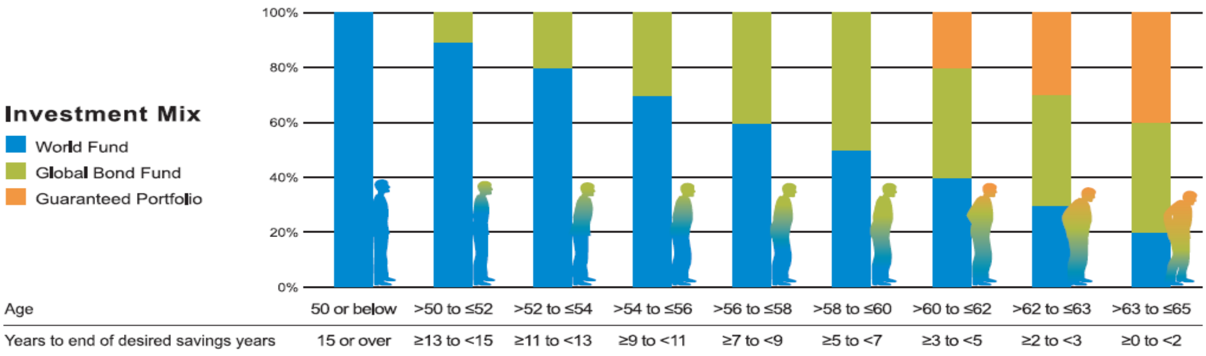
Apart from providing more fund choices and reducing management fees, the competition brought about by the ECA will also compel MPF service providers to deploy greater efforts in enhancing their customer service. Through service enhancement programmes, service providers will strive to create a sustainable competitive advantage and expand their market share by building the manpower skills, expanding product range and developing electronic channels required to more effectively meet the changing needs of MPF members in a fast-evolving environment.

[2]Applicable to AIA MPF – Basic Value Choice and AIA MPF – Prime Value Choice

[3]Source : An article contributed by MPFA on 23 April 2012 -《強積金收費有下調空間》

The forthcoming implementation of the ECA has also inspired MPF service providers to re-evaluate their customer services and to drive for excellence in this key area. For example, an MPF service provider recently launched a service called “Staged Withdrawal Service”, which allows members to flexibly withdraw their MPF assets in stages by maintaining them in a designated account to minimise the negative effects of market downturns at the time of retirement. Another example is the introduction of the automatic asset rebalancing service, where members who enable the service will have their portfolios automatically rebalanced with predefined investment mixes when approaching to their retirement age or the end of their desired savings years, helping members to manage their MPF investment easily.

<u>Automatic asset rebalancing service - Equities proportion decreases as approaching to end of the member’s desired savings years or retirement age</u>



Facilitating Change and Success with Technology

With the implementation of the ECA, the volume of transfer of accrued benefits is expected to increase, as scheme members will have greater freedom in transferring their accrued benefits derived from employee portion to MPF schemes of their own choice during employment. Therefore, having a common and secure electronic system for transmitting data on transfer of accrued benefits between MPF trustees is vital. Built to the MPFA’s specifications, the electronic platform is required to go through a series of mandatory tests. It will facilitate the automatic, efficient and confidential transmission of data between trustees to speed up the process of transfer of members’ accrued benefits between schemes.

With the roll-out of the common electronic system, many MPF service providers may also take the opportunity to upgrade their own electronic platforms to introduce innovative and convenient online and mobile services for members. Many MPF service providers have already developed mobile apps to give customers easy access to their accounts to manage their MPF investment anytime, anywhere.

Stepping Up the Quality of Intermediaries

Another positive outcome we wish to see from the ECA is an improvement in the quality of MPF intermediaries. This should occur naturally as a result of greater market competition, as well as through conscious efforts by both the MPFA and service providers to enhance the regulation and supervision on MPF intermediaries in selling of MPF products, in response to the anticipated increase in marketing activities.

New supervisory requirements will hold intermediaries to the high standards for sales practices and professional ethics in all client interactions as regulated by the supervisory body. The MPFA will also impose strict training requirements for all MPF intermediaries, ensuring they are rigorously educated in proper conduct for marketing and selling. MPF service providers will also be required to ensure that all MPF intermediaries which they engage have received the training prior to the launch of the ECA.

Some service providers even tailor-make a series of training ranging from MPF knowledge and ethics to soft skills including presentation and communications techniques so as to enhance the professional standard of intermediaries.

Getting Ready for the Road Ahead

The market is changing and all of us – MPF service providers as well as intermediaries - have to change along with it to ensure we can respond accurately to customers' unique needs. We believe that when the ECA comes into force, it will ignite positive competition among MPF service providers which will have significant implications for both the MPF market and the Hong Kong working population. More fund choices and options will open up for customers' selection, and services and technology will be enhanced to facilitate the implementation of the ECA. The ultimate beneficiaries of these changes are employees. Employees, who will have the opportunity to play a direct and active role in managing their investments, should take the initiative to study and compare the MPF schemes and funds available in the market, and to maximise their benefits by making wise and informed investment decisions.

Bonnie Tse

Senior Vice President and Managing Director

AIA Pension and Trustee Co. Ltd.

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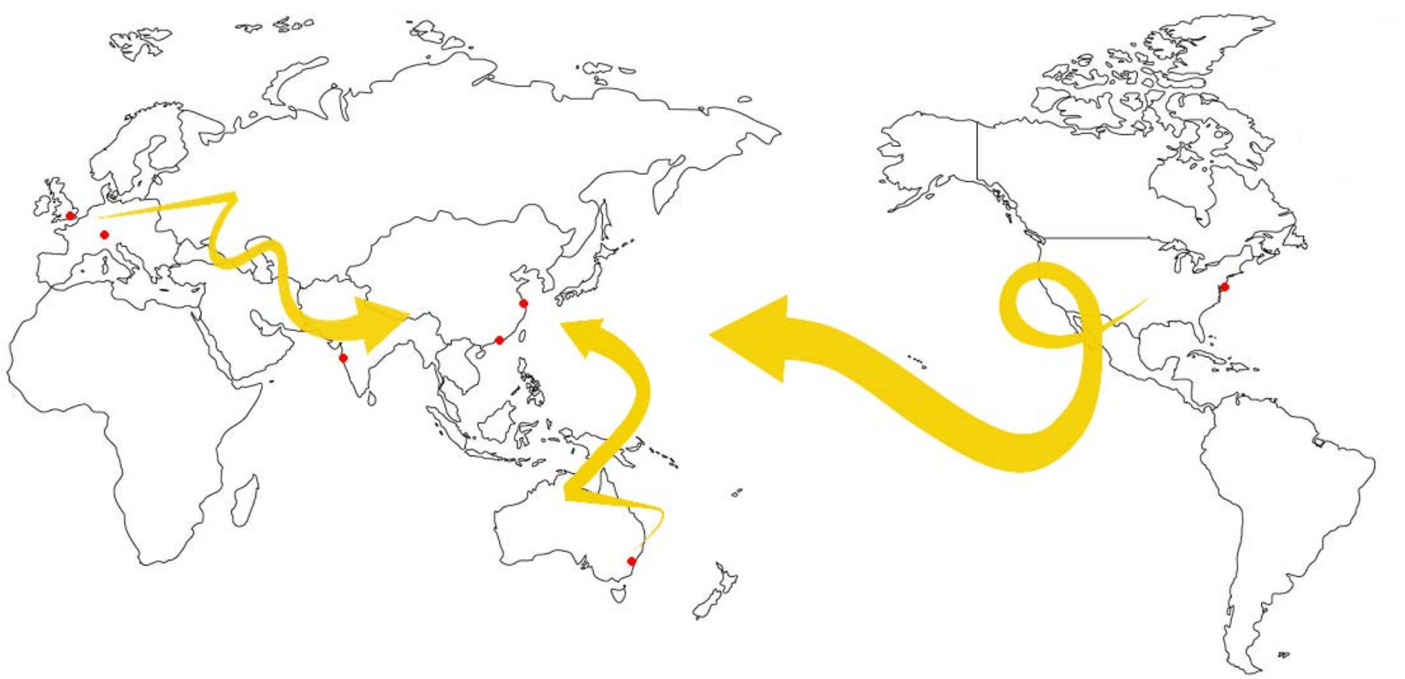

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A new dawn for motor insurance in China

This article was first published in the May 2012 issue of the Asia Insurance Review.

The motor insurance market in China has evolved rapidly since the implementation of compulsory third-party liability insurance in 2005. Double-digit motor insurance premium growth has spurred huge topside revenue gains for local insurers. But restrictions on foreign insurers' involvement have virtually eliminated them from the US$55.5 billion market. Recent developments, however, are expected to alter China's vast motor insurance market and open new opportunities for foreign insurers with the technical capacity and wherewithal to seize the day. Mr Guanjun Jiang and Mr Jack Jiang explore.

A breakthrough occurred on 14 February 2012, when a joint statement was released by China and the United States announcing China's intention to open its compulsory third-party motor (CTP) market to foreign-owned insurers that have been barred from selling the cover. On 30 April, the announcement has been put into effect by the State Council of People's Republic of China, effective 1 May 2012.

This restriction has been a major stumbling block for foreign insurers, which have had to persuade motorists and different distribution channels in China that purchasing voluntary covers from them was a better option than purchasing both CTP and voluntary covers from one local insurer.

Tough struggle for foreign insurers

Indeed, insurers have had little to show for their efforts. As premiums for local insurers grew at a hardy 25% pace between 2006 and 2010, foreign insurers lagged far behind. This lagging growth has left foreign insurers with less than 0.5% of the motor market, which makes up approximately 75% of the total non-life market and often serves as a jumping-off point to sales of other insurance products.
Some insurers, such as Chartis, which stopped writing motor business a couple of years ago, have shuttered their operations. Others, such as Liberty Mutual, which continues to trudge along, have seen their premium growth lag far behind that of local insurers with similar histories of operation and their expense ratios soar to as much as 60% by some estimates. These high overhead costs have fuelled foreign insurers' losses.

Under the new agreement, foreign insurers will have a much better chance of achieving the appropriate economies of scale.

CTP is a loss-making operation

Entering the motor market, however, is only the first hurdle that foreign insurers face. CTP premiums are tightly controlled by the China Insurance Regulatory Commission (CIRC), which is highly unlikely to change its regulation in the near term, other than to perhaps modify premium rates to accommodate the recent expansion of CTP to cover victims of drunken driving.

Moreover, CTP is a loss-making operation in many provinces, a fact that is reflected in industry results. According to the audited financial statement of the industry, the non-life industry lost over CNY7.2 billion (US$1.14 billion) on CTP in 2010, and posted an underwriting loss of about CNY9.7 billion. This figure is expected to climb to CNY12 billion in 2011.

While insurers' overall motor results were profitable in 2011, for the motor market to be viable for foreign insurers, China's open-door policy is only the first step.

Partial de-tariffication, a move towards market-based pricing

The second development that is likely to have a considerable impact on insurers came on the heels of the joint China-US statement.

On 8 March 2012, CIRC issued an announcement aimed at strengthening the premium rating management for voluntary motor insurance covers by giving well-run insurers more pricing latitude while, on the surface, maintaining fairly tight control over other insurers.

Companies that are able to manage their combined ratios below 100% for two consecutive years will be allowed to expand the benefits offered beyond that of the standard product, subject to approval from CIRC. In addition, companies meeting certain criteria (see Below) will be allowed to use their own data to determine their pure premium rates.

With an announcement by the CIRC, experience-driven rates may be used by insurers with:

- A combined ratio less than 100% for the past two consecutive years
- A comprehensive corporate governance with effective internal controls
- Involvement in writing motor insurance business for at least the past three years
- Statutory solvency ratio above 150% for the past two consecutive years
- Accumulated motor data for at least 300,000 vehicles
- A commercial motor business development team that is familiar with the associated laws and regulations, and has pricing capabilities and a complete business workflow and information systems
- Other requirements set by the CIRC

These premium rates, however, would be subject to formal approval by CIRC and would need to be reviewed annually, with consideration given to the historical data, business development, and claims reserve requirements.

This newfound market freedom is expected to be awarded to only the top insurers in China. Nonqualified insurers will still be required to follow a standard tariff for pure premiums, and to use standard product designs and policy wordings. However, they will be allowed to vary their premium loadings for expenses and commissions up to an overall maximum of 35% of premiums, subject to prior approval by CIRC.

This change means that nonqualified insurers will soon be able to target or avoid risks by allocating expenses according to their market appetite.

This incremental approach to de-tariffication sets up a tiered system by which generally better managed insurers have greater pricing freedom while less profitable or financially weaker companies that required more regulation can still have fairly significant pricing discretion.

Other changes

For both, the announcement elevates the importance of risk selection and pricing as tools to differentiate an insurer's products and build profitability. The CIRC announcement also touched upon two long-standing issues with which the industry has been grappling. They pertain to vehicle valuation and right to deny.

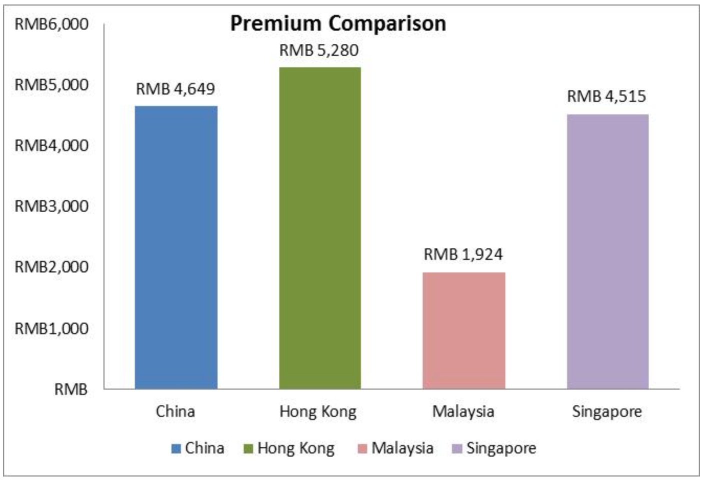
According to the announcement, an insurer and a policyholder will need to agree on the market value of the insured vehicle, instead of using the new vehicle value as the sum insured. The announcement also bars an insurer from refusing to reimburse a policyholder for damage caused by a third party when the policyholder is not at fault. In this case, the insurer would be required to first pay the policyholder and then pursue subrogation from the third party.

While details of these changes are yet to be spelt out, there is little doubt that they will impact profitability and force insurers—both local and foreign—to a higher level of technical rigour.

A win for consumers

The timing of the announcements was perhaps fortuitous as they came shortly before March 15th, the World Consumer Rights Day.

At present, the motor products in China often are standard, and motor premium rates are among the highest in the region, considering labour costs is among the lowest in the region —a fact that has caused motorists in China to complain bitterly.



- *Sample quote for a comprehensive cover motor insurance policy for a Toyota Corolla, owned by a 40-year-old female with maximum No Claim Discount.*

The CIRC announcement could lower prices for better drivers because both local and foreign insurers will be able to price according to risk. Over the long term, the joint announcement by China and the United States will likely spur product innovation and competition, which will also benefit consumers.

But the announcements will likely have a more far-reaching and immediate impact on insurers.

A leg up on market share for smaller insurers

While the CIRC announcement is open to interpretation, it is our belief that the maximum 35% loading for expenses and commissions will be enforced on a portfolio basis.

This approach will give insurers an opportunity to differentiate the loadings for different categories of policyholders (eg, by vehicle make and model, demographics, and driving experience of the driver, among other characteristics) as long as the overall loading falls within 35%. Under this scenario, even nonqualified companies will have ample room to target specific segments of policyholders, and differentiate themselves by price and perhaps even by additional covers (sold as riders), if approved by CIRC.

As pricing and product strategies become more sophisticated and targeted, profit margins for all insurers in China could converge and resemble the thinner spreads reported in other highly competitive parts of Asia.

The latitude granted to nonqualified insurers, while admittedly limited, effectively moves the industry closer to a free-market system, or, perhaps more accurately, restores some free-market conditions to the motor insurance market.

CIRC still have controls to maintain discipline

For a brief time during the middle of the past decade, motor premium rates were completely de-tariffed, but the foray into the free market resulted in over-zealous competition, industry losses, and large injections of capital to maintain solvency. In 2006, tariffication was restored, but the market continued to deteriorate until solvency regulations were strictly enforced in 2008 and market conduct regulations tightened in 2009.

China's impending venture into the free market, however, is characterised by one big difference: the CIRC is much more vigilant in enforcing the solvency requirements on companies, and while it has somewhat loosened the reins of control, it still maintains the right to approve premium rate and product filings, which it will likely use to maintain discipline in the market. Shareholders, already wary from the 2008-2009 capital infusions, are also keenly aware of the consequences of writing bad business.

Fixed tariff environment favours large insurers

The recent tariff environment has been a boon to the large insurers that have grown considerably faster than their smaller competitors, largely because of the strength of the larger companies' extensive distribution network and brand recognition.

With premium rates tariffed at highly profitable levels for voluntary covers and products standardised to regulators' specifications, there has been less need for underwriting controls to be in place. Selling has been the name of the game.

Profitable growth for smaller insurers possible with new guidelines

The rules of the game, however, are likely to change with the advent of new guidelines, detariffication and the possibility that CIRC may allow the market to innovate. Small companies will have many more opportunities to target niche segments and to offer a wider mix of products with differentiated pricing and services.

Profitable growth is likely to become a real possibility for smaller insurers that can bring innovation to their product portfolios and exercise more intelligent pricing strategies. Much as in the middle of the past decade, smaller insurers are likely to gain market share, but this time profitability is expected to accompany the gain. This time around, foreign insurers may also have opportunity to profit from de-tariffication.

A solid foothold for foreign insurers

In the past, foreign insurers' operations have suffered from a lack of scale and brand awareness amongst local consumers. But with access to the CTP market, a more level playing field, and the possibility to innovate, the China motor market moves closer to the environment of other motor markets in Asia, where foreign insurers have leveraged their knowledge and technology to the needs of local consumers.

The joint announcement, and now the confirmation from CIRC, are likely to somewhat mute the grumblings of foreign companies that have complained about restrictions such as regulators' limitations on the number of new branches that foreign insurers can establish each year and the constraint on most foreign insurers of being confined to operations in Shanghai.
In most countries, these restrictions would jettisoned the viability of operating there, but in the CNY350 billion (US$55.5 billion) motor market of China, even a small slice of the total will make a significant contribution to the profitability of these foreign entities.

Growing carefully with focus on underwriting results

In the end, regulators' limitation on the number of new branches may turn out to be a blessing in disguise for foreign insurers. Starting on a smaller scale allows foreign companies to learn about the motor market in China, which has its own unique idiosyncrasies and business practices. Experience has shown that the more profitable local companies are those which refrained from expanding nationwide in one short burst, but instead established branches in strategic locations, with a focus on underwriting results.

Restrictions such as the limitations on new branches have modulated the interest that foreign insurers have shown in the motor market in China, and the strategies they have rolled out have largely reflected their varying levels of interest. But the two recent announcements should, at a minimum, raise interest, if not the level of investment, in the China motor market. And foreign insurers' tiny 0.2% sliver of the market could expand to an actual slice.

While the two announcements have been issued by different levels of government and have been prompted by different social and political forces, both will likely serve the same purpose: to promote a free-market environment. It is now up to insurers to develop the technical capabilities that will allow them to profitably compete in the opening of China's market.

Jack Jiang
Director &
Consulting Actuary
Milliman

Jiang Guanjun
Director &
Consulting Actuary
Milliman

Membership Update

New Members

Elaine Yi-Fei, Bian	ING Asia/Pacific Ltd	Fellow
Haibo, Liu	ING	Fellow
John, Mitchell	Skandia Life	Fellow
Ranjeeta, Bansal	KPMG	Associate
Paul, Sandhu	Conning	Assocaite
Vicki, See	Ernst & Young	Associate
Lester Siu-Fung, Chu	Dun & BradStreet (HK) Limited	Student
Yin Kok, Leung	Zurich	Student
Vivian Ka-Yan, Yu	Deloitte	Student
Charmaine See-Ming, Yung	RGA	Student

Membership Upgrade

Kelvin Hei-Man, Li	CIGNA	Fellow

Reinstated Members

Xerxes Ka-Man, Wong	HSBC Insurance	Fellow
Michael King-Piu, Tse	Food and Health Bureau, The Government of Hong Kong	Fellow
Ted Chi-Chung, Wong	-	Student

Actuaries on the move

- Kong Chi Fung
- Michael Fung
- Iris Lun
- Marco Wu

Actuarial Society of Hong Kong
Professionalism Course (Half Day Course)
Intercontinental Grand Stanford Hong Kong
70 Mody Road, Tsimshatsui East, Kowloon, Hong Kong
Tuesday, 28 August 2012 **1:30 pm - 5:15 pm**

Please visit ASHK website for more details.

Prize to Give Away!

Photo Hunter

Compare the 2 photos and circle on the **TEN** spots of different. A prize will be presented to the member who submits the first correct answer of **the Photo Hunter**.
Join the game and submit your answer to ASHK Office by email: actuaries@biznetvigator.com **NOW** !!!

Upcoming Events

Date	Event
Mon, 30 Jul	SOA APC, Hong Kong
Thu, 2 Aug	I&FA HKMIG Wine Tasting
Tue - Wed, 14-15 Aug	Joint Course on Professionalism (CAS & I&FA), Singapore
Mon-Wed, 27-29 Aug	SOA IFRS Seminar, Hong Kong
Mon-Tue, 27-28 Aug	Joint Course on Professionalism (CAS & I&FA), Hong Kong
Tue, 28 Aug (Half Day)	ASHK Professionalism Course, Hong Kong
Sat-Sun, 15-16 Sept	China Association of Actuaries, CAA Annual Meeting, Beijing
Mon, 17 Sep	I&FA member event, Beijing (tbc)
Wed, 19 Sep	I&FA member event, Shanghai (tbc)
Thu, 20 Sep	I&FA member event, Hong Kong (tbc)
Fri, 21 Sep (tbc)	ASHK Luncheon meeting - I&FA Speaker
Sep (tbc)	CAS member event, Hong Kong (tbc)
Tue, 25 Sep	ASFA Asian Pensions Seminar, Hong Kong
Oct	Actuaries Institute Australia member event, Hong Kong (tbc)
Mon - Fri, 15 –19 Oct	Actuaries Institute Australia Part III exams
Sat - Fri, 20 - 26 Oct	CAA exams
Nov	SOA Associateship Professionalism Course (APC), Hong Kong
Nov	SOA Associateship Professionalism Course (APC), Shanghai
Mon-Tue, 5-6 Nov	SOA Symposium, Shanghai
Tue, 6 Nov	ASHK Annual Dinner
Wed, 7 Nov	ASHK Appointed Actuaries Symposium
Thu-Fri, 8-9 Nov (tbc)	ASHK Healthcare Seminar (tbc)
Dec (tbc)	Global ERM Webcast
Thu, 13 Dec	ASHK AGM

For seminar details, please visit the SOA website.

Events' Highlights

ASHK Evening Talk 17 April 2012



Gregory Heidrich (SOA) & Brad Smith (SOA)

MC: Roddy Anderson (ASHK)

Brad Smith (SOA) & Roddy Anderson (ASHK)

IAA Colloquium 6 - 9 May 2012





Events' Highlights

ASHK Evening Talk 28 May 2012




Speaker: Peter Temple (General Reinsurance)


Peter Temple (General Reinsurance) & Tak Lee (Munich Re)

ASHK - HKFI Joint Seminar 4 June 2012



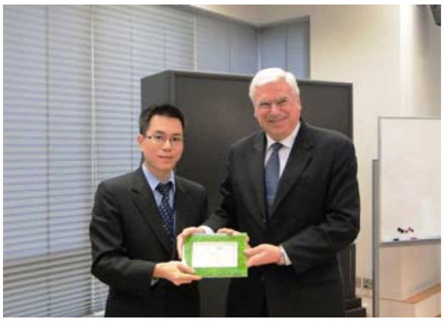

Speaker: Robert F. Conger (CAS)


Robert F. Conger (CAS), Ronald Kozlowski (Towers Watson) & Peter Tam (HKFI)

Events' Highlights

ASHK - HKFI Joint Seminar 26 June 2012

Martin Noble (KPMG) and Kenneth Law (KPMG)



ASHK Evening Talk 26 June 2012

Ka-Man Wong (Chairlady of IRM Committee)

Peter Fang (PwC)

Andrew Siu (HSBC)

Steve Tong (Blue Cross)

Prize to Give away

Solution for Apr 2012

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ASHK NEWSLETTER

Contributions to the ASHK Newsletter

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

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

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