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ACTUZINE 精誌

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ACTUARIAL SOCIETY of HONG KONG 香港精算學會

Message from the editor

Dear Readers,

Welcome to the first ACTUZINE 精誌 for 2025!

We are excited to bring you the latest updates and highlights from ASHK. This edition features key happenings from our council that you won't want to miss. We successfully hosted the ASHK Appreciation Lunch 2025 along with Volunteer Award Ceremony 2024, and we are excited to welcome our new council members – Sherry and Jenny. There are also some important updates particularly from PMC regarding AGN11.

We are also featuring several insightful articles that delve into current trends and developments in actuarial field. You may also get inspired by reading "Celebrity Actuary Interview" with Peter Luk, our senior Honourary Member of ASHK, who shares his inspiring journey to becoming a qualified actuary over the years.

Finally, don't forget to check out our upcoming events, and be sure to register early if you are interested!

Enjoy Reading!

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Others

While all articles are welcome, we would especially like to receive submissions for the Feature Articles and Knowledge Sharing sections. If you have written any inspiring articles or have read any interesting articles from other actuarial organisation(s), please feel free to let us know. We will try to reprint them in our magazine.

Welcome to email your articles or views at info@actuaries.org.hk.

Richard CHAN *FASHK*
Chief Investment and ALM Officer
CTF Life

HK PARTICIPATING PRODUCTS

Asset-Liability Management Under an Economic Perspective (Part I)

(A) Background

The insurance regulatory and reporting landscape is constantly evolving to address the complexities of an increasingly dynamic world. In Hong Kong, we are experiencing two major changes:

- The **transition of the actuarial valuation methodology to an economic basis**, in particular the implementation of the Hong Kong Risk-Based Capital ("HKRBC") framework, where assets and liabilities are generally measured based on market or fair values, as well as a similar mechanism to determine the best estimate liabilities under IFRS 17.
- The **increased emphasis on policyholder protection in participating products.** This initiative began in 2017 with the issuance of the Insurance Authority's Guideline on Underwriting Long Term Insurance Business (other than Class C Business) ("GL16"), and was further reinforced by the recent Guideline on Establishment and Maintenance of Fund(s) in Respect of Participating Business ("GL34").

These two developments are interrelated, because the economic valuation in both HKRBC and IFRS 17 encourage insurers to launch capital-light products with lower guarantees, making participating ("Par") products a natural choice.

Par business is already the primary business model in HK. In terms of number of policies and office premium, 62% and 83% of all long term individual life non-linked new business written in 2023 are Par products, for example.

As Par products continue to gain popularity, it becomes increasingly important to manage the Par funds properly to ensure policyholders' interests are protected. Currently, GL34 focuses on the establishment of segregated funds and mechanisms to ensure that economic and actuarial experiences are fairly credited or deducted from the relevant funds.

As the matter becomes more mature, we anticipate there will also be increased scrutiny on whether the asset-liability management ("ALM") strategies (e.g. investment and hedging) of the Par funds are aligned with policyholders' reasonable expectations ("PRE") principles. Specifically, these include:

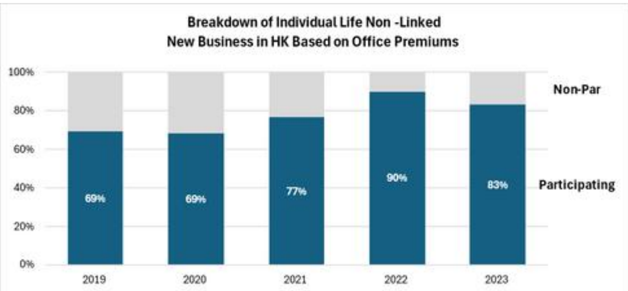


Figure 1: Breakdown of the Individual Life Non-Linked New Business in HK based on Office Premium

(Source: Hong Kong Insurance Authority Annual Statistics for Long Term Business 2023)

1. Ensuring sufficient effort to protect the stability of the solvency of the Par funds.
2. Properly balancing the interests between the company and the policyholders, as well as among different groups of policyholders, in the ALM strategies of the Par funds.

At the same time, the economic valuation equips insurers with quantitative tools to better measure the risks associated with the Par products. This, in turn, enables insurers to improve their investment and hedging strategies to meet the PRE goals mentioned above.

(B) Objective

Insurers can leverage the economic valuation tools to design better ALM strategies for the Par products. This series seeks to explain these ideas, as follows:

1. This first article discusses the typical Par product mechanism, as based on the Asset Share ("AS") methodology which is one of the most transparent and rigorous mechanisms.
2. The next article will focus on explaining the economic nature of the Par products, by borrowing concepts from the derivatives and quantitative finance discipline.
3. We will then end this series with the basic considerations of designing ALM strategies specifically for Par products.

These articles will focus on the economic nature of the assets and liabilities, which will be agnostic to the exact accounting or solvency regime.

(C) The Recursive Reserve Formula

Before we discuss the AS methodology, we need to recap the actuarial reserve formula that everyone is very familiar with.

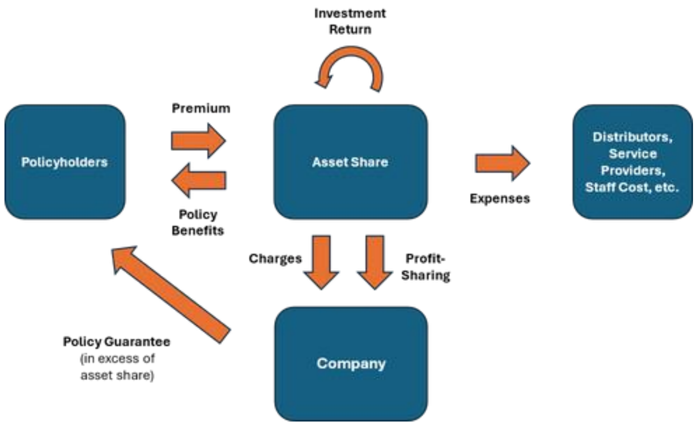


Figure 2: Illustration of the Asset Share Mechanism

(Note that "Company" here refers to the Capital Funds or Shareholder Funds which economically belong to the shareholders of the company.)

The actuarial reserve at time t, ${}_tV$ can be expressed as the present value of future net cash outflow, i.e.,

$$\boxed{{}_tV = \sum_{s>t} \frac{B_s + E_s - P_s}{(1+i)^{s-t}}}$$

Where B_s, E_s and P_s denote the expected amount of policyholder benefits, expenses and premium that will take place at time s in the future.

With a simple calculation, the reserve can also be expressed recursively as below:

$$\boxed{{}_tV = {}_{t-1}V \cdot (1+i) + P_t - B_t - E_t}$$

(D) The AS Methodology

The AS methodology follows directly from the formula above. For each group (cohort) of participating policies, the insurer maintains an account balance called the AS, which is computed by crediting the actual premium received and investment return earned, and deducting the expense and policyholder benefits.

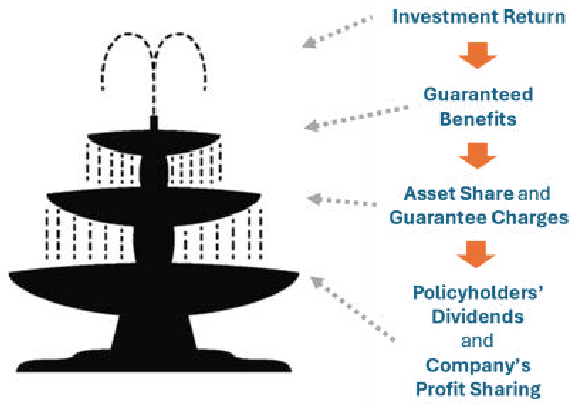


Figure 3: Waterfall of Benefits

Moreover, as most participating products provides a minimum guaranteed surrender value and death benefit even if AS were to run out, it is also normal for the insurer to deduct a guarantee charge or asset share charge to cover such costs.

Finally, to align the company's interest with the policyholders and as another source of revenue, shareholders are normally eligible to share a portion (e.g. 10-20%) of the surplus of the participating fund when the non-guaranteed policyholder benefits are being paid out. Figure 2 summarizes how the AS is calculated.

(E) Waterfall of Benefits

Another useful way to understand how the Par product works is to see how the investment return is shared among the policyholders and shareholders in the form of a waterfall. Any investment return will be first used to cover the policy's guaranteed returns. If there is any excess, it will be used to cover the asset share and guarantee charges. If there is still any excess, it will be shared between the policyholders and shareholders in a pre-defined ratio. This is summarized in figure 3.

(F) The Risk Implication of Policy Charges

As in figure 2, the company's revenue from the Par products are the charges (the asset share and guarantee charges) and profit-sharing, while the expenses are the cost of guarantee.

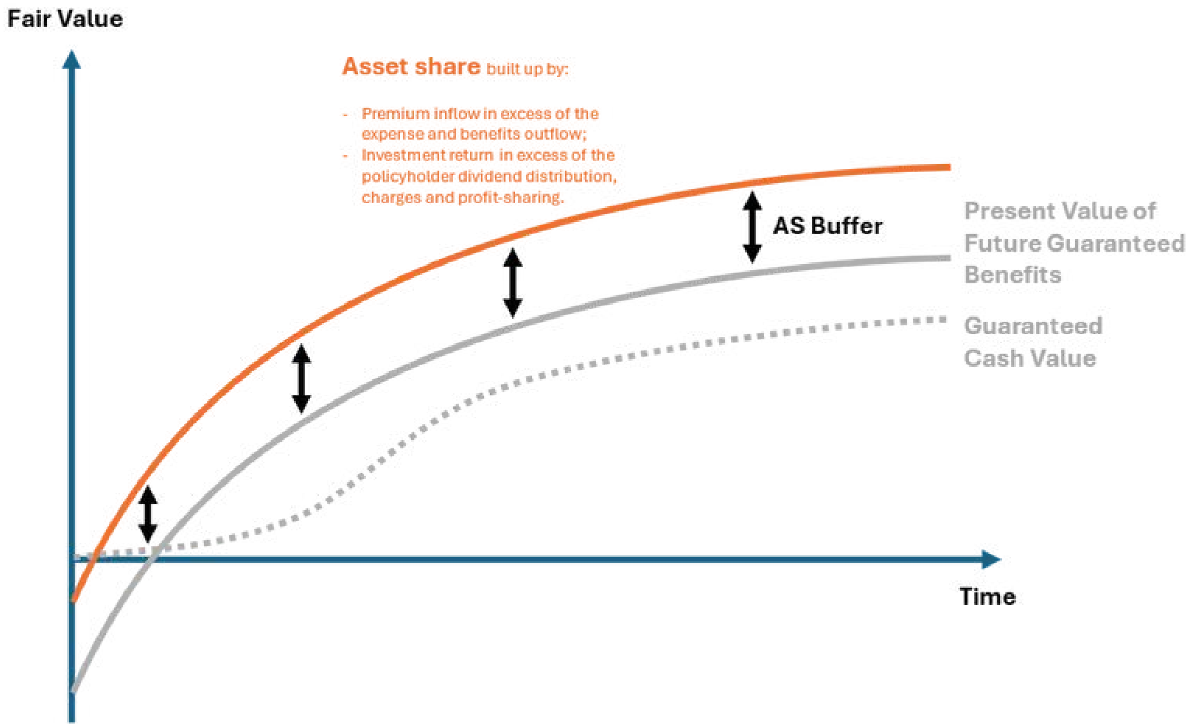


Figure 4: Buildup of Asset Share Buffer to Support Investing in Total Return Assets

While it is obvious that the risk exposure to the company is affected by the type and level of guarantees, it is more subtle that the risk exposure is also affected by how the policy charges are being deducted.

Simpler products may deduct static charges as a fixed percentage of the policy face amount or of the asset share value.

Some other products may have a dynamic guarantee charge that deducts a higher amount when the risk of triggering the minimum guarantee increases, which helps stabilize the company's net cost, although this does introduce more volatility to the policyholders' return.

Some products have an opposite mechanism in the form of a performance fee, which has a counter-cyclical impact on the policyholders' return, but leaving the company's net cost more volatile.

(G) Determination of the Non-Guaranteed Policyholder Dividends

As the asset charge accumulates, and surplus over the guaranteed benefits are built up, the company needs to gradually distribute such surplus as non-guaranteed policyholder dividends. There is no single correct way of determining such but there are a few good practices to follow:

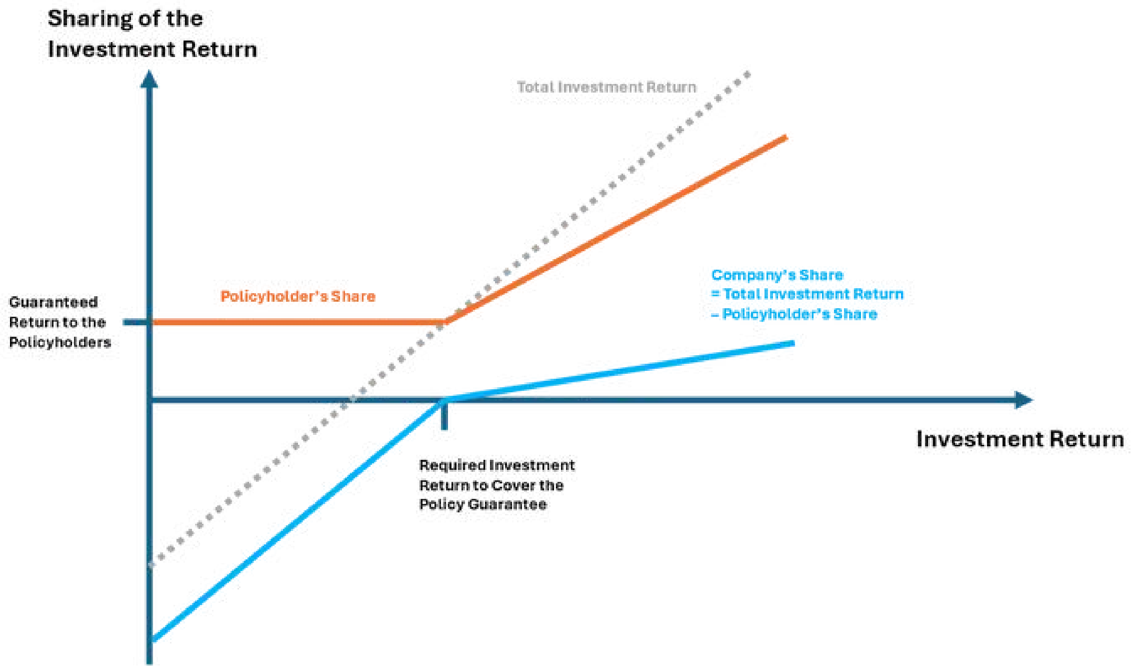


Figure 5: Asymmetrical Sharing of the Investment Return between the Policyholders and Shareholders
(Note that for simplicity this graph assumes a static policy charge.)

AS Buffer: A delayed distribution can help build up an AS buffer against the guarantees. This allows the Par fund to invest into total return assets like equities to enhance the policyholders' long term expected return. However, such delayed distribution will result in lower policyholder returns and shareholders' income in the early years.

No Upfronting of Future Expected Returns: As a good practice to set a reasonable expectation of returns, the annual dividends or reversionary bonuses in each period should be limited by the excess recurring income of that period (or adding the carry forward from the previous period), over an amount required to support the guaranteed returns, instead of upfronting the future expected returns.

Fairness to Remaining Policyholders: The terminal dividends in each period should be capped by the market value of assets in excess of the guaranteed cash value. In another word, the surrender benefits of the departing policyholders shouldn't be subsidized by the assets of the remaining policyholders.

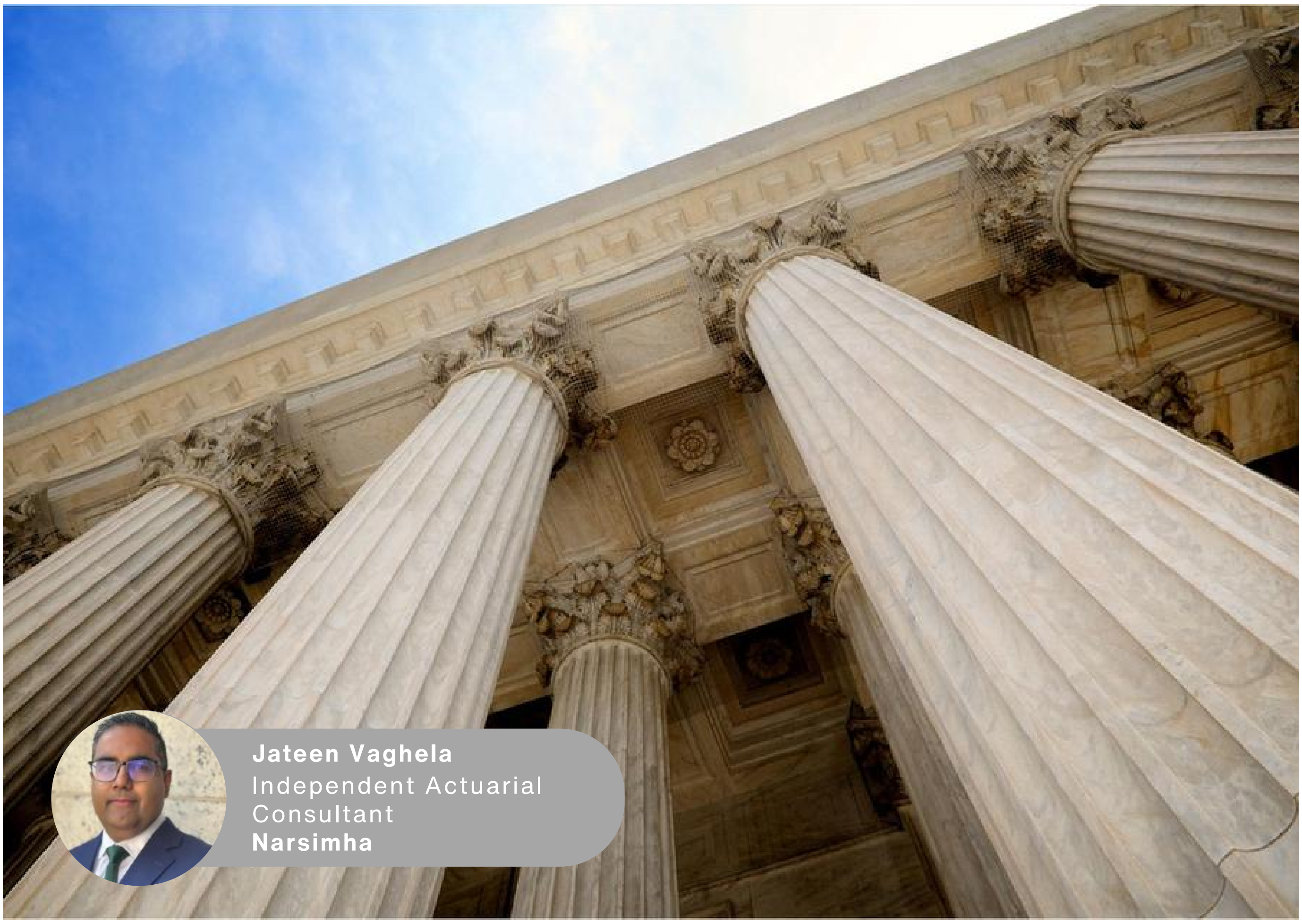
Smoothing: Despite the points above, a certain degree of smoothing is desirable to avoid frequent recalibration of the dividends, which also helps to meet PRE.

(H) What Makes the ALM of Participating Products Different?

We finish this first article by highlighting why the ALM of the Par products is different from the more traditional non-participating products.

Non-linearity: The insurers are taking asymmetrical investment risk from Par business. When the investment result is favorable, the insurer only enjoys a portion of the upside due to profit sharing. However, when under stress in which the guaranteed benefits are biting, the shareholders need to cover the whole amount of shortfall. Such non-linearity of outcomes needs to be described using option-based language and potentially be managed using option-based techniques.

Conflict of Interest: Managing the participating fund is not just about risk versus return, but also balancing the interest between the policyholders and shareholders. For example, when the investment market is under stress, the company may choose to aggressively derisk its investments to save capital, but this is potentially unfair to the policyholders who may forgo the investment upsides in case the market rebounds. ■



ALM CONTROL CYCLE – 4 PILLARS

Integrated Approach To Asset - Liability Management

Introduction

During my 20 years in the spectacular world of Asset-Liability Management ("ALM"), I have observed widespread misconceptions about its true essence.

Many simply see it serving a matching function, by aligning asset and liability cash flows to effectively eliminate interest rate and mismatch risks. And while that is part of it, true ALM goes so much deeper.

This is the first of a series of articles about the deeper layers of ALM, outlining its optimal placement within organizational structures. It highlights how ALM integrates essential processes that drive disciplined risk management and deliver value-creating outcomes, effectively addressing the priorities of both the CRO and CFO.

ALM Control Cycle

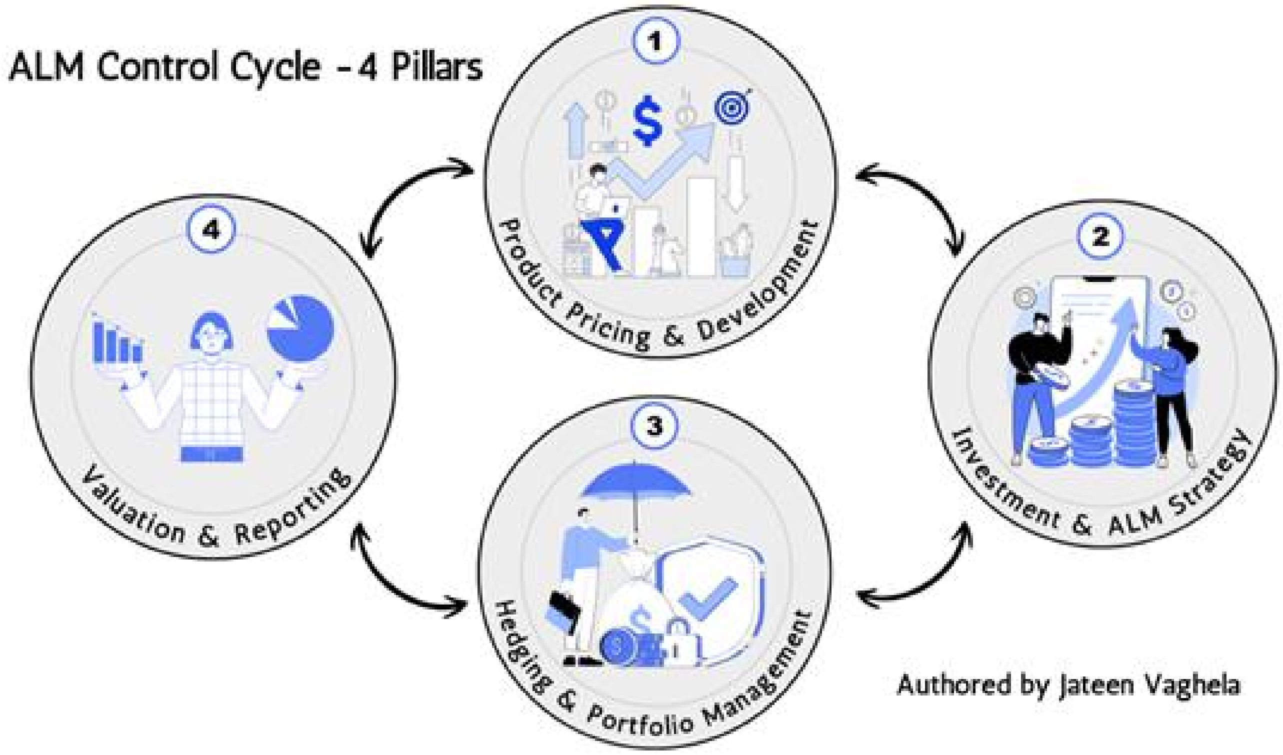
In the broadest sense, ALM involves strategically managing a business to ensure that actions and decisions regarding assets and liabilities are effectively aligned. The Society of Actuaries defines ALM as:

"The continuous process of developing, executing, evaluating, and refining asset and liability strategies to meet an organization's financial goals, while aligning with its risk tolerance and other limitations."

While this definition sounds simple for inclusion in an ALM policy to the Board, implementation of an ALM framework can be challenging to embed in a business.

Having had the privilege of collaborating with numerous seasoned ALM experts in investment banking, pensions, and insurance, I have refined and structured ALM into a cohesive framework of four essential pillars, which I have named the "Asset-Liability Management Control Cycle – 4 Pillars".

The ALM Control Cycle is built upon four core pillars, each representing foundational activities. They are: 1. Product Pricing and Development, 2. Investment and Asset-Liability Management, 3. Hedging & Portfolio Management Strategy, and 4. Valuation and Reporting.



The arrangement of these pillars is intentionally structured to align with the risk origination lifecycle, beginning at the inception of product development and the onboarding of risks onto the balance sheet with the aim of fostering growth, and subsequently transforming into impactful and substantial back books.

- **Pillar 1: Product Development and Pricing**

A strong focus on ALM is crucial at this stage, even though it may oftenbe left until much later. Its importance increases with the level of investment risk and the influence of asset strategies on product performance, depending on the type of products being developed.

Essential activities required in this context:

- Identify, assess, and create mitigation strategies (using ALM techniques) to address all major risk sources.
- Ensure this is carried out with consistent assumptions applied to pricing, risk management (hedging), and valuation.
- Ensure that pricing yield targets are practical, achievable, and aligned with the company's risk appetite.

While these activities are typically integrated into the product development process, the actual consideration of ALM factors is often superficial at best. As a result, critical issues might be entirely overlooked or deferred to a “Day 2 priority list” due to the pressing demands of bringing the product to market. Over time, this could result in increasing ALM risks that may initially go unnoticed, until product sales significantly grow, or market conditions shift, prompting a focus on back-end adjustments to the balance sheet (refer to Pillar 3 – Hedging and Portfolio Management). In a later article, I will demonstrate how savings product prevalent in the HK market should bolster Pillar 1 ALM practices.

- **Pillar 2: Approach to Investment and Asset-Liability Management**

This is the standard ALM activity, with an emphasis on setting out the investment strategy of funds, Strategic Asset Allocation (SAA), supporting capital and liabilities. In addition, the focus here is on the development of investment guidelines for the asset managers. The need for more robust risk-reward analysis in reviews is increasing partially driven by:

- Capital markets in Asia: they continue to evolve, with opportunities for a broader range of investable asset classes, including public and private bonds, are expanding. This progression will require firms to adopt more sophisticated approaches in formulating their investment strategies.
- Regulation: enhanced risk-based capital frameworks and implementation of IFRS 17/9 accounting standards
- Need for Investment Performance: underwhelming prior performance and missing shareholder targets.

Key Gap: ALM Strategy

Developing and implementing an investment strategy for a portfolio is challenging, even without a well-defined and agreed-upon ALM strategy for the company. Insurance balance sheets are intricate, involving numerous competing financial objectives such as: earnings, volatility, solvency and capital management (for local businesses or at the group level), embedded value, rating agency models and criteria, internal economic models, and more. An effectively-designed ALM strategy seeks to provide a comprehensive approach to doing this.

- **Pillar 3: Hedging and Portfolio Management of In-Force Book**

While hedging market risks is another traditional ALM activity, it is often considered only after a risk event materializes or when an accumulation of unwanted risks is noted. This pillar emphasizes developing strategies for optimized portfolio management of the in-force book throughout a typical business cycle, rather than relying on ad hoc approaches.

Two key asset-led activities are:

(a) Tactical Asset Management
Facilitating portfolio investment management by promptly assessing risk exposure against established limits, analyzing the impact of tactical asset allocations or trades on the company's key performance indicators, and ensuring compliance with investment guidelines.

(b) Proactive Financial Risk Monitoring
Traditional insurance investment portfolios are often built on buy-and-hold strategies, typically managed in a passive, gradual, and steady manner. This only works if markets behave the same way, which they clearly do not. In my view, the approach to managing risk within an insurance balance sheet needs to be reconsidered. This is further reinforced by recent developments, including rising geopolitical risks, the rapid spread of (dis)information, and highly interconnected capital markets. While I generally agree that we are not 'actively trading' the assets on balance sheets in the same way as a hedge fund or absolute return player, effective risk management under Pillar 3 requires a trader-like approach, emphasizing active monitoring and ongoing collaboration with stakeholders to reassess risk positions on balance sheets.

Fortunately, insurance companies generally have a lot of risk data and insights married with stronger market intelligence for the magic to happen. Combining my experience as a financial market trader and an actuary, I have observed and helped execute successful hedge initiatives across many types of market risks. In Part 2 of this series, we will deep-dive into this exciting space.

- **Pillar 4: Insights from Valuation and Reporting**

Regular reviews of the source of earnings - highlighting experience variances driven by market and ALM-related risks - provide some of the most valuable insights into improvements. While the Actuarial and Finance functions usually perform this task, they often approach it from a reporting perspective, when in fact these insights should feed back into the ALM processes to raise awareness, identify gaps, and explore strategies to address them in the future.

Another key aspect involves developing economic and capital market assumptions, including, when necessary, economic scenarios to support the stochastic evaluation of asset-liability relationships. The key value lies in consistently applying these principles across the four pillars: Pricing, Investment Strategy reviews, Risk measurement and Hedging and Valuation, while also analyzing deviations and their potential implications.

Conclusion

Boards now prioritize two critical areas for company performance: (i) driving strong new business growth and (ii) ensuring robust cash generation from existing business with an expedited return of surplus. Achieving ALM excellence is essential for addressing the second item.

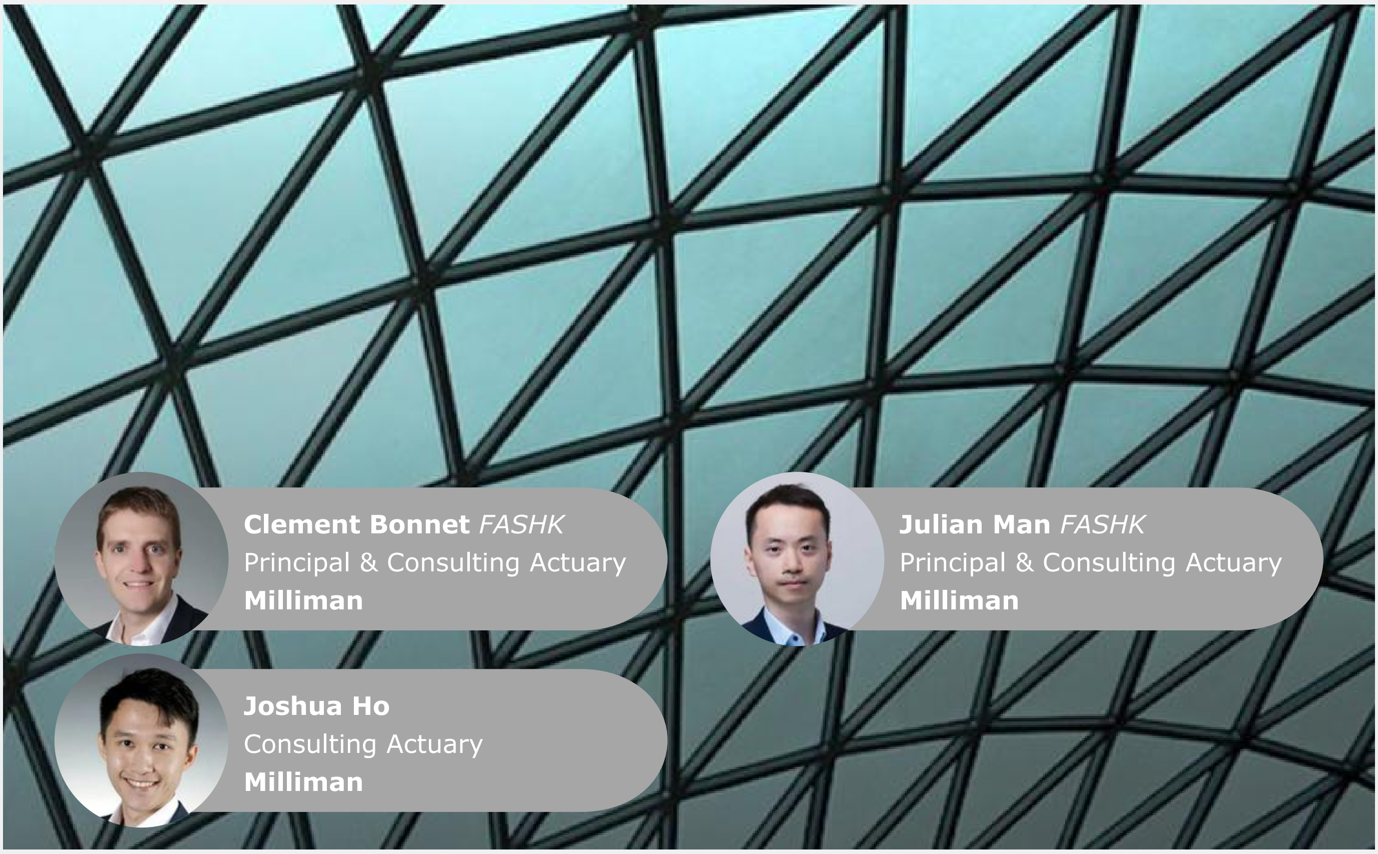
More broadly, ALM is critical for an insurer's financial strategy, expertly balancing risk management with the pursuit of value creation. As companies expand, they must align and coordinate decisions relating to assets and liabilities. No one-size-fits-all solution exists - it ultimately depends on your business model, the unique ALM risks you face, and the growth path of your firm.

In terms of the ALM process and framework I have described here, whilst each pillar independently supports certain activities the essence of the ALM Control Cycle lies in its ability to serve as both a risk management process and value generator by integrating and connecting the various pillars. Key features of the ALM Control Cycle are:

- It is a continuous process that must begin at the product design phase.
- Intervention during the control process can be initiated following natural triggers, such as breaches of risk thresholds, underperformance of asset strategies, or changes in regulations.
- It is essential to master lessons from past failures, which empowers organizations to detect and address issues using established triggers.

The success of the ALM Control Cycle lies in its execution, which depends on the organizational design and how it arranges its ALM processes. To be successful, it may require a redesign of the ALM processes, function and skillsets within the company (a topic we'll explore in Part 2).

The objective is to strengthen interdepartmental collaboration, ensuring effective risk and capital management that align seamlessly with strategy. As a result, this will support business growth while securing solid financial performance and unwavering stability. ■



HONG KONG: INDEXED UNIVERSAL LIFE AND ITS KEY CONSIDERATIONS

Indexed Universal Life (IUL) is seen by some market observers as a flexible, relatively liquid and transparent product proposition that provides a death benefit along with a cash value (or account value) that accrues interest based on the performance of an index or several indices. It has historically been popular in the U.S. and has recently gained traction in Asia, particularly in Singapore and in the international space (i.e. offshore companies selling into local Asian markets), where companies have introduced products specifically targeting High Net Worth (HNW) individuals. In Hong Kong, "pseudo IUL" products, sold as Class A (Life assurance other than annuities) universal life products but generally regarded as not as transparent to customers as typical IULs, which have disclosed charges, and these pseudo IULs have been sold by some companies to specific customer segments. Recently, the Hong Kong Insurance Authority (HKIA) has offered practical guidance to ensure policyholder protection and fair treatment of customers with regard to IUL. The HKIA is proposing for IULs to be classified under Class C (Linked long-term plans) that can only be sold to professional investors as defined by the Securities and Futures Ordinance.

Although we understand the regulatory approval for the sale of a Class C IUL has not yet been granted, the IUL product proposition could be beneficial to customers by addressing some of their wealth management and protection needs and could help companies diversify their balance sheet by ensuring an appropriate balance between traditional life insurance products and fee income products.

In this e-alert, we examine the mechanics of IULs and some of the key considerations for companies preparing to offer such products in Hong Kong.

IUL product design

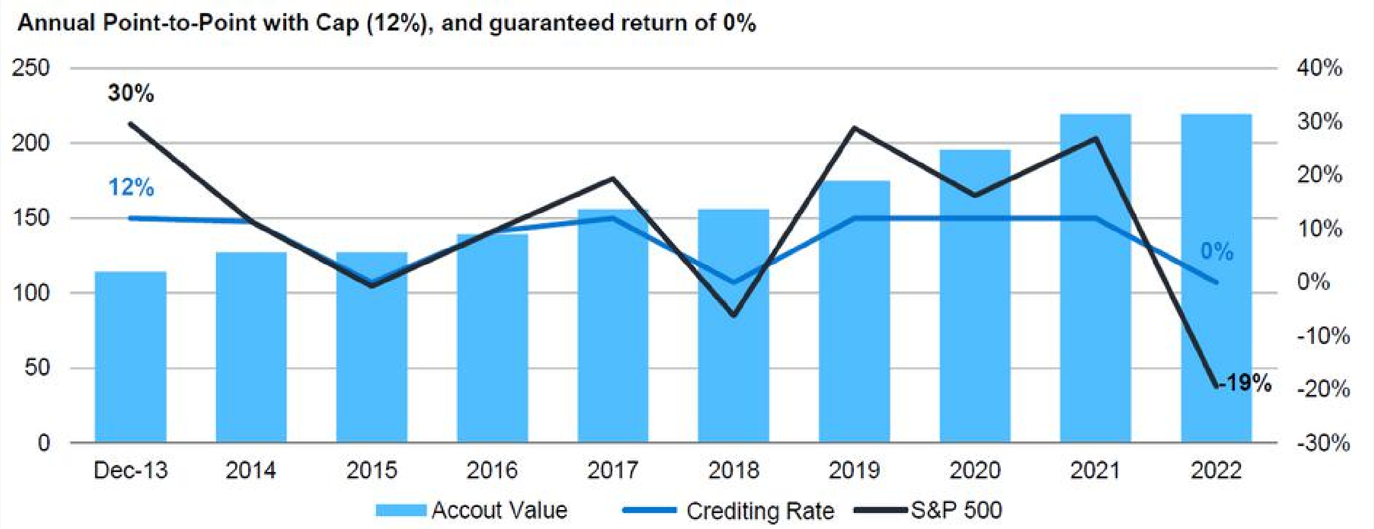
Similar to traditional universal life insurance, IUL offers flexible premium payments but distinguishes itself with an account value that earns interest based on the performance of an external index. Most IUL products provide a range of index options in addition to a fixed crediting rate option, which is similar to traditional UL. The Annual Point-to-Point crediting rate option is particularly popular, as it typically includes a floor on index crediting to offer downside protection, but also a cap on the crediting rate. The product can appeal to customers seeking exposure to equity markets while also desiring some level of downside protection. The caps, which can be adjusted based on the prevailing economic environment, may be seen as attractive to those willing to trade off some upside potential to safeguard against market downturns.

The payoff to policyholders resembles that of a collar position with underlying equity exposure.

Although there are many different variations of IULs available in practice, Figure 1 offers a high-level overview of key common IUL features, while Figure 2 demonstrates how the Annual Point-to-Point crediting option work.

ITEM	DESCRIPTION
CHARGES	▪ Premium loading (percentage of premium) ▪ Policy fee (fixed dollar amount) ▪ Expense charge (per 1,000 face amounts; usually front-loaded) ▪ Cost of Insurance (per 1,000 face amount) ▪ Surrender charge (a percentage of account value)
CREDITING RATE METHODOLOGY	▪ Separate for fixed account and index account
INDEXED ACCOUNT METHODOLOGY	Annual Point-to-Point: ▪ The crediting rate = participating ratio x annual return rate of underlying indices, subject to a cap and floor of 0 ▪ Underlying exposure can be traditional indices such as S&P 500, NASDAQ, MSCI or other volatility-controlled excess return indices
GUARANTEED MINIMUM ANNUAL INTEREST RATE	▪ Fixed account: usually above 0% p.a., e.g. 2% p.a. ▪ Index account 0% p.a.
ADDITIONAL CREDITING RATE ENHANCEMENT	▪ Usually in the form of persistency bonus or loyalty bonus payable on index or fixed account

Figure 1: Key Common IUL Features



** The illustration shows the index account earns interest based on an annual point-to-point crediting option with 100% participation ratio in the S&P 500, with a cap of 12% p.a. and a floor of 0% p.a.*

Figure 2: Annual Point-to-Point Crediting Option

IUL investment strategy and crediting mechanism

Although insurers provide downside protection to policyholders, they themselves face downside risk when managing the index accounts. Various investment strategies may be employed by different companies, but one common method used for IULs is illustrated below. For the sake of the example, we assume a crediting rate based on a floor set at 0% p.a., a cap set at 12% p.a. and assume S&P 500 is used as the underlying index i.e.

Index crediting rate (p.a.) = 100% x Max {Min [12%, S&P 500 annual return], 0%}

To fully hedge the liabilities of the underlying index account, the following asset portfolio is typically considered:

- A basic portfolio of physical assets, usually supported by fixed income assets, equaling 100% of the notional value of the index account; and
- A hedge portfolio consisting of a hedging position that has exposure to the underlying tracking indices, amounting to 100% of the notional value of the index account.

The hedge portfolio is typically composed of a bull call spread option, i.e.

- Buying a one-year at-the-money call option (where the strike price is equal to the current market price, serving as the "floor option" for the lower crediting rate limit of zero); and
- Selling a one-year out-of-the-money call option with a strike price that is set based on the cap (i.e., strike price = current market price x (1 + declared cap rate)) - this is referred to as the "cap option".

The cost of the bull call spread option can also be viewed as the hedge cost for the index account. The concept of hedge budget is also typically defined, often derived from the interest earned by the physical assets (e.g. fixed income) backing the basic index account. The difference between the hedge cost and the budget represents the investment surplus. For example, the cost of a bull call spread with a 12% p.a. cap would be approximately 4.6% of the notional when priced using a simple Black-Scholes model with a fixed implied volatility of 20% and an annual interest rate of 2%.Therefore, to cover the hedge cost of 4.6%, the physical assets must yield a comparable return to break even (assuming no other expenses). In practice, companies may set a target investment spread to achieve profitability from this hedge position.

One of the key factors influencing the hedge cost is the cap rate, making the setting of the cap rate crucial for managing the index account. The cap rate for IUL products is generally not guaranteed, allowing companies to adjust the cap level over time. In practice, companies typically follow a structured process when adjusting the cap rate:

- Work out the basic portfolio return (hedge budget) and subtract the target spread to determine the hedge cost that can be covered, then set the corresponding cap rate by looking at the options available.
- Based on the actual performance of asset returns, decide whether to share the gains or losses with policyholders (by adjusting the cap rate to modify the hedge cost and control the spread).
- Companies may take into account competitors' adjustments to potentially reduce the spread and maintain a higher cap rate if necessary.

Figure 3 illustrates how the payoff of the index account can be replicated using options, while Figure 4 demonstrates how different cap rates correspond to varying hedge costs (based on a simple pricing using the Black Scholes model).

IUL SAA and risk management

Key SAA and ALM Considerations

Within the physical asset portfolio, the strategic asset allocation (SAA) aims to meet the hedge budget and generate a spread. However, additional criteria also need to be considered, e.g. the asset and liability management (ALM) position of physical assets backing the liabilities. While the primary ALM considerations, such as duration and cash flow matching, may be similar to those for other traditional universal life products, the presence of a dynamic cap rate and associated hedging adds complexity. This makes evaluating the ALM implications more dynamic, especially when considering different economic scenarios. For instance, during periods of high implied volatility, option prices tend to rise, leading to increased hedge costs. Simultaneously, yields are compressed, which reduces the hedge budget and complicates the usual hedging strategies. As a result, there may be a need to seek yield enhancement through duration extension and increased credit spreads to offset the shortfall. However, all these can significantly impact the underlying ALM practices.

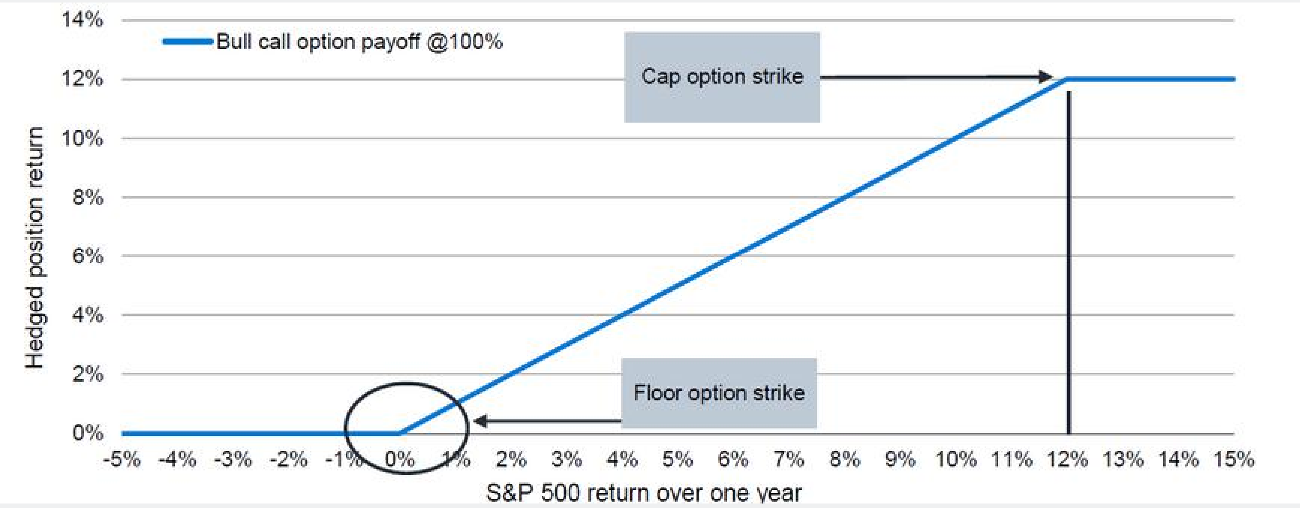
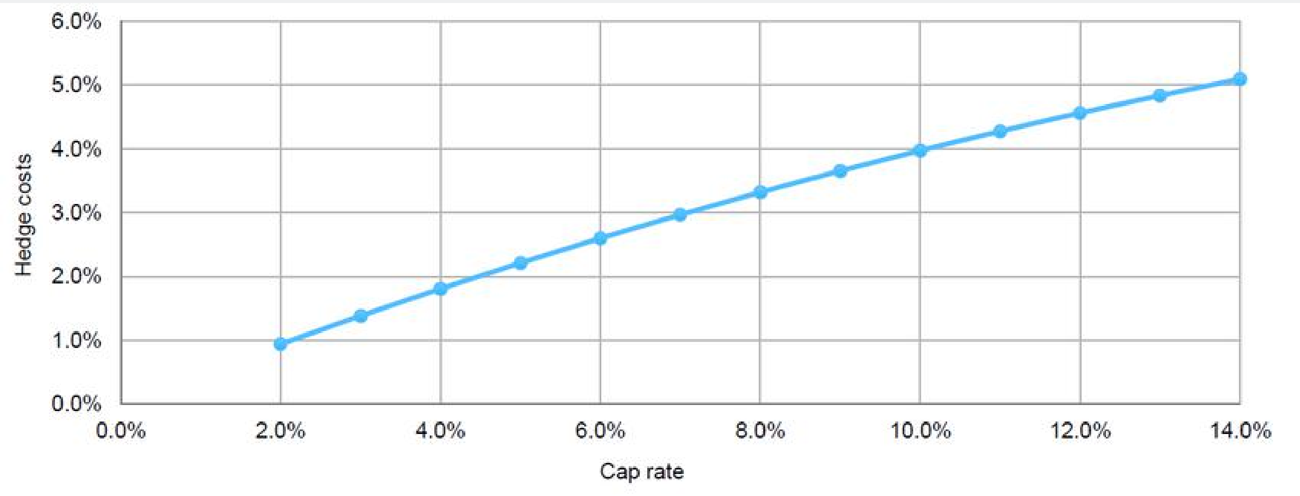


Figure 3: Replicating the Returns of Index Account



** The illustration is based on a simple Black-Scholes model with an implied volatility of 20% and an annual interest rate of 2%.*

Figure 4: Hedge Costs and Cap Rate

Hedging and Risk Management

When employing hedge instruments to manage the index account, IUL writers are also exposed to risks associated with using derivatives. To align with the crediting rate mechanism, such as annual point-to-point, the typical approach involves using options with a one-year expiry. These positions are continually rolled forward to ensure the index account remains fully hedged. A key risk when rolling these positions forward is that market volatility can make these options expensive and more advanced investment strategies exist to mitigate such risk (e.g. volatility control hedge solutions).

Due to the complexity of managing hedge programs, some IUL writers might seek external support to manage their index accounts.

HKRBC consideration for IUL
Risk-neutral and Stochastic Modelling

One of the key technical aspects under the Hong Kong Risk-based Capital (HKRBC) framework is to assess the IUL liabilities using a risk-neutral approach. Similar to fixed income assets, additional adjustments are required to evaluate existing options so that the overall valuation is carried out on a market consistent and risk neutral basis. As with traditional universal life and participating products, the non-guaranteed components are projected forward based on actual management practices and with reference to the underlying HKRBC discount rate. This includes elements such as the crediting rate for universal life or the dividend scale for participating products, and similarly, the dynamic cap rate for IUL products.

However, modelling the dynamic cap rate dynamically is complex and the complexity is further increased by the need for stochastic calculations across a wide range of economic scenarios. Consequently, sophisticated yet practical models are necessary to achieve a balance between run-time efficiency and accuracy in these evaluations.

Prescribed Capital Requirement

The assets backing the IUL policies are composed of two main components: the basic portfolio and the hedge portfolio.

The basic portfolio primarily consists of fixed income assets, which are subject to interest rate risk and credit spread widening risk under the calculation of the HKRBC Prescribed Capital Requirement (PCR). The level of PCR of these fixed income assets depends on several factors, including the duration and credit quality of the underlying assets. Longer-duration assets and those with lower credit ratings generally have a higher yield but require higher PCR due to their increased risk. Hence, the budget allocated for hedging is a critical factor in determining the overall risk profile and capital requirements of the IUL portfolio.

On the other hand, the hedge portfolio is exposed to interest rate risk and equity downturn risks, as the market value of the bull call spread is influenced by these factors. Ideally, calculating the option price movement from first principles would provide an accurate assessment of the PCR for the hedge portfolio. However, this approach necessitates the development of a complex option pricing mechanism. In practice, simplifications can be employed to estimate this amount.

Conclusion

While the IUL product proposition can offer significant benefits to both customers and insurance companies, the development and management of a newly implemented IUL product - including pricing, in-force management, and corresponding financial reporting - is complex and requires careful considerations. Moreover, identifying and managing key risks is critical to success. These risks include market risks (such as interest rate, credit spread and equity market movements), policyholder behavior risks (such as lapses and partial withdrawals), and operational risks (such as system failures and data inaccuracies). A comprehensive risk management strategy should be in place to mitigate these risks and ensure the long-term sustainability of the IUL product offering.

An initial operational and financial impact assessment is, therefore, crucial when preparing to launch IUL products. This assessment should identify potential gaps in the company's capabilities, such as the need for advanced actuarial expertise, robust risk management frameworks, and sophisticated financial reporting systems. Understanding each of the key aspects is essential to ensure the successful implementation and management of IUL products.

ARE YOU A "GRANDFATHERED" FELLOW?
ARE YOU ABOUT TO MISS YOUR CHANCE??

In the past, being a Fellow of another recognised actuarial body from overseas entitled you to also become a Fellow in Hong Kong. And that was enough.

But the Actuarial Society of Hong Kong has been evolving, and now a local exam is also required to receive full Fellowship status (and use the FASHK designation) – which would also entitle you to become an Appointed Actuary (AA) (for long-term business) or Certifying Actuary (CA) (for general business) down the line.

For all those who are going to be **new ASHK Fellows,** you have to sit and pass the exam for the Certificate in HK Insurance Markets and Regulations (ASHK Certificate). The syllabus is both relevant and interesting, including reference to Hong Kong's regulatory & industry bodies, regulations & guidance, market stats and recent developments, and more.

But for **grandfathered Fellows** who already (as of 1 January 2019) have the FASHK designation, you also have the choice of attending a 1-day ASHK Certificate Equivalent Course, which covers the exam syllabus (to achieve the same recognition as the ASHK Certificate without sitting the exam!).

Naturally, you don't have to attend the course to maintain your fellowship status. But if your circumstances change and you end up taking on an "AA" or "CA" role in future, you will actually have to self-study the syllabus, then sit (and pass!) the exam.

So far, many grandfathered life fellows, who are lucky enough to be entitled to attend the course rather than sitting the exam, have already attended the course! (It's nearly 100% for non-life actuaries – well done.) The course has already been run 7 times, but as demand reduces, it will come to a close and the course will no longer be offered.

So **don't miss out** – take your opportunity to benefit from the course by registering for the May session before all seats are taken.

You can read more about the course here.

You can register for the May session here.

OPERATIONALIZING LLMS

A Guide for Actuaries, from the SOA Research Institute

It was less than two years ago when most people first heard the phrase “ChatGPT” for the first time … and yet we now live in a world where all jobs and professions are increasingly finding ways to incorporate generative AI and Large Language Models in order to increase productivity, improve work quality, save costs, and of course save time.

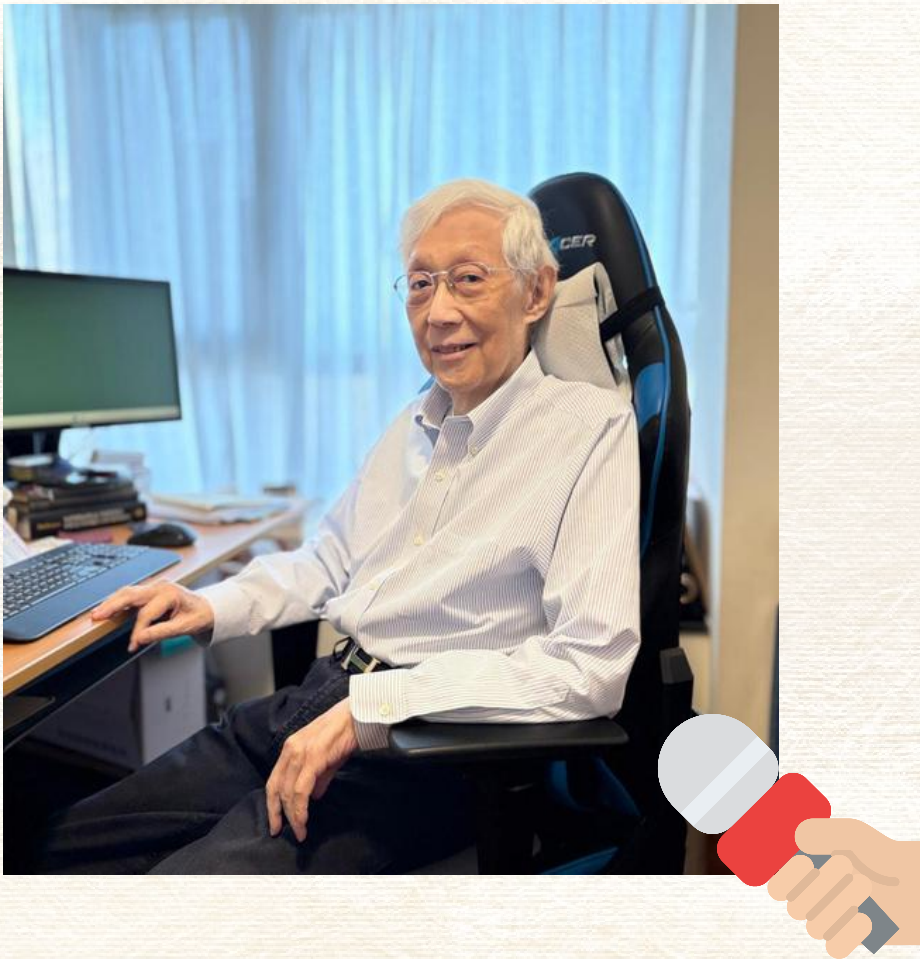
The actuarial profession, too, stands to benefit immediately from the use of LLMs, but given how quickly this field has evolved, there is a lot of technical background we need to understand to truly appreciate how best to start leveraging this technology ourselves.

The Society of Actuaries Research Institute recently commissioned a paper by Caesar Balona FASSA, to address exactly that. Given the actuarial-specific nature of the paper, and the range of topics covered, we want to draw your attention to this paper.

“Operationalizing LLMs - A Guide for Actuaries” covers the following topics: What is an LLM, Who are the major LLM providers, How to benchmark and compare LLMs, Methods for accessing and deploying, Leveraging LLMs, and of course: Risk and Governance of LLMs in Actuarial Practice.

You can download a copy of this paper here:
https://www.soa.org/resources/research-reports/2025/operationalizing-genai-actuaries/

CELEBRITY ACTUARY INTERVIEW



LUK KIN YU, PETER

ASHK President (1973, 1978, 1983, 1992 and 2003)

We were delighted that Mr. Peter Luk, Honourary Member and past president of the ASHK, agreed to accept our interview request with our Past President ASHK, Simon Lam, and the Sports and Social Services Group Chairperson, Dominic Lee. Peter and Dominic are both founding members of the ASHK and we are grateful for their contributions throughout the society's existence.

Q: You are originally from Shanghai. I heard that you came to Hong Kong by a dramatic journey. Could you share with us more about it?

A: In the 1960s, I went to Macau from Shanghai by train, then I boarded a small sampan from Macau to Hong Kong. The sampan was very small, which could only accommodate around 10 passengers. Yet, those on board amounted to around forty. After placing my life at risk for one day and one night in the sea, I finally arrived in Hong Kong. Many people who smuggled to Hong Kong in this way lost their lives because the boats were heavily overloaded. I was lucky enough to arrive safely in Hong Kong.

Q: In what year did you qualify for FIA? After that, you also obtained the actuarial qualifications in North America and Australia. For others, getting a qualification in a western country is already a great achievement, why did you pursue so many qualifications?

A: I qualified as FIA in 1972, FIAA and FSA in 1976. I worked in AIA which was a US company. At that time the Generally Accepted Accounting Principles (GAAP) was about to replace the statutory accounting. Since I was responsible for AIA's GAAP I had to know more about GAAP through securing the FSA designation. The FIAA designation was granted through exemption.

I was a president of the ASHK and am happy to know that the FASHK designation is now a requirement for an Appointed Actuary or a Certifying Actuary.

Q: After you came to Hong Kong, you worked in an investment company. After passing the exams, you joined AIA to do actuarial work. And then, you left AIA and worked in other industries. Finally, you returned to the insurance industry again. Any underlying reasons?

A: It's simple! For a better career path and package. I believe most people pursue their careers in this way as well.

Q: Your subordinates mentioned that you are extremely intelligent, possess extensive knowledge, and hold very high standards in your expectations. How would you respond to this comment?

A: I do not consider myself more intelligent than my colleagues. I strongly believe that they could achieve better than what I did.

Q: You have been working in the insurance industry for so many years, and you are highly respected by the industry. Could you give some guidance to the younger generation on how to become a competent actuary and an executive?

A: In the past, the skill on mathematics or being able to calculate with speed and accuracy was important to success. Nowadays, with the advent of powerful computers and AI technology, such skills may not be determinant factors for career success. I would recommend that it would be important to keep in pace with the industry and technology development. AI can help in many industries, and insurance is no exception. It is necessary to understand what AI can do for the industry. Secondly, actuaries have always been labelled as introverts. So, good communication skill is extremely important and last but not the least, risk management skill should also be the focus of all actuaries.

ASHK APPRECIATION LUNCH 2025 AND VOLUNTEER AWARD 2024

The success of the Actuarial Society of Hong Kong (ASHK) is built on the selfless dedication of our volunteers. In 2024, over 100 members committed their time and expertise to support our initiatives, driving professional growth and enriching the broader actuarial community. To show our gratitude, these volunteers were invited to the ASHK Appreciation Lunch.

During this event, we also presented the 2024 ASHK Volunteer Awards. Each year, nominations are submitted by Council and Committee Members for those who have demonstrated exceptional service to the Society. This year, the Council honoured 11 members with the ASHK Volunteer Award, recognising their outstanding contributions, teamwork, effective communication, leadership, and inspiration to others.

Such dedicated efforts are vital for the continued growth and strength of our Society. ASHK looks forward to the ongoing support of every member.

We encourage everyone to engage in volunteer opportunities and invite fellow actuarial friends and colleagues to participate as well!

ASHK Volunteer Awardees 2024:

Christopher Tam
Des Thomas
Eva Yan
Greg Solomon
Janet Yang
Nasir Khan
Orchis Li
Sherry Du
Shirley Fong
Wendy Lai
Yen Liu

More photos can be found in the event page.

ASHK APPRECIATION LUNCH 2025 AND VOLUNTEER AWARD 2024

Steve Hui, President of the ASHK, presented the awards to ASHK Volunteer Awardees 2024 at the lunch. (from left to right): Janet Yang, Nasir Khan, Greg Solomon, Orchis Li, Steve Hui, Yen Liu, Sherry Du, Wendy Lai, Shirley Fong, Des Thomas

Steve Hui, President of the ASHK, delivered a welcome speech

Christopher Tam - ASHK Volunteer Awardee 2024

Eva Yan - ASHK Volunteer Awardee 2024

MEET OUR NEW COUNCIL MEMBERS

Sherry Du

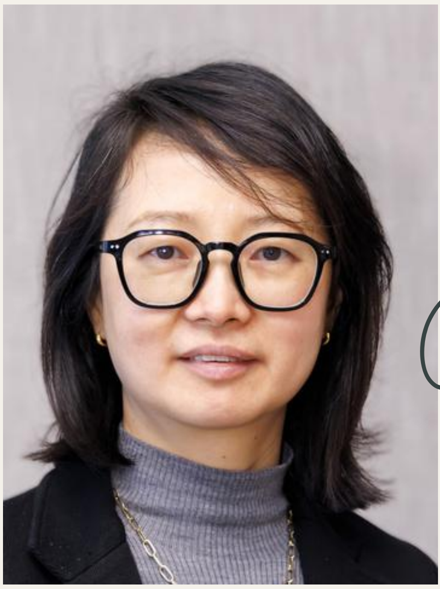
Vice Chairperson, Innovation Committee
Vice Chairperson, Health Committee

My name is Sherry. It is my great honor to be elected as an ASHK Council Member. As a long-term ASHK member, I am lucky to be able to witness the growth of ASHK and many of its members in the past 20 years. This includes myself.

I graduated from the University of New South Wales in Australia and started as a traditional actuary, where I worked for all kinds of number-related works, i.e. valuation, pricing, modeling, ALM...and then I gradually moved to the company level strategy consultations, like M&As, IPOs, market entry strategy etc. In recent 10 years, I have been focusing on insurance innovations by leveraging new technologies, AI and big data. It is an amazing journey, especially when the insurTech grows fast and the data availability is largely improved.

On the other hand, we also see the ever-increasing insurance needs from our people. I believe actuaries take on a unique role and responsibility to help them, by continuing enhancing insurance protections to help our people live healthier, happier and financially stronger. I am looking forward to working together with all of you to contribute to the society and make our industry with an even brighter future!

Thank you for your trust and please keep connected.



Jenny Lai

Vice Chairperson, General Insurance Committee
Vice Chairperson, the Artificial Intelligence Group, Innovation Committee

It is both an honor and a pleasure to be a newly elected ASHK Council Member. I want to express my sincere gratitude for your support and trust, which are truly motivating as I start on this new chapter in service to our profession.

My journey in actuarial science has been greatly influenced by the volunteer spirit of the CAS. Since becoming a CAS Fellow in 2003, I have had the privilege of working alongside seasoned actuaries like Bob Conger and Ron Kozlowski. Their commitment to volunteering not only advanced my career but also inspired me to give back to the profession. My connection with Asia began in 2005 when CAS offered its first international professionalism course here in Hong Kong. As one of the facilitators, I experienced firsthand the vibrant energy of this city and met many impressive individuals. When a job opportunity arose in 2007, I seized it, marking the start of a fulfilling and challenging chapter in my career.

After relocation, I quickly noticed that the actuarial profession in Hong Kong was heavily focused on life insurance. At my first ASHK AGM, I found myself at a table where all other actuaries specialized in life, I thought I was accidentally sat in the wrong table. Even now, only 6% of ASHK members practice in General Insurance (GI). However, significant changes are underway. The revisions to the Insurance Ordinance, which came into full effect in 2024, now require every GI insurer to appoint a certifying actuary. Coupled with new regulations such as RBC, IFRS 17, and ERM/ORSA, these developments underscore the growing demand for high-quality actuarial services. There remains a gap between supply and demand within the local industry, particularly in GI. To address this, we need stronger platforms for networking, communication, and continuing education among actuaries. As your council member, I am committed to helping bridge this gap.

I look forward to contributing to ASHK's mission. Together, let us build a future where all actuaries can thrive and provide unparalleled service to the financial well-being of society.

Thank you once again for placing your trust in me. Let's embark on this meaningful journey together.

ASHK PUBLISHES NEW GUIDANCE NOTE ON PARTICIPATING FUND MANAGEMENT

The Insurance Authority's Guideline 34 Guideline on establishment and maintenance of fund(s) in respect of participating business sets out the Insurance Authority's expectations for sound and prudent business practices to be implemented and followed by authorized insurers establishing and maintaining funds in respect of participating business. It elaborates on the principles of fair treatment of participating policyholders set out by the Insurance Authority in its Guideline on Underwriting Long Term Insurance Business (Other than Class C Business) (Guideline 16, "GL16"), which first took effect on 26 June 2017.

The important role of the Appointed Actuary in providing advice in the management of participating business is emphasised in GL34. To assist Appointed Actuaries who are responsible for providing advice regarding the management of participating business, the Participating Fund Management Special Project Team of the Actuarial Society of Hong Kong has therefore developed the Actuarial Guidance Note 11 - Participating Fund Management in consideration of HKIA Guideline 34 ("AGN 11").

Following a member consultation during 15 Nov – 15 Dec 2024, the ASHK Council approved the AGN 11 on 21 Feb 2025 and is now published on the ASHK website taking effect from 24 Feb 2025.

https://www.actuaries.org.hk/pages/22/Actuarial%20Guidance%20Notes

We thank the special project team and all ASHK members who have contributed during the development of the guidance note:

Par Fund Special Project Team members

Chris Hancorn *FASHK* | AGN11 Leader, 2024 Co-chairperson
Dicky Lam *FASHK* | AGN11 Leader, 2024 Co-chairperson
Alexander Wong *FASHK* | 2025 Chairperson
Kevin Lee *FASHK* | 2025 Vice Chairperson
Alfred Leung *FASHK*
Brian Chan *FASHK*
Flora Chan *FASHK*
Nasir Khan *FASHK*
Paul Melody *FASHK*
Peter Duran *FASHK*
Sean Deehan *FASHK*

GENERAL INSURANCE FORUM

The ASHK jointely organised with Casualty Actuarial Society another General Insurance Forum on 15 Jan. This time we are delighted to have more actuaries joining us to meet up, network, and discuss general insurance issues in the forum.

Stephen Dong from PwC, shared some of his insights and perspectives regarding the current challenges of HKFRS 17 and HKRBC for GI. Thanks Jeff Yeung from Asia Insurance for facilitating the discussion.

INTRODUCING THE SPORTS AND SOCIAL SERVICES GROUP

I joined the ASHK in 1968 and my age is now 81. Unfortunately, due to other priorities, I did not have a chance to actively serve ASHK. I am most grateful that this opportunity finally arises. To all ASHK members, whatever your age and employment status, I call on your support to the Sports and Social Services Group (SSSG) activities. There must be some functions that you can participate in.

By Dominic Lee, Chairman of SSSG

From left: Amy Chan, Stephen Cheung, Dominic Lee (Chair of SSSG), Dr KP Wat (Chair of Membership & Communications Committee), Danny Choi.

We are glad to announce that the SSSG has successfully run the first two events for ASHK members in March.

The day trip at Peng Chau on 8 March offered a refreshing break from spreadsheets. 13 ASHK members and friends headed to the Kam Fa Temple, the Golden Flower Goddess who protects women and children near Tung Wan Beach. After that, there was a mild challenge for a hike from Finger Hill to Ngan Chau Tsai Pavilion, with sweeping views of Lamma Island and Discovery Bay. The group enjoyed the seafood feast and relaxing moment on this wonderful weekend which marked a perfect day! More photos can be found here.

A Bridge Game party was organized on 9 March for our members to blend their analytical skills with their passion for this strategic card game. More photos can be found here.

If you have missed these events, please stay tuned. There are many more to come!

INTRODUCING THE YOUNG ACTUARIES GROUP:
A NEW PLATFORM FOR EMERGING PROFESSIONALS

The newly established Young Actuaries Group (YAG) seeks to bring together aspiring professionals to foster collaboration, expand knowledge, and spark innovation in the actuarial field. By cultivating a supportive community and promoting forward-thinking initiatives, YAG aims to amplify the voices of young actuaries while enriching the broader profession.

Our vision centers on building a vibrant network that encourages continuous learning, thought leadership, and personal growth. In the coming months, YAG will finalize a range of events and opportunities designed to empower members across diverse areas of practice. We welcome all early-career actuaries who share our drive for excellence, inviting you to join us in shaping the future of the actuarial community in Hong Kong and beyond.

STUDENT CORNER - PREPARE FOR YOUR ACTUARIAL CAREER

Risk-Neutral vs Real-World: applying the textbook in the workplace

Welcome to this section which has been exclusively prepared for our student members!

Most of you will have heard of risk-neutral (RN) valuation, if you have taken financial mathematics courses. You may also have heard of real-world (RW) valuation in the workplace. Have you ever wondered why we need both scenarios for valuation?

First of all, let's recap the differences between RN and RW valuation.

- **RN:** Assets would earn a risk-free rate, while liabilities would be discounted at a risk-free rate. It's exactly the "no-arbitrage market" under derivative pricing which you may have learnt from textbooks. RN valuation is considered market consistent as the economic scenario generator is calibrated to reproduce market prices of traded financial instruments.
- **RW:** Asset return would reflect the real-world dynamics, and so the discount rate derived would include a risk premium. RW valuation aligns with the stochastic simulation of future economic paths, which is useful for risk analysis.

What might not be obvious to you, is that there is a clear linkage between derivatives and many insurance products. Indeed, options and guarantees are embedded in insurance products. For example:

- **Minimum guaranteed crediting rate:** The crediting rate would be floored, even under economic downturn, while there's unlimited upside potential for policyholders. It's like writing an interest rate floor to policyholders.
- **Guaranteed surrender value:** Policyholders could exit their contract at a guaranteed minimum level of cash. It's like writing a put option on the policy value to policyholders.

Under Hong Kong regulatory requirements, insurance companies should evaluate their solvency level on a market consistent basis. At the same time, stochastic valuation with a real-world simulation is required for analyzing the tail risk of the company. Therefore, RN and RW scenarios are indeed both essential.

Stay tuned for future volumes for more sharing on interesting actuarial topics. Please let us know if there are any particular topics you'd like us to address.

STUDENT VOLUNTEERING EXPERIENCE SHARING

Embracing Opportunities: Insights from the ASHK Appreciation Lunch

Li Wing Tai, Jason
Year 3 Student of the Bachelor of Science in Actuarial Science (BSc(ActuarSc)), HKU

The ASHK Appreciation Lunch was an exceptional opportunity to engage with industry leaders with in the actuarial community. I would like to express my gratitude to ASHK for such valuable opportunity. This event has significantly contributed to my development as an aspiring actuary.

My path to becoming an ASHK student member began during my academic studies. As an actuarial science student, I often wondered what the real-world actuarial field truly looks like - question that textbooks alone cannot answer. Joining ASHK was a pivotal step, offering a platform to connect with experienced actuaries. My aspiration is to excel as an actuary who not only possesses strong technical skills but also contributes to the community.

Being a student helper at the Appreciation Lunch, I had the pleasure of meeting many experienced actuaries. As the start of the event, I felt a bit disoriented, being the most junior person present. However, I quickly discovered that everyone was not only professional but also welcoming. One of the most memorable moments was when Mr. Saunders and Dr.Wat introduced me and Phoebe to several senior actuaries, helping us forge invaluable connections. I truly appreciated that.

This experience reignited my passion for actuarial science and reinforced my commitment to making a meaningful impact in the industry. I left the event feeling motivated and energized, with a renewed focus on my studies and career ambitions. I highly encourage all ASHK student members to actively participate in future events.

Leung Chung Man, Phoebe
Year 1 Student of the Bachelor of Science in Actuarial Science (BSc(ActuarSc)), HKU

As a Year 1 student in the Actuarial Science programme in HKU, I was fortunate to have the opportunity to volunteer at the ASHK Appreciation Lunch. This experience started when my schoolmate introduced me to the ASHK university student membership, and this volunteering opportunity.

As a student helper, I assisted the staff in ensuring a smooth operation of the event. Through the event, I had the chance to immerse myself in a professional business atmosphere, talking to experienced professionals in the field. At this early stage of my academic career, being able to gain insights from different people helps me to have a better understanding of the profession, and confirm my interest in the profession. I was also impressed that many people were warm and approachable, and how supportive the actuarial community is.

I highly encourage fellow students to explore more through joining as ASHK student members and the different events organized by ASHK. These are great ways to network and gain industry insights in this competitive profession. You would also obtain exclusive resources that can help shape your career path. I feel fortunate to have had this opportunity and look forward to continuing my journey with ASHK.

THE PUBLIC POLICY COMMITTEE

A new initiative we are focussed on this year is the formation of our Public Policy Committee (PPC). The purpose of this committee, aligned with the Purpose of the ASHK, is to enhance the Image, Importance, Influence and Impact of ASHK.

We aim to make a meaningful difference and take ASHK to a higher level. We will be proactive and get involved in initiatives at the highest levels that will have a positive social and economic impact in Hong Kong.

As actuaries we are professionally intimately involved, compelled, and equipped to make a material positive difference for our society and economy.

Our three initial areas of focus are:

1. Boosting the Hong Kong Economy
2. Addressing the AGEING issue
3. Related to both of these is the area of HEALTH. Health insurance, Healthcare, Sick-care, Healthspans, Wellbeing and preventative applications.

We will connect with the relevant government, regulatory, industry, professional and other high profile organisations such as the Financial Services Development Council to move these initiatives forward and provide our expertise for the advancement of all the good that these bodies do for the benefit and betterment of Hong Kong.

We will initially focus on sub-topics of each of these themes to make near term impact in making the ASHK more influential and higher profile.

Aligning with the Policy Address of our Chief Executive, the Hon. John Lee, and recent budget of our Financial Secretary, the Hon. Paul Chan and under the umbrella of the three themes outlined above we are immediately moving forward in the areas of investment, par fund business, and health.

We will leverage recent and current work we have been doing in the areas of par fund management, mortality assessment and MPF. And also connect in with other initiatives currently underway with various of the organisations I mention above. We will form sub-committees to move each of these immediate areas of focus forward.

If you are interested in helping out in the area of Public Policy please send an email to ASHK Office at info@actuaries.org.hk together with a brief description of yourself, why you're interested in being a part of the PPC, and any specific areas of interest and/or expertise you have under the umbrella of Public Policy.

I hope our members find this to be an interesting and exciting area of development for the ASHK and we welcome your support.

Mark Saunders
Chairman of the Public Policy Committee

MEMBERSHIP UPDATE

NEW MEMBERS

Name	Company/ University	Membership
Yake Ho FOONG	Allianz Ayudhya	Associate Member
Holly Yang OU	KPMG	Associate Member
Yin Lam FUNG	The Hong Kong University of Science and Technology	University Student Member
Chun Hin Ronald LAM	The Hong Kong University of Science and Technology	University Student Member
Zexin LI	The Hong Kong Polytechnic University	University Student Member
Tsz Yi LIU	The Hong Kong University of Science and Technology	University Student Member
Zerong CHEN	The Hong Kong University of Science and Technology	University Student Member
Cheuk Man CHAN	The Unviersity of Hong Kong	University Student Member
Chenghao GUO	The University of Hong Kong	University Student Member
Ngo Yin NG	The University of Hong Kong	University Student Member
Wing Tung CHENG	Macquarie University	University Student Member
Chung Man LEUNG	The University of Hong Kong	University Student Member

MEMBERS ON THE MOVE

We're very proud to share with you the following ASHK members who have advanced to top management positions at their companies.

- **Abhishek KUMAR** *FASHK*
  Chief Risk Officer, Prudential Hong Kong
- **Carrie YIP** *FASHK*
  Managing Director, Head of Business Finance Reporting, HSBC Life
- **Christopher TAM**
  Partner, Actuarial & Insurance Solutions, Deloitte
- **Leandro AO** *FASHK*
  Partner, Actuarial Services, KPMG China
- **Louis LEE** *FASHK*
  Managing Director, APAC, CoverGo

Congratulations to them for their great achievements in their careers!

UPCOMING EVENTS

01 April 2025

Bridge for beginners (details)

03 April 2025

Networking Seminar - Emerging AI topics for the actuarial profession (details)

06 April 2025

Table Tennis with the President (details)

09 April 2025

General Insurance Forum (details)

13 May 2025

ASHK Certificate Equivalent Course (details)

21 May 2025

Professionalism Webinar (details)

27 June 2025

ASHK Examination - June diet (details)

SOCIETY OF ACTUARIES®

2025 ASIA-PACIFIC SYMPOSIUM

16-17 June

Hong Kong

Registration Opening Soon

Join us for this signature event in Asia, where you can network with C-suite leaders, including:

Gregory W. Heidrich, Chief Executive Officer, Society of Actuaries

Steve Hui, FIAA FASHK, President, Actuarial Society of Hong Kong

Alfred Cheung, FSA, EMBA, Deputy Chief Executive and Chief Sales Officer, BOC Group Life Assurance Company Limited

Isabella Chan, FSA, FASHK, Chief Financial Officer, HSBC Life, Hong Kong

Jacky Chan, FSA, MAAA, FCIA, Regional Chief Executive & Group Chief Distribution Officer, AIA Group Limited

John Zhu, Chief Economist Asia Pacific, SwissRe

KC Cheung, FSA, CEO, Hang Seng Insurance

Ken Lau, FSA, Managing Director of Greater China and Hong Kong Chief Executive Officer, FWD

Martin Noble, MSci, FIA, FASHK, Chief Financial Officer, Zurich Insurance (Hong Kong)

Michael Chan, FSA, FASHK, Co-founder & CEO, Bowtie Life Insurance Company

Delegate from the Hong Kong Insurance Authority, the Financial Services Authority in Indonesia, plus other industrial leaders.

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SOAT

PERSATUAN AKTUARIS INDONESIA (THE SOCIETY OF ACTUARIES OF INDONESIA)

Other News From SOA

Theme: Embracing for the Future | **Venue**: CHANG YUNG-FA FOUNDATION International Convention Center. Members/Non-members outside Taiwan, please register by **2 April**.

Volunteer Opportunity:

Research POG (Project Oversight Group)-AI Call for Essays.

How does this role benefit the work of the organization and the profession?

This call for essays aims at gathering thoughts and opinions from the Actuarial community on AI with the goal of sparking new thoughts, ideas, conversations and possibly innovations around AI within the actuarial community.

Responsibilities & Duties

POG members will develop the topic for the call for essays and review all essay submissions. POG members will work collaboratively to determine which essay(s) qualify for publication and/or a prize.

Time Commitment/Hours

11-12 hours

Time Commitment - Description

2–4 hours initially to decide on the topic. The rest of the time to review the submissions.

actuview
smart streaming for actuaries

ASHK & actuview: Advancing Actuarial Knowledge Across Asia

Since its launch in 2019, actuview has been at the forefront of continuous learning in the actuarial world. Originally developed as a virtual offering for the International Congress of Actuaries (ICA) 2018 in Berlin, it became the first streaming platform designed specifically for actuaries. Today, actuview serves a global audience, providing expert content and networking opportunities with more than 80 partners, including national associations, institutions, and industry leaders.

A Strong Partnership with ASHK

Asia is a key region for actuview, with thousands of actuaries already benefiting from its extensive video library, live sessions, and expert discussions. With its growing presence in the region, actuview continues to expand its reach, ensuring that actuaries stay informed on the latest industry trends, research, and innovations.

For the past four years, actuview has collaborated closely with the Actuarial Society of Hong Kong (ASHK) to enhance actuarial education and professional development in the region. As an actuview partner, ASHK provides its members with access to actuview's high-quality content, enabling them to stay up to date with industry advancements. This partnership strengthens actuview's mission of fostering global knowledge exchange while supporting ASHK in delivering valuable learning opportunities to its members.

actuview at the Asian Actuarial Congress 2024

As a media partner of the AAC 2024 in Hong Kong, actuview supported the event's hosts at every stage– from the Call for Papers to publishing the congress recordings post-event. Thanks to this, not only the participants but all ASHK members and actuview users still have access to the recorded sessions from this extraordinary event at https://actuview.com/events/138.

actuview is looking forward to present further high-quality congress content from the Asian region on its streaming platform in the coming years. Watch this space!

Join the actuview community today and be part of the future of actuarial learning. Contact the ASHK office for your personal registration code and explore more at actuview.com.

CORPORATE ADVERTISEMENT

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

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

	One Issue	Whole Year (4 issues)
Full Page (A4-size)	HKD 6,000	HKD 5,000 each

For more information, please contact ASHK office at 2147 9168 or email info@actuaries.org.hk

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