



THE MALAYSIAN ACTUARY

A Newsletter by the Actuarial Society of Malaysia

December 2015

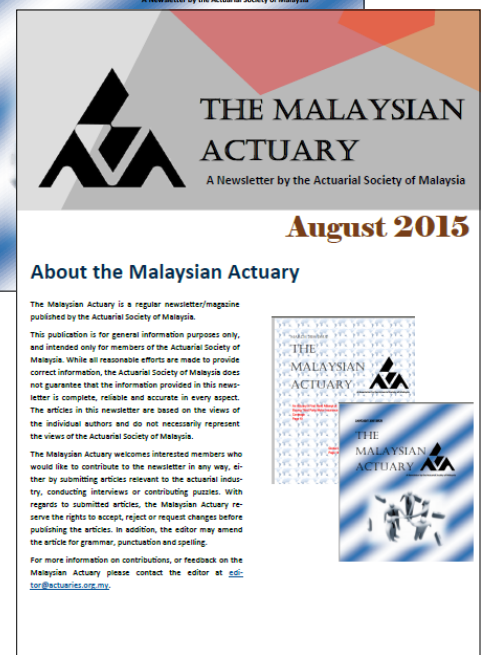
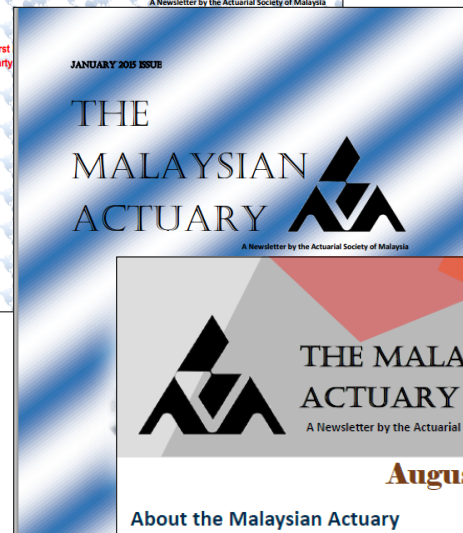
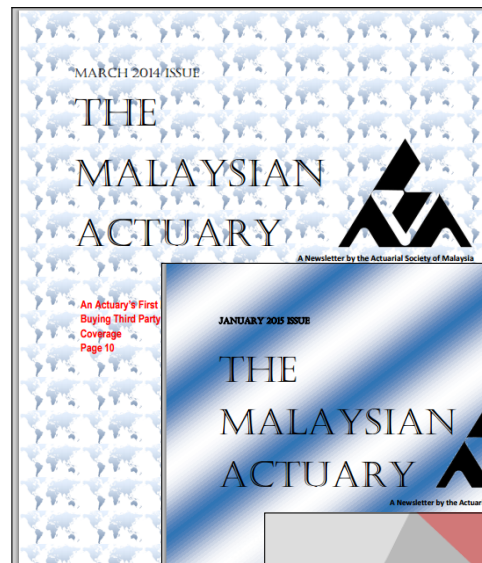
About the Malaysian Actuary

The Malaysian Actuary is a regular newsletter/magazine published by the Actuarial Society of Malaysia.

This publication is for general information purposes only, and intended only for members of the Actuarial Society of Malaysia. While all reasonable efforts are made to provide correct information, the Actuarial Society of Malaysia does not guarantee that the information provided in this newsletter is complete, reliable and accurate in every aspect. The articles in this newsletter are based on the views of the individual authors and do not necessarily represent the views of the Actuarial Society of Malaysia.

The Malaysian Actuary welcomes interested members who would like to contribute to the newsletter in any way, either by submitting articles relevant to the actuarial industry, conducting interviews or contributing puzzles. With regards to submitted articles, the Malaysian Actuary reserve the rights to accept, reject or request changes before publishing the articles. In addition, the editor may amend the article for grammar, punctuation and spelling.

For more information on contributions, or feedback on the Malaysian Actuary please contact the editor at [edi-
tor@actuaries.org.my](mailto:editor@actuaries.org.my).





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Editor's Note

Greetings to all members,

Welcome to the first main newsletter under the 2015-17 ASM Council. I hope you have enjoyed the first mini newsletter which was sent last August. In case you missed it, you may refer to our website under the Malaysian Actuary tab in the Publications section.

We are already at the end of the 2015. How is your personal resolutions for the year so far? Hope that you have achieved your personal and career goals. Now it is time to reflect and create new resolutions for 2016.

The ASM council has organised various social and professional events throughout 2015. This includes the ASM-CASIAAus Seminar, Annual Dinner, Movie Night and Badminton Tournament. The response has been excellent with a large number of attendees and participants. We hope that you have benefited from these events. We are looking forward to the Year-End Party this December and more events planned in 2016. We have included the coverage of the events in this newsletter.

Besides, we have received two event-coverage-articles for this newsletter. I would like to express my gratitude to them and each will be receiving a RM20 cash voucher for their contribution. For more details on contributing articles, please refer to the 'ASM Newsletter Contributions—Terms and Conditions' at the end of this newsletter.

In this main newsletter, we have introduced a new section called 'Up Close and Personal' and we have the opportunity to interview Nicholas Yeo of Nicholas Actuarial Solutions.



Please refer to page 17 and 18 for the interview. If you would like to nominate candidates for the next 'Up Close and Personal' section, you may send your nomination to the editor.

In the previous mini newsletter, we have started to feature a new template which was designed to be more reader friendly. In addition, the articles are arranged in such a way that they are more compact with information. We have received positive feedback on this. Thank you. We will further enhance the newsletter based on the members' feedback.

I hope you will enjoy this newsletter. For any comments or feedbacks please submit them to editor@actuaries.org.my. Thank you.

Kind regards,

Nur Amin Nurazmi



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President's Note

Dear members,

We have now reach the end of the year and this will be our last publication for the year.

This year has definitely been a busy and challenging year for us. One of the main challenges had been the stability of secretariat support. Some of you may have felt the less than ideal member services and we truly apologise for this. From beginning of the year up until recently, there had been turnover issues with manpower providing secretariat support. During this period, our ASM Secretary with the help of past and current council members had been contributing their time (more than expected of them) to ensure that the disruptions are minimise as much as possible. Hence, I would like to thank those who have helped out in particular, Wong Li Kuan, the current Secretary of ASM. Let's hope to a smoother 2016 on this.

Also, during the year, there were many consultation papers that were issued by Bank Negara Malaysia, where ASM with the input of members have responded to. I believe that it is ASM's duty to respond to regulatory consultations especially if it impacts our members or where our expertise as actuaries will help adding value in shaping the resulting regulations/ guidelines. Some of the consultations we have responded to are Concept Paper on Financial Condition Report, Concept Paper on Introduction of New Products by Insurers and Takaful Operators and Concept Paper on Stress Testing for Insurers and Takaful Operators. We hope that our input or feedback will contribute positively to the eventual guidelines.



On the professional development front, I am proud to say that this year, we have managed to surpass the number of continuous professional development ("CPD") of last year. And given the increasing importance, further focus is also given in the area of General Insurance. We have been very fortunate as we have managed to co-organise events this year with many more renowned actuarial bodies, where we have organised the Joint Regional Workshop and General Insurance Ratemaking seminar, to name a few. Our focus next year, as per the feedback provided from the members' survey is to have more "mini" CPD events (e.g. Half day) and more frequently covering varied specialism.

As you can see, it has indeed been a very busy year for ASM. We hope that it has been a fruitful year as well. And with the end of the year just weeks away, hopefully all your resolutions have been fulfilled as well.

With this, I end my note and here's to ending the year with a Bang! See you next year.

Best regards,

Wan



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Past and Upcoming Events

Past Events

16 February 2015	ASM AGM and Seminar 2015
23 May 2015	ASM-MLRe Badminton Tournament 2015
15-16 June 2015	ASM 5th General Insurance & Takaful Actuarial Seminar 2015
23 June 2015	ASM Professional Skills Course 2015
22-23 July 2015	ASM Joint Regional Seminar 2015
31 July 2015	ASM Movie Night 2015
21-23 September 2015	ASM-CAS-IAAus General Insurance and General Takaful Ratemaking Seminar 2015
28 September 2015	ASM Talk by EY
22 October 2015	ASM CPD Event
3 November 2015	ASM Takaful Talk 2015
12 November 2015	ASM Half Day Seminar & 37th Annual Dinner 2015

Upcoming Events

TBC	ASM Year-End Party
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ASM AGM and Seminar 2015

The 2015 ASM Annual General Meeting and Seminar was held on 16 February 2015 at the Grand Millenium Kuala Lumpur Hotel. This was the last event organised by the 2013-15 ASM Council.

There were more than 100 participants who attended the event which consists of ASM members, non-members and students from local universities. The event provided 4.5 CPD hours to the attendees. ASM members were charged RM60 for the event whereas for non-members, it was RM100.

Registration started at 9.15 a.m. Then at 9.30 a.m., Chai Pei Sem & Wong Li Kuan of Tokio Marine started the seminar with a presentation entitled 'The General Insurance Actuarial Profession in Malaysia'.

This was followed by a presentation from Seow Fan Cheong and Kelvin Hii of Sunway University and Lonpac Insurance Berhad respectively. They presented on the 'Current Application of Statistical Techniques to the Malaysia Actuarial Profession'.

Before the next presentation, attendees had their coffee break at 11 a.m. which lasted for about 20 minutes.

Then, there was a panel discussion on the Role of Actuaries in Risk Governance. At 12 p.m., buffet lunch was served at the hotel.

The 2015 Annual General Meeting started at 1.30 p.m. with the approval of 2014 Annual General Meeting minutes and audited accounts. This was followed by the President's report and the respective committees' reports. The 2015 CPD Scheme was also presented by the council. The highlight of the meeting was the election of the 2015-17 ASM Council.



The term of each council position is two years and the list of council members elected is available on the ASM website: <http://actuaries.org.my/about/asm-council/>

The seminar resumed at 3 p.m. with a presentation by Bertram Sarmago of Nikko AM Asia Limited. He talked about 'Asian Bonds – The Credit Story'. The attendees then had another coffee break at 3.45 p.m. After the coffee break, Jeremy Lim from Towers Watson presented on 'Participating Fund Management – The Way Forward'.

This was followed by a presentation on 'Longevity Risk Transfer' by Ching Ing Tai. The event ended at 5.30pm.

Presentations from the seminar may be obtained via the following link: <http://actuaries.org.my/asm-seminar-agm-2015/>



ASM-MLRe Badminton Tournament 2015

The 2015 ASM-MLRe Badminton Tournament was held on the 23 May 2015 at New Vision Badminton Academy, Petaling Jaya.

ASM was honoured to partner with MLRe again this year as our sponsor for the tournament.

The tournament was divided into three categories. Namely Mens Double, Womens Double and Mixed Doubles. Each category was further split into Group A and B. The teams that lost in the first match was automatically dropped to Group B.

The event was free for members with light snacks, drinks and lunch provided. More than 30 teams participated in the tournament.

Members registration started at 8.30 a.m. with the first match started at 9am. The tournament ended at 2 p.m.

The list of winners are as below:

Men's Double:

Group A: GETB - Mohd Helmi bin Mohd Jelaninii and Amirulezry Ariffin from Great Eastern Takaful Berhad,

Group B: Hippo - Jason Lim and Tee Kai Foong from Allianz General Insurance Company (M) Berhad

Women's Double:

Group A: Kura-Kura - Teng Phei San and Sam Yeek Chee from AIA Berhad

Group B: Raket Ada Lubang - Lim Wei Wei and Lee Mei Ling from AIA Berhad



Mixed Double:

Group A: Turtle - Teng Phei San and Wong Kar Hin from AIA Berhad

Group B: AEIOU - Lye Wai Lee and Keng Zhi Yang from Zurich Shared Services Malaysia Sdn Bhd



ASM 5th General Insurance & Takaful Actuarial Seminar 2015

By: Sunway University Student

'Scaling New Heights' is a title to be reflected upon. With the technology advancement, the way of life has been drastically changed for good in many facets. Similarly, the questions of whether actuarial works and firms should be operated in the traditional fashion arise. Actuaries are now challenged to change the status quo by leveraging technology to bring businesses to greater heights.

The two-day seminar kick started with an interesting sketch by NMG Consulting staffs in accordance with their presentation on interconnected business planning. The session highlighted the importance of communication beyond email such that company staffs of various roles can engage each other to meet their respective objectives in the firm. Discussion and planning platforms such as Yammer and Anaplan increase cross-departmental communication and interactive information sharing between staffs, hence employers and employees can better understand each other's action plans and ideas and add value to companies.

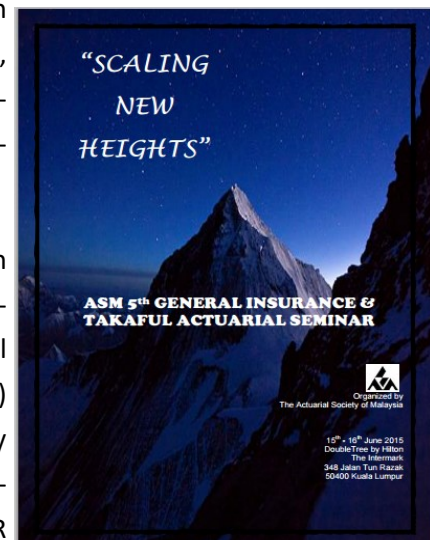
After that, the seminar introduced to participants the Capital Management Plan (CMP), a new concept for companies to embrace, which explicitly states companies' risk appetite to allow better action implementations and hence, better rewards and returns. The CMP involves setting and managing financial resources to ensure financial robustness of an insurer. This includes setting 'trigger levels' in companies beyond statutory requirements. Besides setting a lower limit of 'trigger levels', companies should also look at upper 'trigger levels' such as excessive capital while assessing their financial soundness. Setting of the framework of CMP

should be aligned with the goal of the firm, and should be kept simple, practical and measurable.

The seminar was then followed by the discussion of the Financial Condition Report (FCR) which is mandated by the Bank Negara Malaysia (BNM). The FCR

serves as a holistic analysis of a firm's financial status, in hope to add value to individual business units within a firm through consolidated data. While regular financial reports are useful, FCR aims to highlight financial threats via projecting capital requirements, dividend policy and assessing capital adequacy for long term solvency. The discourse on the preparation of FCR includes suggestion to conduct gap analysis prior to FCR, and also Dynamic Stress Testing (DST) on the long term business impact despite the short-term nature of General Insurance business. Not to forget, the session also went at a great length into the reinsurance and retakaful areas in the preparation of the documents.

Speaking about technology, it brings about innovation in the programme being used in actuarial work. While Microsoft Excel has extensive functions that satisfy most of the job needs, it has its limitations. With the introduction of Big Data and Internet of Things (IoT), data of any sort is being collected, and it is growing exponentially to challenge





organizations' storage in making use of them to produce accurate and timely decision making. To be able to analyse data in a more time-efficient manner, programs such as SAS is able to overcome what Microsoft Excel is incapable of. By using SAS, data entries beyond millions can be put together. To 'scale new heights', visual statistics and dynamic hierarchy are enhanced data analysis methods that are increasingly employed to create meaningful insights.

Next, Nicholas Yeo also shared some findings from his attendance to a seminar in Dallas. He spoke about usage-based insurance, typically on the data collection of road-users by the installation of near field communication (NFC) devices in vehicles, which is expected to be a technological breakthrough in the insurance industry. This is because companies can gather greater amount of live data, especially useful for pricing insurance alongside with the motor detariffication. Other findings include alternative predictive modelling methods that reduces high-bias underfit and high-variance overfit via boosting or bagging (bootstrapping), bringing the actuarial expertise from the West to the East.

The following day of the seminar discussed about "Advanced Reserving". The session conducted by Nurul Syuhada from Actuarial Partners introduced many more reserving methods besides the common Chain Ladder Method, such as the Bornhuetter-Ferguson Method and the Cape Cod Method, to calculate ultimate losses and IBNR. Her discussion also weighed in key assumptions, the advantages and limitations of each method, so as to allow actuaries to produce reasonable test results after considering various factors and data available. Later in the second session, Marc Dijkstra from Posthuma Partners outlined issues in financial risk management and the solutions to those problems through stochastic loss reserving. He introduced the Integral Financial Modelling (IFM™) tool that is capable of improving business profitability and valuing

portfolio while meeting regulatory demands such as the Risk Based Capital (RBC).

Another programme that was being introduced is the Hazard™ program, a simulation learning software by Ernst & Young General Insurance which all participants enjoyed over the 2-day seminar. The programme mimics a competitive environment of the general insurance industry for firms to better weather bad times via hypothetical adverse scenarios. The programme required participants to be divided into teams of companies, and participants took on managerial roles, deciding on pricing, reinsurance, distribution expenses, investment choices and many more to maximize company value. The game was simulated for 4 period-years. With future refinements, the program will absolutely be a key step for the industry to advance.

The last part of the seminar was a rather thought-provoking session on Machine Reserving. While many argue that reserving work requires actuarial judgment, the possibility of feeding programs with various inputs and making robots learn over time does exist, thus capable of replacing most of the labor-intensive jobs of an actuary. Mr Teh Loo Hai talked about creating object-oriented software that processes raw data, in which the results are then generated through an interface just a few clicks away. By using automated reserving, the frequency of data analysis and reserving can be compounded to a quarterly or monthly basis instead of an annual basis. Actuaries will only be required minimal supervision on many undertakings, hence be able to divert attention to perform a wider array of tasks. Future automation of the industry will result in augmentation of productivity, but putting the substitution of actuaries into question.

ASM invited student representatives, one from each universities in Malaysia that offers Actuarial Science course for them to attend and do a write-up for the event. 5 students attended and this was selected as the best write-up for our publication.



ASM Professional Skills Course 2015

By: Agnes Kwan

The 2015 Professional Skills Course was held on the 23 June 2015 at Connexion@Nexus, Bangsar South. Members were allowed to register starting from 2pm onwards while the course commenced at 2.30pm. This event provided two hours of CPD Professional hour to the attendees (subject to IFoA's approval).

ASM was honoured to have Mark Birch – Director of Towers Watson’s Risk Consulting and Software Practice for South East Asia, based in Singapore and also a Fellow of the Institute of Actuaries, UK – to conduct the professional skills course. An outstanding number of 100 ASM members attended the course.

Mark started the course through a series of questions based on ASM’s Professional Code of Conduct which gotten much of the members’ attention. This was then followed

by two interesting discussion sessions based on a video about a newly qualified actuary dealing with her boss’ constraint in actuarial related matters which challenged the professional ethics.

During the course, members were very responsive, sharing their views and thoughts in acting professionally. Many have even shared on “how to” deal with such situations based on experiences.

Questions were also raised to the floor on what corrective measures or actions that should be taken given a scenario. Mark wrapped up the course with a case study and the Professional Skills Course ended at 5pm.



ASM Joint Regional Seminar 2015

By: Kelvin Yeong

The Joint Regional Seminar with the objective to assist local actuaries in meeting CPD requirements was held at Renaissance Kuala Lumpur Hotel from 22nd to 23rd July 2015. The seminar was designed with a theme on “A Promising Profession and a Profession with Promises”, aimed to provide insights on the opportunities in the rapidly changing environment and more importantly, the skill sets that are required to take on these opportunities. The seminar was successfully carried out with around 145 participants.

The event started with a presentation from Louis Heng on the topic of “End to End Business Involvement for Actuaries in the Insurance Industry”. He discussed on how actuaries can incrementally add value by providing data analysis. Value to the business can be enhanced via Predictive Model-



ing to gain added insights from customer behaviour. It can lead to better portfolio management to ensure top line growth and maximize profitability. The seminar was then

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Organized by:



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China Association of Actuaries

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continued with a panel discussion on alternative distribution channels. The discussion focused on Digital channel which is still not widely used in local insurance industry. One of the panelists commented that the cost of venturing into Internet is justifiable as it is not just a distribution channel but is also a marketing platform.

After that, Greg Solomon presented an interesting topic on “Why Biohacking is the Next Step in Actuarial Evolution”. Biohacking which most audiences are not familiar with is about people wanting to get healthier, smarter, stronger, lower risk of decease or in general better quality of life. Many issues surrounding this topic were presented in order to provide more insights on this area. Subsequently, the seminar was followed with “Competitive Advantage through Transformation of your Actuarial and Risk Modeling Processes”, which enhancement and optimization of processes was presented by Charlene Lee and Jeremy Lim.

Next, the seminar continued with a discussion on “Investing in Insurance Company”. Asia with a relatively younger population and a growing middle class has attracted a good amount of buying interest. An interesting partnership is also often formed between foreign life insurer which controls majority share and local bank which controls the sale channel. The first day session ended with a panel discussion on “Beyond the Traditional: How Actuaries can Add Value to the Broader Business”. Heng Zee

Wang spoke on the advantage of actuary which possesses strong skillset in problem solving. He also mentioned that the challenge for actuary is to move from task focus to people focus. Low Shih-Nin on the other hand, advised that we should consider our career from the three aspects of what we love to do, what we are good at and what the market needs.

A half day workshop was conducted during the second day of the seminar. It focused on actuarial roles in product development and it was facilitated by Paul Carrett. The participants were divided into several groups which represented a local insurance company. Within each group, there were some key functions like actuarial, marketing, investment and risk management. The groups were assigned to come out with product development strategy in order to compete with a new rival who established its base on the Internet only. The proposal should include consideration on product features, distribution, underwriting, investment strategy as well as risk mitigation.

The event ended with several content-rich presentations that were collectively prepared by the participants.



ASM Movie Night 2015

By: Asyraf Nordin, Takaful Ikhlas Berhad

The 2015 ASM Movie Night was held on 31 July 2015 at Pavilion, Kuala Lumpur. This was the first social event organised by the new ASM Council. I, Mohd Asyraf Mohd Nordin, am from Takaful IKHLAS Berhad had the opportunity to join this event together with my other colleagues. There were about 15 of us attending the event.

The event was held on Friday night as the movie ended quite late. Each member was allowed to bring one non-member for this event. The event went quite well. During the online registration, we were given 4 set of menus to choose from. The chosen set menu was served to the attendees which came with bottomless drinks and a soup of the day.

On the event day, we realized that it was going to be difficult for us to get a parking spot at Pavilion, as it was Friday night. Thus, we decided to carpool together and arrived at Pavilion around 7pm. We then perform our prayers first, then straight away went to Fish & Co to have our superb dinner at level 4. Registration and movie tickets were distributed starting from 7pm with members started to arrive as early as 6.30pm.

During dinner, we managed to make some new friends from other companies. To me, it was a bit of a knowledge sharing and ice breaking session. After having great time chatting with each other while enjoying our food, we then went straight for our movie. The dinner ended around 8.30pm where after we made our way to Golden Screen Cinemas (GSC) on level 6.

Surprisingly, ASM managed to book one whole hall from GSC for the event. Popcorns and drinks were provided to



each attendees at the entrance. Around 8.45pm the movie, Tom Cruise Mission Impossible: Rogue Nation, started. The movie ended at around 11.15pm. We then gathered together at the exit of the hall and took a group photo.

Throughout the whole event, I personally thinks that this event was great for the ASM members to get to know each other better. Besides that, this event also could reduce our stress level. However, ASM might want to make it during weekends instead, so that the members may go back early.

All in all, I believe ASM should organize this fun event again. I'd really look forward in attending to this kind of event again in the future.

Asyraf will receive a RM20 voucher for this event coverage contribution.



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ASM-CAS-IAAus General Insurance and General Takaful Ratemaking Seminar 2015

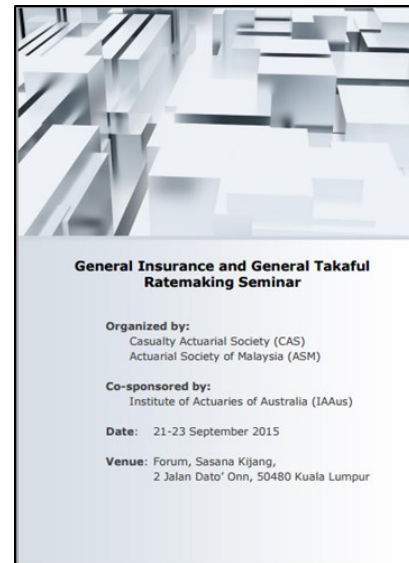
The ASM-CAS-IAAus General Insurance and General Takaful Ratemaking Seminar 2015 was held on the 21-23 September 2015 at Sasana Kijang, Kuala Lumpur. The event was organised by the Casualty Actuarial Society (CAS) and the Actuarial Society of Malaysia (ASM), and was co-sponsored by the Institute of Actuaries of Australia (IAAus).

The ratemaking seminar was split into two components - Day 1 & 2 and Day 3. For Day 1 & 2, the seminar is split into the core sessions that focus on the essential ratemaking fundamentals, and the optional parallel sessions for the more experienced practitioners that cover the advanced ratemaking topics. For Day 3, it was a hands-on workshop.

There were more than 60 participants who attended the event which consists of CAS, ASM and IAAus members and non-members from Malaysia and even Singapore. The event provided 10 CPD hours for those who attended Day 1 & 2, whereas 13.5 CPD hours were provided to those who attended the Day 3 as well.

10 speaker panels from USA, Japan, Thailand, Hong Kong, Singapore and Malaysia presented at the seminar. The speakers were as followed: Mary Frances Miller, Scott Yen, Jim Qin, Simon Lee, Rob Malattia, Chua See Ju, Nurul Syuhada Nurazmi, Grace Ng, Kelvin Hii, and Ong Shze Yeong.

After the participants' registration, the seminar started with an opening address. For the first day of the seminar, Rate Level Analysis was presented throughout the core sessions in three separate periods with different focuses and topics. At the same time, three different panels presented their topics in the equivalent optional parallel sessions.



The second day of seminar started off with another session of Rate Level Analysis which acted as a sum of the topics discussed from the previous day. Sample problems, exercises, questions and discussions were further presented in this session. Classification Analysis was then presented in the following periods of core sessions after the morning tea break and lunch. Another three panels presented in the optional parallel sessions for Day 2. Panel discussion came as the last session for participants on Day 2 before it ended with a closing address.

Day 3 of ASM-CAS-IAAus General Insurance and General Takaful Ratemaking Seminar 2015 was a half day hands-on workshop presented by Towers Watson. The workshop was limited to 25 participants. Participants attended three workshop sessions where they practised Generalised Linear Model (GLM) methodology and experienced dynamic pricing environment.



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ASM Talk by EY 2015

The 2015 ASM CPD Talk by Ernst & Young was held on 28 September 2015 at the Suruhanjaya Syarikat Malaysia (SSM) Building, KL Sentral.

Online registration started on the 14 September and within a few hours, 50 seats allocated for the event was filled up. Attendees ranged from Executives to Appointed Actuary and Chief Risk Officer.

The event was free of charge to ASM members whereas for non-members, RM50 was charged. The event provided 2.5 CPD hours to the attendees.

Registration started at 2 p.m. Then at 2.30 p.m., the talk started. The speakers were Abhishek Kumar and Pu Sheng. All are from Ernst & Young Actuarial Services, based in Singapore.

Abhishek has a total of 10 years of experience working in Asia, the UK and India. He has advised insurance companies on a range of topics including ERM & ORSA, capital management, Strategic Asset Allocation, Solvency II and Economic Capital.

Pu has over 10 years' experience working in Asia. He has served clients around financial reporting, embedded value, actuarial due diligence, economic capital and actuarial modelling.



In the first session, they presented on 'Management of Participating Life Policy Business'. They then presented on the result of their market survey 2015 on 'Internal Capital Adequacy Assessment Process'.

The event ended at 5.30 p.m.

Presentations from the event can be accessed via the following link: <http://actuaries.org.my/asm-talk-by-ey-2015/>



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ASM CPD Event 2015

The 2015 ASM CPD Talk by Munich Re was held on 22 October 2015 at the Suruhanjaya Syarikat Malaysia (SSM) Building, KL Sentral.

Online registration started on the 8 to 15 October. About 40 people attended the event which include Executives, Managers, Chief Financial Officers, Appointed Actuary and Chief Product Officer.

The event was free of charge to ASM members whereas for non-members, RM50 was charged. The event provided 1.5 CPD hours to the attendees.

Registration started at 3 p.m. Then at 3.30 p.m., the talk started. The speaker was Jimmy Wang, Regional Manager of Munich Re Singapore (Life).

Jimmy joined Munich Re in June 2015 and he is the Regional Manager responsible for Singapore and Malaysia. Jimmy brought with him an extensive industry experience gained over a decade in both Asia and Europe, where his roles ranged from actuarial, risk, financial controlling to management support with a few large multinational insurers.



The event ended at 5 p.m.

ASM Takaful Talk 2015

The 2015 ASM Takaful Talk was held on 3 November 2015 at the Suruhanjaya Syarikat Malaysia (SSM) Building, KL Sentral.

Online registration started on the 19 to 26 October. More than 40 people attended the event which include Executives, Managers, Regional Actuary and Appointed Actuary.

The event was free of charge to ASM members whereas for non-members, RM50 was charged. The event provided 2.5 CPD hours to the attendees.

Registration started at 2 p.m. Then at 2.30 p.m., the talk started. The speaker was George, Kau Kong Hoi, FSA, FASM, Appointed Actuary, Takaful Ikhlas Berhad.

George has more than 13 years of Actuarial Services and financial reporting experiences in both conventional insurance business and Takaful business across major international and domestic insurers in Asia Pacific countries.

On the first session, George presented on 'Takaful Loss Reserving for Beginners'. He talked about the Liabilities of the Family and General Takaful Business and the Provision of Risk Margin for Adverse Deviation.



On the second session, George presented on the 'Taxation Regulations'. He provided a brief introduction to Corporate Income Tax and Goods and Services Tax. This was then followed by his talk on 'Challenges and Practical Issues for Takaful Operators'.

The event ended at 5.30 p.m.

Presentations from the event can be access via the following link: <http://actuaries.org.my/asm-takaful-talk-2015/>



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ASM Half Day Seminar 2015



By Joshua Ong, Towers Watsons

The ASM half day seminar was held on the 12 November in conjunction with the 37th ASM Annual Dinner. This year, the venue was set to be at Double Tree by Hilton Hotel Kuala Lumpur. We were thrilled to have a panel of subject matter experts to present on several topics that have garnered strong interests from the insurance and actuarial field, ranging from technical issues such as the development of IFRS 4 Phase II, to market-related issues such as insurance product innovation. Registration started at 12:30pm for a 1:00pm start. The seminar was really well-attended, as there seats were full when everyone was seated.

The first agenda of the seminar was a presentation on 'Insurance in a Digital World' by David Cook from Swiss Re. David started off by providing a snapshot on the emerging role of technology in the insurance industry, and the change in consumer preference in light of this trend. He then presented to us some of the opportunities out there that insurers could leverage on, such as the use of fitness-tracking device to price premium discounts, and social media to gauge on target market segment. He also presented on the use of online platform as one of the means of distribution. He proposed that the key challenge that insurers face is the identification of the balance between complexity and reliability of the data collected for the underwriting purpose.

The second presentation for the day was on the topic of 'IFRS 4 Phase II: Updates and Key Insights', presented by Mehul Dave from Deloitte Consulting. Coming from a non-

life insurance background, Mehul approached the topic using a non-life perspective. He began his presentation by introducing the key changes that the new standard presents to insurers, such as the revamped methodology of identifying risk adjustment, contract boundary and contractual service margin, resulting in the new standard being more market consistent and risk-based. He then presented to us two of the approaches in measuring insurance liabilities: the three building block approach and the premium allocation approach. As the premium allocation approach is a more simplified approach, Mehul also explained in greater detail on the prerequisites/scenarios that allows this approach to be used, such as the requirement to carry out onerous contract test.

Mehul's presentation was followed by a 20-minute tea break, giving the audience a chance to approach the speakers should they have specific questions relating to the topics in the seminar.

After the tea break, Ken Hung from Munich Re presented to us on the topic of 'Product Innovation in Life Insurance'. Ken began his presentation by emphasising the increasing importance of the idea of innovation, and how it has been capturing more and more attention in recent years. By creatively pulling examples from various case studies such as Nike, Virgin Mobile and Frank Health Insurance, Ken presented to us with 12 key points to innovate, in which he calls it 'The Innovation Radar'. Generally, the key solution lies within understanding customer value creation, and matching the products and services offering in order to maximise the value creation process. He also introduced a

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'13th criteria', i.e. Creating Shared Value (CSV) - a concept that simultaneously creates both economic and social value. Ken concluded his presentation by providing us with some examples where insurance innovation had taken place, such as the introduction of bottle insurance in Japan, pet insurance in Singapore and the evolution of critical illness product in keeping up with the changing consumer's landscape.

Lastly, we had Anthony Atkins from EY to present on the topic of 'Telematics – A way to differentiate with Detariffication'. Anthony started off his presentation by providing a snapshot of current insurance detariffication status in Malaysia. He then presented to us on how the usage of telematics device could be used for premium setting and risk monitoring, potentially allowing key players in the sector to gain competitiveness. Although not common among

the Asian market, Anthony mentioned that the usage of telematics device for car insurance purposes is no longer a new concept in other parts of the world, particularly in Europe and North America. He also introduced a new type of product known as Usage Based Insurance (UBI), an insurance concept that allows insurance pricing to be dependant upon usage instead of duration, as telematics device would allow insurers to further obtain data with regards to usage of vehicles, location and driving behaviour. Last but not least, Anthony discussed some of the key issues and challenges facing the implementation of telematics device, such as the issue on privacy and data security breach.

The seminar concluded at 5:00pm, right in time for the audience to get ready for the main agenda of the day – the ASM Annual Dinner.

Joshua will receive a RM20 voucher for this event coverage contribution.

ASM 36th Annual Dinner 2015

This year, the 37th ASM Annual Dinner was held on the 12 November 2015 at DoubleTree by Hilton Hotel Kuala Lumpur. More than 100 members attended the event.

The dress code for the night was Black or White. ASM was honoured to have Malaysian Life Re as the Lucky Draw Sponsor and TAS Search as the Member Dinner Ticket Sponsor.

Attendees and Guest of Honours came as early as 6.30 p.m. for the registration before the hall doors were opened at 7 p.m. The ASM President, Mr Wan Saiful delivered his speech as an opening remark for the event. This was continued by a speech from the Guest of Honour.

Dinner was served at approximately 7.35 p.m. Several activities were organised as the guests were enjoying their scrumptious dinner buffet.

First, FASM certificates were presented by Mr Wan Saiful. Then the Table Games started which acted as an ice-breaking session among attendees. Each table was represented as a group. The games played included 'Who Am I', movie names based on emoji and guessing the motto of companies.

As the custom goes, 25 Lucky Draw prizes were also presented by the Guest of Honours throughout the event. The main lucky draw prize for the night was a brand new iPad mini 4.

At about 9.30p.m., Mr Wan Saiful presented a token of appreciation to the Guest of Honour. The 37th Annual Dinner ended after dessert was served.



Up Close and Personal

Nicholas Yeo Chee Lek, Nicholas Actuarial Solutions



Nicholas is the Founder & Actuary of Nicholas Actuarial Solutions. Nicholas graduated from Cass Business School with First Class Honours in BSc Actuarial Science. He qualified as a Fellow of the Institute and Faculty of Actuaries (UK) in 2008. He is also a Fellow of the Actuarial Society of Malaysia and a Fellow of the Society of Actuaries (US). Nicholas is frequently selected to speak in global actuarial conferences, including the SOA Annual Meeting 2013 San Diego and the International Congress of Actuaries Washington DC 2014.

Nicholas was the Chairperson of the Professional Development Committee and Events Committee of the Actuarial Society of Malaysia. He is also very active in the field of actuarial education.

The Malaysian Actuary December 2015 has the chance to talk to Nicholas on his experiences. The interview session as below:

What abilities or personal qualities do you believe contribute most to success in this field?

I believe the biggest strength of the actuarial profession is our communication skills.

There are always jokes about actuaries not communicating well. People sometimes forget that, actuaries always have to communicate uninteresting things to uninterested people, whereas other perceivably skilful communicators like politicians only communicate interesting things to interested people.

Nonetheless, it is this training, of course not to forget our requirement to pass the communications exam, makes us better communicators than others, giving the profession an upside which many others are envious of.

What do you enjoy the most working in this field and the problems or frustrations that you have encountered?

What I enjoy most practising as an actuary is the opportunity to work with fellow professionals, each and every one which I have worked with exemplify high levels of professionalism, integrity and competence.

The frustrations of practising as an actuary is the lack of publicity of the profession. I am referring to professional encounters rather than casual encounters for example trying to explain to a taxi driver what I do for a living. Everyone in this world recognises that doctors can save lives, but most people not only cannot immediately recognise, and needs to be convinced that an actuary's exceptional business acumen and strong grasp in strategic, operational and risk management matters contributes significantly to businesses and the society as a whole.

What are your 3 biggest accomplishments?

From a professional perspective:

1. Paper accepted for the 2014 International Congress of Actuaries.



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2. Acknowledgement from students that my mock exam marking and exam revisions organised via ASM contributed towards their exam success.

3. Every time I successfully apply the actuarial control cycle.

Who are other actuaries do you look up to and why?

I consciously do not look up to anyone, actuaries or otherwise. The reason for this is because of the way how averages are computed. I believe on average everyone is equal, so if you look up to someone you will inadvertently look down at the rest. I just feel that if I look up to someone, before I know it, by default, I am looking down at others – something which I don't like to do.

What is your opinion on the current Actuarial industry in Malaysia and your outlook in the next few years?

The Malaysian actuarial profession is faced with many opportunities.

The ASEAN Economic Community will bring about many business opportunities for current employers of Malaysian actuaries as well as new employment opportunities for Malaysian actuaries in the region.

The impending implementation of IFRS 4 Phase II also gives the actuarial profession a larger role to play in financial reporting.

The growing sentiment amongst key stakeholders that enterprise risk management contributes significantly to growth, profitability and sustainability of firms across all industries is widening prospects for actuaries to add value outside of traditional areas.

The budding technological startup sphere in Malaysia will bring about large demand for data analytic skills. The actu-

arial profession, equipped not only with technical abilities but also communication skills and professionalism, is in a good position to capitalise on this.

The wage structure of the actuarial profession in Malaysia is out of line with international standards, with actuaries of high international quality at being paid at low local prices. This is a key threat to the Malaysian actuarial profession should the long term equilibrium gravitates towards reduced quality at the same low price rather than increased price at the same high quality.

You completed your fellowship in just 3 years. What special advice do you have for those seeking to qualify as a Fellow?

There are two groups of actuarial students.

The first group are those that are very smart and will pass exams anyhow. I don't belong to this group, I don't really know how to advise them except maybe they can afford to study a little less and have a life and still pass exams.

The group of actuarial students that I belong to are those that find actuarial exams very tough and would be able to barely pass with full focus and commitment. We are not that smart. We are challenged to our limits, but as long as we have a burning desire and give priority to our studies we are able to pass our exams.

Then you ask, how about those actuarial students who cannot pass their exams? No, there isn't a third group of actuarial students. An actuarial student, by definition, is someone that has sufficient ability to pass exams and qualify as an actuary. This is something you need to be confident about – your ability. Then, you need to have a burning desire and make passing the exams a priority. After this, other tricks like time management, exams techniques etc. can make passing exams a bit easier.



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ASM Picture Gallery

16 FEBRUARY 2015 | ASM AGM and Seminar 2015



15-16 JUNE 2015 | ASM 5th General Insurance & Takaful Actuarial Seminar 2015





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ASM Picture Gallery

23 JUNE 2015 | ASM Professional Skills Course 2015



22-23 JULY 2015 | ASM Joint Regional Seminar 2015





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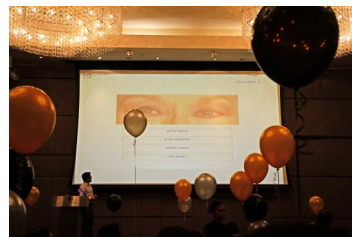
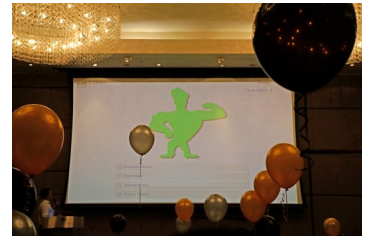
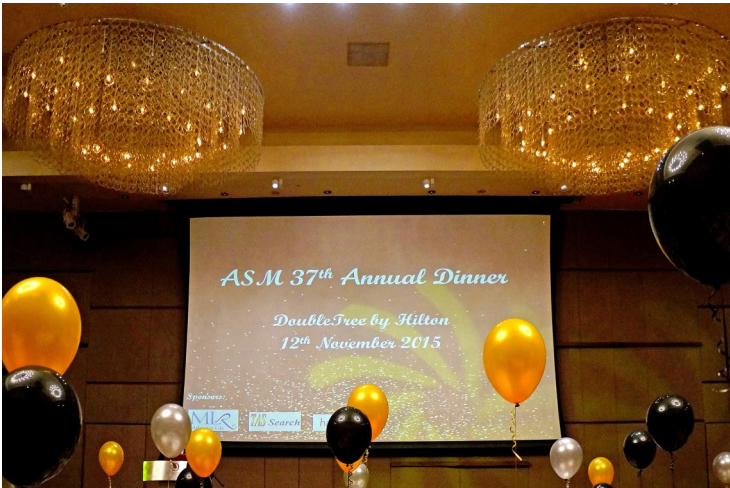
December 2015

ASM Picture Gallery

31 JULY 2015 | ASM Movie Night 2015



12 NOVEMBER 2015 | ASM Half Day Seminar & 37th Annual Dinner 2015





ASM Picture Gallery

12 NOVEMBER 2015 | ASM Half Day Seminar & 37th Annual Dinner 2015



UPCOMING *Mark Your Calendars* **EVENTS**

ASM Year-End Party

Date:

TBC

Venue:

TBC

Organised by:

Actuarial Society of Malaysia (ASM)

ASM will organise a year-end party at the end of December. Come and join us with your colleagues and friends to celebrate the new year and the chance to make new friends.

This event is not to be missed!



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Membership Application

Interested to be an ASM member and enjoy various benefits?

Please fill in your information in the following link. Our secretary will contact you directly to follow up.

<http://actuaries.org.my/wp-login.php?action=register>



Profile Update



ASM members are encouraged to keep your profile and membership class updated. This can be done via the links below:

<http://actuaries.org.my/members/profile/>

<http://actuaries.org.my/members/change-membership-class/>

CPD Submission

Members who are required to disclose compliance with CPD requirements are reminded that the CPD Submission deadline is **15th February 2016**.

ASM reserves the right to revoke any membership renewal that was previously granted if the member was later determined to be non-compliant with the CPD requirements.



CPD submission can be made via the link below:

<http://actuaries.org.my/members/cpd-submission/>



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Job Opportunities

Keep yourself updated for any opportunities at our website:

<http://actuaries.org.my/career/job-opportunity-listing/>

For employers seeking potential employees, you may submit your application to:

<http://actuaries.org.my/career/job-posting/>



Archive of Presentations



ASM members can download past presentations organised by ASM via our website:

<http://actuaries.org.my/events/archive-of-presentations/>

Just log-in your ASM ID and search the presentation by Event, Title, Speakers, etc. The presentation slides are usually uploaded within 2 weeks after an event.

Up Close and Personal

We have introduced a new section called '*Up Close and Personal*' in this main newsletter.

This section interviews selected candidates on their life and career as an actuary.

If you would like to nominate suitable candidates or volunteer to be featured in this section, please send an email to:

editor@actuaries.org.my



ASM Newsletter Contributions—Terms & Conditions

All entries submitted must be accompanied with your name, NRIC (or passport), company name, phone number, corresponding address, and photo of yourself (optional).



Article Contribution – RM100 Cash Vouchers

- Article written must be "Actuarial" related whether in the sense of work, culture, theory, expectations, etc.
- Only the articles that are submitted by individuals and published in ASM Newsletter will be entitled for the cash voucher
- Articles that are selected to be published will be notified by the Editor to the individual
- Article submitted must be original and NOT plagiarised from any individual or institution
- ASM editorial and council holds the right in editing the articles submitted
- ASM editorial and council holds the right in determining when the article is to be published
- ASM editorial and council holds the right in not publishing the articles submitted
- Article submitted should be approximately 2 - 5 pages in length using font Calibri 11 Single spacing
- Entries are to be submitted to editor@actuaries.org.my
- The promotion will only take effect on articles submitted from Year 2015 onwards
- The expiry of promotion will be notified to all ASM members through email
- ASM editorial and council holds the right to revoke cash vouchers should ASM feel that any article submitted is against the terms & conditions mentioned or plagiarism



Event Coverage – RM20 Cash Vouchers

- Article written must be ASM –related events
- Only the articles that are submitted by individuals and published in ASM Newsletter will be entitled for the cash voucher
- Articles that are selected to be published will be notified by the Editor to the individual
- Article submitted must be original and NOT plagiarised from any individual or institution
- ASM editorial and council holds the right in editing the articles submitted
- ASM editorial and council holds the right in determining when the article is to be published
- ASM editorial and council holds the right in not publishing the articles submitted
- Article submitted should be approximately 1-4 pages in length using font Calibri 11 Single spacing
- Entries are to be submitted to editor@actuaries.org.my
- The expiry of promotion will be notified to all ASM members through email
- ASM editorial and council holds the right to revoke cash vouchers should ASM feel that any article submitted is against the terms & conditions mentioned or plagiarism.