



Singapore Actuarial Society

Newsletter

22 May 2009

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Editorial

Risk Management has become even more topical in recent months. An SAS Forum earlier in the year focused on the SOA's CERA qualification. The inaugural General Insurance Conference organized by the SAS and held in Singapore on 6-7 May this year had as its theme, "A firm foundation for taking risk".

No doubt, actuarial work has to an extent always required risk management skills but now more holistic approaches are being considered. The International Actuarial Association's response to the financial crisis included proposals for country Chief Risk Supervisors, in addition to the Chief Risk Officer role in individual organizations, among other things.

As modeling techniques become more sophisticated, the challenges increase too... more complex products, climate change, mutating viruses.... the list goes on. We certainly have to re-invent ourselves and work with experts in other fields to face up to the new challenges.

[Rani Rajasingham](#)

Notes from the President

The ongoing financial crisis has produced another interesting development in the stress tests recently carried out on US banks by the US authorities. Stress testing is a fairly mainstream actuarial concept and lies behind the Risk Based Capital requirements in Singapore and elsewhere. The idea is that the reserves for an individual institution should be sufficient to meet the liabilities of that institution under a number of adverse but plausible scenarios. This means that a combination of free capital and a prudent approach to risk management is needed to meet the solvency requirement. If a prudent approach is not taken then the required reserves will become excessive. This approach would have shown up, before reality did, the danger of the clauses in some of the contracts that required margin calls on Credit Default Swaps. Another interesting aspect is that the experts who determined the capital required by the banks apparently relied more on general reasoning than sophisticated computer models. A throwback to the BC (before computers) days when I started my actuarial career. The whole Global Financial Crisis shows to me the benefit of involving actuaries throughout the Financial Services Industry rather than confining them to the Insurance industry alone.

[Frank McInerney FIA, FIAA, FNZSA, FSAS](#)

News from the SAS General Insurance Conference held on 6-7 May 2009

The General Insurance Committee (GIC) held its inaugural General Insurance Conference on 6th and 7th May 2009 at the Amara Hotel in Singapore.

When the GIC started the initial preparations for the conference a total of 15 people responded to the survey indicating that would attend a General Insurance Conference should the SAS organize one. Well, we had speakers from Singapore, Hong Kong, Tokyo and Sydney and close to 70 delegates from all over the world attending.

Participants enjoyed both the high quality content of the presentations as well as the venue. We received feedback that this was the conference with the best food and drinks and cost-conscious planning allowed us to keep early bird subscription for SAS members below SGD500.

Jeremy Wall won the Best Paper Award for his presentation on "Dealing with Depression through Focus, Innovation and Understanding" and the presentations will be available on the SAS website soon.

Given the success of this first conference the GIC will soon start the preparations for the 2nd General Insurance Conference of the SAS.

Details will be announced in this newsletter – stay tuned!

[Angela Koechli](#)

UK Profession – Changed Criteria for Partial Regulation Eligibility

Those of our members who are also members of the Institute of Actuaries or the Faculty of Actuaries in the UK may recently have received an email from the UK Actuarial Profession advising of changes to the eligibility criteria for partial regulation (sent on 30 April 2009).

The changes were pertaining to the eligibility for carrying out any work in, or for clients in, Crown Dependencies and British Territories Overseas (formerly Crown Colonies.) and also on the use of the FIA designation.

However, following a number of queries and concerns raised by members, including ones raised by the SAS, the Institute sent out another e-mail to members on 15 May 2009, stating that they would take the comments to the Committee for their further consideration and would therefore delay implementation of the proposed changes.

The SAS has now sent an email to that Committee raising issues on a number of areas, in particular the impact on those who advise the Asian branch operations of such clients, which would include businesses from both the Cayman Islands and Bermuda. We have also raised a question on the use of the FIA/FFA designations on business cards without it being preceded by FSAS. On this, members are reminded that last year Council officially adopted the FSAS designation, but accept that it is not currently widely used on all our members' cards etc. If members have any other specific questions on this topic you can direct them to Tim Beardsall to consolidate and take up with the UK Profession.

In the meantime, the UK Profession has reminded us that the conditions for Partially Regulated members in place before the e-mail of 30 April 2009 should continue to apply. In particular, this means where members have opted for this Partial regulation, and have given SAS as their primary regulating body are giving formal advice (even beyond Singapore) and using their FIA/FFA designation, they should make it clear that they are regulated by the SAS (rather than the Institute or Faculty). Note when signing in Singapore as Appointed Actuary members should be using their FSAS designation already as the requirement for AA's in Singapore is to be a Fellow of the SAS and not of any other body.

The SAS will keep members posted on this issue in the forthcoming newsletters.

[Tim Beardsall](#)

CA2 Update for Students of the UK Profession

The following is an update that Council received from the Education Committee.

Those who passed the last CA2 course in Singapore were sent a letter by the SAS to this effect. This was to be submitted to the Institute of Actuaries to then get the exemption from the Institute of Actuaries CA2 course.

For those who failed, individual feedback will be provided on why. There has been some delay in this and the SAS has been in contact with the UK profession on this issue.

The SAS will keep members posted on this issue in the forthcoming newsletters.

[Rani Rajasingham](#)

Council Update

I would like to update you on the various Committees that exist within the SAS as well as the Chairs of them.

| Committee | Chair | Responsible for... |
|---------------------------------------|-----------------|--|
| Professional Affairs Committee | Frank McInerney | Constitution, Code of Conduct, Professional Standards and CPD |
| Administration Committee | Jill Hoffman | Oversee the Secretariat and daily working of the SAS |
| Life Insurance Committee | Walter de Oude | Deal with Life Insurance matters, Appointed Actuary Symposium, Appointed Actuary induction course, etc |
| General Insurance Committee | Jim Attwood | Deal with General Insurance matters, General Insurance conference, etc |
| Health Insurance Committee | Chi Cheng Hock | Deal with Health Insurance matters, Health Insurance conference, etc |
| Public Relations Committee | Annette King | Promote the Society and the profession to the public, social events for members, etc |
| Education Committee | Mark Birch | Forum, educational courses, liaise with other actuarial bodies, etc |
| International Committee | Colin Pakshong | Represent the SAS to the International Actuarial Association and other global bodies, etc |
| Student Committee | Angela Koechli | Student concerns |

The last two committees (International and Student) are new. Shortly, we will be organizing a forum for students regarding the marking of exams and how it is done. Students, we would like your input about how the SAS can best serve you! Please contact Angela if you are interested in serving on this new committee. If you are interested in serving on any of the committees, please do not hesitate to contact the Chair about how you can become more involved.

As well, if you participated in the Salary Survey you should have received an e-copy of this last week. If you did not, please contact Patsy. The survey is only for participants and is not intended for general release and as such will not be available on the website.

As always you can reach me at secretary@actuaries.org.sg. I'd love to hear from you!

[Jill Hoffman](#)

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