



Singapore Actuarial Society

Newsletter

24 November 2009

Editorial

Notes from the President

Life Insurance Committee

Public Relations Committee

News from NTU

Council Update

Editorial

Following the recent talks organised by the SAS for actuarial students and potential actuarial students at Nanyang Technological University (NTU), the student membership of the SAS has increased substantially. This newsletter also features some updates from the Actuarial Science team at NTU. We hope the increased membership will lead to stronger ties and closer co-operation between the two organisations.

[Rani Rajasingham](#)

Notes from the President

I attended the International Actuarial Association (IAA) meetings in Hyderabad India from 12 - 15 November 2009. This was my first attendance at such a gathering. The main events for me were the President's Forum and the Council Meeting. These took 4 hours and 5 hours respectively, and you need a special type of stamina for these meetings. From the Asian region there were representatives from Japan, Taiwan, Hong Kong, Australia and the hosts India as well as myself.

There was a presentation and discussion at the President's Forum about Solvency II and the approach that the IASB will take to accounting standards. Also the activities of the IAA in representing Actuaries worldwide. One major initiative was the extension of the Chartered Enterprise Risk Analyst (CERA) qualification beyond the Society of Actuaries in the US. 14 actuarial bodies signed a treaty to establish the CERA as a globally recognised ERM credential. The idea is that it will be an actuarial qualification that can stand alone and would be considered as at the same level as an Associate.

The main issue of the Council meeting was the election of an Executive Committee, which would effectively run the IAA. The current Council, which includes representatives of all IAA member bodies and Sections, would remain the ultimate governing body of the IAA but is too unwieldy for the efficient running of the body. Apart from that the Council discussed budgets, voting rights and other procedural matters as well as receiving the reports of various position holders.

These IAA meetings are held twice a year; in 2010 they will be in Cape Town and then Vienna. In 2011 Sydney is earmarked for the first meeting. To have a major influence on the proceedings a body like the SAS would have to commit significant resources, which I do not believe that we have at the moment. I would certainly encourage any interested SAS member to put their name forward for a place on one of the many committees and in the absence of the President it would be useful for anyone who can attend the Council as an SAS representative to do so. The whole event was useful to catch up with actuaries from all over and thanks go to the Institute of Actuaries of India for hosting an enjoyable gala dinner.

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

Life Insurance Committee

The third (or fourth) Appointed Actuaries Symposium was held on 10 November 2009. We think there have been just 3 Symposiums to date, but there is a rumour that we may have actually had 4. If anyone has any evidence of a symposium prior to 2007, please let me know!

Be that as it may, the 2009 symposium was a great success. The theme was "Trends Towards Economic Capital" and the day entailed much learning and lively debate on the topics of solvency II, practical MCEV, ALM and hedging strategies. Different views from practitioners, consultants and investment bankers were shared during panel discussions.

Notable presentations were also made by Khoo Kay Hwee from MAS, as well by Ronnie Bowie - President of the Faculty of Actuaries.

It was also great to have a presentation on hedging strategies made by Morgan Stanley - which was one of the most easily understandable (and hence useful) investment banking presentations I've heard in a while.

Already looking forward to the 2010 symposium.

[Walter de Oude](#)

Public Relations Committee

Visit by the UK Faculty of Actuaries President

On November 10 and 11, the UK Faculty of Actuaries President, Ronnie Bowie, visited Singapore.

Jointly with the SAS, he met with the MAS, CPF Board and NTU. Issues discussed spanned regulation during and after the global financial crisis, the need for actuaries, the opportunity for actuaries to branch well beyond insurance into fund management, banking, and enterprise risk management in virtually any organisation. Ronnie pointed out that insurance companies, largely with the help of actuaries, generally fared better than the banks during the financial crisis, and that more work could be done by actuaries to help manage risks in other organisations.

Ronnie also held a members' lunch for UK Institute and Faculty members, where he updated them on new member services, particularly to overseas members; and also updated members regarding the merger between the Faculty and Institute.

Another theme of Ronnie's visit was the new global Enterprise Risk Management qualification, CERA, which will be the first global actuarial qualification, recognised in at least 12 countries. The treaty was signed by 14 actuarial bodies in 12 countries (including the UK, US, Australia and many European bodies) in India in November and the first exams by the UK bodies will be in April 2010. The SAS is looking into arrangements to facilitate study locally in this qualification, as members may wish to extend their knowledge and qualifications with this one additional specialist subject.

Actuarial Networking Night for Investment and Banking Members

Our first social evening for investment and banking practitioners was held on November 18. 10 members had an enjoyable evening and requested more opportunities for networking amongst the "wider field" actuarial clan. There was much discussion about how many opportunities there are for actuaries to add value in banking and investment; but we need more people to understand the skills and brand of actuaries.

Discussions with Stakeholders

Discussions were held in November with both NTU and SMU regarding linkages between the actuarial profession and universities. The focus for both universities is around liaison/networking, explaining the role of actuaries to students and potential students, and also supporting work/intern opportunities with industry.

Late in November our President will meet with the General Insurance Association.

Upcoming PR and Social Events

January Student Forum

Quarter 1 Bowling Night

[Annette King](#)

News from NTU

Actuarial Science Programme, Nanyang Business School, Nanyang Technological University

Actuarial students received top awards

Two of our 2009 graduates, Aw Ying Feng and Chua Hui Shan have received top awards from the University. Ying Feng was awarded the Lee Kuan Yew Gold Medal and the University Scholars Award, and Chua Hui Shan was awarded the University Scholars Award. These university-level prizes are granted for academic excellence and all-round achievements. In particular, there were only 26 Lee Kuan Yew Gold Medals and 20 University Scholars Awards granted to students from different Schools and disciplines, out of a total of 7,983 graduates this year. Ying Feng was the only student in Nanyang Business School who won the Lee Kuan Yew Gold Medal. Hence winning these awards is of great honour and we are very glad that two of them came from our Actuarial Science programme. (A number of our earlier graduates also won these top awards from the University in the past couple of years.) We would like to take this chance to congratulate Ying Feng and Hui Shan on their outstanding achievements during the university time.

Minor Programme in Risk Management and Insurance (RMI)

This year we have introduced a Minor Programme in Risk Management and Insurance (RMI). This programme has attracted high-calibre students from various disciplines including accountancy, actuarial science, aerospace, biological science, chemistry, computer engineering, economics, electrical and electronic engineering, materials science, mathematics, and mechanical engineering. As the demand is very high, the average entry GPA is 4.4 (with a minimum of 4.0) and the class size is capped at 40. The demand appears to be driven by the awareness of global financial crisis and importance of proper risk management.

(The number of students in our Actuarial Science programme has also been growing significantly over the past few years. The intake was 30+ in 2007 and 40+ in 2008, which has increased to 50+ this year.)

Emerging statistical and mathematical techniques for actuarial practice

Over recent years, there are various emerging statistical and mathematical techniques in actuarial science. As markets are getting increasingly sophisticated and more risks are being commoditised and become tradable, it is very important for actuaries to keep abreast of the most up-to-date methodologies, and avoid being obsolete as many practitioners overseas are already actively experimenting and adopting new techniques. In regard of this trend, our Actuarial Science team is proposing to conduct a one-day course in the future and aims to provide an introduction of concepts and techniques that are relatively unfamiliar to actuaries. Potential topics include volatility modelling, derivative pricing, bootstrapping and simulation, copulas, and extreme value theory. We are seeking your interest and please contact us for any of your thoughts and ideas. Your feedback is much appreciated.

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http://www.nbs.ntu.edu.sg/undergrad/BUS/Prog_Struct/Bus_Prog_Struct_ACS.asp

Council Update

One of the interesting topics that came up with the SAS visit to MAS with Ronnie Bowie is ethics training. If we as a professional body want to strengthen the independence of the Appointed Actuary, then we also need to ensure that actuarial act in an ethical manner. Should the SAS add ethic hours to the CPD? Offer training courses? These are some of the issues we will look into over the next year.

The year-end is fast approaching, and this means that subscriptions and CPD hours will be due soon. Subscription notices will be going out soon and I remind everyone that CPD hours for Fellows will also be due. As ratified at the last EGM, 20 hours of CPD is required. Please see the website at: <http://www.actuaries.org.sg/?q=node/88>.

If you have any questions or wish to volunteer, please do not hesitate to contact me.

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