



MESSAGE FROM THE PRESIDENT

☞ Raymond Lai



What a year it's been. In the 4 months since the last issue of this newsletter in August, there has been enough "excitement" to be comparable to the last 4 decades. Events in US and Europe have spooked all types of investments all across the globe.

The credit crisis snowballed to unprecedented proportions in the month of October with the string of highly publicized failures of major financial institutions in US. Fresh from the bailout of Freddie Mac and Fannie Mae, US Federal Reserve had to step in again to rescue American International Group, the world's largest insurance company, from going under. The impact from the turn of events supplied through the world's financial markets. Major central banks, in a concerted effort, pumped billions of US dollars into their systems in the hope of alleviating a painful credit crunch. White House, US Treasury, Federal Reserve and congressional leaders worked overtime to cobble together a US\$700 billion bailout package to rescue the financial system from collapsing.

Besides the excitement from the recent financial crisis and expectation of global economic recession, the actuarial profession has been quite busy with its own excitement. Looking back it is good to know

that RBC has been implemented on 1 January 2009. I am also informed that Actuarial Guidance Note on valuation of life insurance liabilities had been posted on the website too for appointed actuaries' reference.

Actuarial Society of Malaysia (ASM) is now making CPD compulsory in that every Fellow must fulfill and meet the minimum requirement. This is indeed a giant leap for the actuarial profession to make actuaries a trusted and credible profession in the eyes of both regulators as well as the public. A good job done by the professional development committee.

Actuarial Society of Malaysia has celebrated its 30th birthday on 30 July 2008 at the Prince Hotel, Kuala Lumpur. In my welcome speech, I challenged all ASM members to reconsider repositioning the future of ASM over the next 30 years. Don't ask what ASM can contribute for you, ask what you can contribute for ASM. If you don't like something, change it. If you can't change it, change the way you think about it. The future of ASM lies in your hand.

While ASM has accomplished various tasks, there is still unfinished work. Due to the ASM constitution which states that a President cannot stay for longer than 2 terms, I will leave it to the next EXCO to continue building the vision. For now, I would like to thank the EXCO for their tireless contributions to ASM throughout the year. Because you are committed and contributed professionally, it has made my term as President so

much more fun and enjoyable. For that, I would like to extend my sincere big “Thank You” to you.

For many other members who are not in the EXCO but who participated via other sub committees, you have also made very valuable and important contribution to the society. These are the real workers behind all scenes of ASM. Again, I thank you. Before I bid farewell, I hope that many of you who have participated actively and shown interest in ASM activities, will continue to do so in the coming years or maybe join the EXCO Council.

Lastly, I would like to remind you that the 16th East Asian Actuarial Conference will be held in Malaysia in 2011. You might even want to contemplate volunteering to organize this once a life time event.

To the next EXCO, cheers. ☐

A peek of ASM 2009 Events...

Year 2008 has been a fruitful year with the ASM trying out various new attempts. Year 2009 is a brand new year full of exciting expectations.

Events’ committee comes across different ideas every year; we try our best to provide members with different events on top of the busy schedule at work and exams. Our mission is to create a work-life balance.

AGM and Annual Dinner are our annual events not to be missed. We are planning for ASM AGM 2009 in February after Chinese New Year. Watch out for ASM email and mark your calendar.

ASM Evening is back! Not knowing the venue nor the sponsor, yet we know everyone deserve one de-stress night. Thus, we want to create another drinking night for all ASM members to get together after a hard day’s work, and take the opportunity to catch up with friends. There will be finger foods, free flow of drinks, music and relaxing environment.

Ready for a race? We will start with running this year. Many told us that running is more fun than walking, thus we will look for a “RUN” event to tap into. See you there! ☐

What’s happening in the actuarial world?

Updates from the British Isles.

Global Financial Crisis Group discussion forum

The Global Financial Crisis Group (GFCG) was set up in response to the credit crunch and the resulting global economic crisis. Its broad aim is to provide information for members of the UK Actuarial Profession and the wider financial community on various aspects of the crisis and the profession’s response to it.

An online discussion forum has been set up for members to exchange views. This can be reached at <http://kan.actuaries.org.uk/Wiki%20Pages/Home.aspx> (to log in, you need to be a member of the Institute or Faculty of Actuaries). ☐

Updates from the States.

Global Financial Crisis Group discussion forum

The current financial crisis presents a case study of a “financial tsunami” (as former Federal Reserve Chairman Alan Greenspan recently called it) on what can go wrong. Its ramifications are far-reaching and the lessons learned will be embedded in risk management practices for years to come. As one of the premier enterprise risk professions in practice today, the actuarial profession is sharing its substantial insight into what went wrong and the implications for the future.

The Society of Actuaries, the Casualty Actuarial Society and the Canadian Institute of Actuaries has put out a call for authors to share their thoughts and insights on the current financial situation. The e-book, Risk Management: The Current Financial Crisis, Lessons Learned and Future Implications is the result of this call for essays on the subject coordinated by the following groups:

- The Joint Risk Management Section of the Society of Actuaries, Casualty Actuarial Society and Canadian Institute of Actuaries
- The Investment Section of the Society of Actuaries
- International Network of Actuarial Risk Managers
- Enterprise Risk Management Institute International ☐



Me posing with a backdrop of snow capped mountains of the famous Swiss Alps

Journey to the West... And Back Again

➡ Patrick Cheah

Well my journey started on an eventful afternoon in the summer months of 2001. An e-mail pops up on my screen. Blinking twice, I wondered if my eyes were playing tricks on me. It was my ex-colleague from my days working in the UK. E-mail read the following:

“Hi Patrick, how are you? How’re the studies and exams? Still interested to work in Europe?”

I thought hmmm.....I’m perfectly fine working in Malaysia, of course learning lots of things as I was working for a smallish company and getting my hands dirty in everything. Studies and exams did not seem to be moving anywhere, probably owing to the fact that I was getting my hands dirty in everything save the studies. Still interested to work in Europe.....I went.....are you kidding me???

Working in Europe has always been a dream. Furthermore, subsequent e-mails from my friend

came back with promises of working off a suitcase, travelling to exotic places, etc.

Off I went for the interview barely 3 weeks after that initial e-mail and I was still pinching myself in the face. Stayed in Germany for 4 days and the interview had been an extremely interesting experience for me. In fact the interview wasn’t even an interview but more of a briefing of my job scope and responsibilities.

Of course to go overseas one had to suffer the long wait of getting the red tape out of the way. It was not till early 2002 did I finally set off on my journey to the West. Landed myself working for a huge multinational in the shape of Allianz and based in Germany. Came out of the airport and what do I see, a huge row of Mercedes Benz as taxis. Maybe one day Malaysia will come to a stage where all our taxis are Mercedes.

And did I start my job off with a bang, a workshop with all the actuaries from the mid-sized to small subsidiaries of Allianz were here. Got myself formally introduced as the Embedded Value (EV) guy, meaning all queries and reporting of EV should come to me. Well it was good to network with the fellow colleagues as my role was not only EV but full life actuarial services to all Allianz life subsidiaries.

Over the years after that I got myself involved in EV, product development, profit testing review of 8 countries, specialist actuarial modeling, ALM implementation, M&A work, US GAAP reporting, etc. My journey took me to exotic places like Slovakia, Czech Republic, Bulgaria, Russia, Switzerland, Austria, Taiwan, Thailand and not forgetting a few more other places. I was practically living off my suitcase as I had periods flying to 8 cities in a space of 8 weeks back to back!

A setback in Europe is that all shops close real early. By 8pm there is hardly anyone on the streets, 'cept for the restaurants and pubs. Nothing opens on Sundays. Of course for an actuarial student, this is like force studying or you will be bored to death situation. So study I did, and past my exams I did, finally qualifying as an actuary in the winter of 2004. I remember that day very clearly as I was more relieved rather than happy when seeing my name on the qualifiers' list. A relief that I do not have to face those nasty exam papers anymore.

The early months of post-qualification came about with a bout of withdrawal syndrome. I was in the

apartment staring at walls just wondering how to get back to a life without studying. However my boss gave me the perfect cure, putting more job responsibility on my plate and even more travelling. I was sent off to Switzerland for a year for specialist actuarial modeling project and facing the most complicating product that I have ever seen in my life.

I started seeing less and less of my office in Germany and even at one stage my boss had to admit he had forgotten how I look as I was so often away from the office. After all those years of special projects and travelling, I realized maybe it is time to slow down the pace of life and settle into something more managerial.

A phone call from a headhunter came asking if I was interested to go back Eastwards and I thought yeah it is time and if the job is right. So here I am today back in our beloved country and working in an exciting growing industry which has lots of potential. Looking at the Malaysian actuarial population worldwide, we are probably a major exporter of actuarial talent. If some of these talents can be persuaded to come back, then the actuarial future of Malaysia will be extremely bright and rosy. ☐

Patrick is working for AmAssurance now but was for a period of 6 years working for Allianz in Germany.



The beautiful Stuttgart City, Germany where I was based



New actuary: Yoon Yew Khuen

New actuary: Wan Saifulrizal Wan Ismail



➡ Alexis Chao

What do the New Actuaries Say?

The year 2008 has been a good year for the actuarial profession. This year we have witnessed the ascension of about 10 Associates to Fellows, the highest number of newly qualified actuaries in a year in many years. Two of the new Fellows have been interviewed to discover their success story. Mr. **Yoon Yew Khuen** and Mr. **Wan Saifulrizal Wan Ismail** both work for Bank Negara Malaysia, the Central Bank of Malaysia and both qualified at the same time on July 2008. (Alexis Chao – AC, Yoon Yew Khuen – YYK, Wan Saifulrizal Wan Ismail – WSWI)

AC: How did you come to take the path to be an actuary?

YYK: In my schooling years, Isaac Asimov's "Foundation" trilogy opened my imagination to the possibility of discovering an underlying order in the chaos of the universe. Since then, I've been sobered by reality and now I'm happy just to speak in terms of confidence intervals. Seriously though, deciding to take the path is one thing but staying on it is another matter. What has helped me stay on the path is the desire to learn more – I actually find it interesting!

WSWI: It was at the time that I was scouting around for scholarships after my SPM. My initial plan was to do chemical engineering. But there were a few institutions that offered scholarship to do actuarial science. While I was researching on what actuarial science is about, a very successful

accountant actually advised me to go into actuarial science. So, I took up a scholarship to do actuarial science and the rest, as one would put it, is history.

AC: How long did it take you to achieve the qualification? What do you feel about the road you have taken?

YYK: Eight-and-a-half years from the moment I registered as a student of the Institute of Actuaries. The average time to qualifying is often quoted as seven years. On that measure, I'm below average. On the plus side, it has given me more time to ensure I have an acceptable level of knowledge, competence and experience before taking on the responsibilities that come with the qualification.

WSWI: It took me about six years from the time I obtained my BSc in Actuarial Science to qualification. Of course getting certain exemptions

during my BSc days did help quite a bit. I do think that if I have to redo everything all over again, I would have taken the same route but with a heightened discipline in taking the papers that I am not exempted from.

AC: Were there ever a time when you have felt discouraged by this path you have chosen? How did you overcome?

YYK: Yes, when I needed to repeat my fellowship paper a few times. The usual points about not giving up now that I'm so close, the rewards of qualification as an incentive and the fact that there are others that have taken longer – all that helps to some extent (also the all time favorite: “there's life outside of actuarial work” – you can't argue with that!).

What I feel is more important, though, especially when all your colleagues are breezing through their papers and you're stuck on the same one, is to continue being a productive and contributing member of your team. It's very easy to get the balance wrong and sacrifice growing in professional competence for the sake of exam progress. Again, you'll never get the balance right unless you actually like doing this stuff – then you won't fall into the trap of putting exams and work into separate compartments.

Taking another step back, it's so important to see the meaning and purpose in what you do – where it all fits into the grand scheme of things. That helps me keep my bearings straight. I see this as my calling at this stage of my life / career, and the exams as an “entry requirement” (or even “cover charge”) that's needed to participate.

Finally, integral to my mental, physical and emotional well-being throughout the journey is the ongoing support of my wife, my family, my friends and my colleagues. Wouldn't have made it without them.

WSWI: There was once that I have thought about giving up and probably take-up other qualifications such as CFA or ACCA. But I manage to come around to my senses to persevere and took it up as a personal challenge to finish up what I have started. And of course, encouragement from my wife, my partner then, helps.

AC: How do you feel now that you have achieved your target after the long and arduous journey?

YYK: Most immediately, I'm relieved now that I'm done with the exams. Of course, there's a sense of satisfaction that the hard work has finally yielded its fruits. I now feel like I've truly earned it - I can now claim to be a fully paid-up member of the profession!

I have made many promises earlier on that I have to fulfill now that I'm done studying, not least to friends in ASM – I think all of that will require more than the time that I would have otherwise spent studying!

WSWI: A huge huge relieve. I think to know that I don't need to sit for any more exams is a bigger joy than other benefits such as recognition etc.

AC: Do you have any thoughts or advice that you wish to share with the young and hopeful actuarial community?

YYK: Other than the points I mentioned above, I have also learnt the importance of humility in a profession where knowledge easily puffs you up. Whilst the exams are a solo effort for some of us, all of us depend on others to survive in this profession. The failure of major global insurers in the recent past are object lessons in what happens when actuaries cease being teachable.

WSWI: I thought of this when I almost gave up. Once you have decided that getting a qualification is the route for you, you need to give your 100% in attempting the papers. If not, you will only be prolonging your “suffering”. Since, when you are not preparing for your exams, you will feel guilty. But when you are preparing for the exams you feel that you are deprived of enjoyment of doing other things. So, to get out of this “trap”, give your 100% and get the exams over and done with as soon as possible.

AC: Thank you both for the time taken for this interview. I am certain this article will be beneficial to those who are still taking their exams and also to those who are still new to the actuarial community. ☐



Happy 30th Birthday!

➡ Pong Chiew Ping

HAPPY 30TH BIRTHDAY ASM! The EXCO noting that ASM is 30 years old this year, we know it's time for a SPECIAL celebration.

As usual, the Annual Dinner is not complete without the presentations. Special thanks to the two speakers of the evening: Mr. Gary Hoo and Ms. Pua Ser Sze. Gary presented The Growth of General Insurance in Malaysia and Ser Sze shared on The Impact of US Subprime to the Local Economy.

Making an opportunity of having most ASM members gathered together, EXCO held an EGM at the same time. The main changes fell on the category change in membership application where recruitment agencies are not allowed to apply as member of ASM. EXCO took note of the feedback given on the constitution and to make the necessary amendments.

We also took this opportunity to acknowledge members' achievement. The acknowledgement was

for the talented and young one, for those who passed their final professional actuarial examinations in between September 2007 and July 2008. ASM would like to take this opportunity to acknowledge their achievements and continuous contributions to the Actuarial industry.

About 7pm at night, everyone who registered for the Annual Dinner is invited to the dinner hall. President of ASM – Mr. Raymond Lai was invited on stage to give a welcome note to all attendees. Raymond appreciated everyone's support over the



The after dinner Quiz Winning Team!



Cake cutting ceremony with Raymond Lai and all past ASM president's

years and thanked all past presidents who made it to the dinner. After Raymond's speech, the event proceeded with slide show of the previous years' ASM activities. After the slide show, a birthday cake was brought to the hall and all past presidents were invited on stage for the cake cutting ceremony.

Making the highlight of the night was the lucky draws. Vouchers in different amounts were to be giving away in 3 draws; congratulations to all lucky ones.

Quiz has become one of our annual events where

the teams gathered after dinner and started squeezing their brain for questions that looks familiar and yet unable to locate the correct answers. This year, we have 8 teams with 4 members each registered for the quiz. Top 3 seats in ascending order goes to Team "Mercenaries 1", Team "A" and Team "Am-Bitious". Congratulations to all of them who walked away the voucher prizes.

ASM once again thank you for the support from all members and wish for the continuous support in all events. ☐

Another peek of ASM 2009 Events...

Wanted to conquer Mt Kinabalu? We are planning for another tour to Mt Kinabalu in year 2009, targeting mid of the year; a sunshine not to be missed. For those who've been there, you know the fun. For those who've always wanted to try, we have actuaries who've been to Mt Kinabalu a few times and can tell you the fun part of the hike. Making this event a meaningful one, we plan charity fund rising to be part of the event. Everyone who participates in this event is encouraged to raise funds from colleagues, friends, relatives; all proceeds will be donated to designated society.

ASM Math Tournament for high school students. There are many ways to increase the awareness of the young groups on Actuarial Profession. The one we try, is to target on those who are already interested in mathematics by informing them what Actuarial is and what the profession do. We target to get Form 4 or Form 5 students to participate in a tournament, with a brief introduction of our profession; who knows, some of them will be our colleagues in future.

To bowl or to hunt? Not knowing the reason, ASM tend to have more bowlers than hunters. We're always welcomed by a bowling event whereas treasure hunt is rather difficult to get enough participants. What do you think if we combined both? Just a thought; if a boxing and chess combined tournament is possible, why not a bowl and hunt event? ;p



Best Team: Meet Mama Tina – Mohd Husni (Left), Ahmad Faiz, Ramlan Nasir, Kartina Ariffin.

Bowling Tournament 2008

➡ Pong Chiew Ping

The ASM Bowling Tournament 2008 was open only to ASM members, yet we got support from many members who have not been to a bowling center for years. Recording a total of 81 bowlers, we occupied half of Cosmic Bowl Mid Valley.

The night started with registration and a simple buffet dinner. Have you tried the popiah? It was not in my top choice yet it came highly recommended by the caterer. I find them nice and they proved that we should not judge the food by its look.

After many exciting “battles”, the games ended around 9pm and everyone just can’t wait for the result to be announced. Unfortunately, the registration form forgotten to ask for the gender of each participant, thus we had to find out which of the top scorers is male or female. The embarrassing moment took around 10 minutes before we finally awarded the real winners with their prizes.

12 December 2008 is a memorable day to all winners of the ASM Bowling Tournament 2008. They walked away with Jusco vouchers, just before the year-end sale ended too; wish everyone had a

delightful shopping experience. The top two scorers of the ASM Bowling Tournament 2008 are our Male and Female Champions, a big applause to Ramlan and Nisa.

Thank you very much to all participants, supporters and assistants. It is because of your participation that made this event a very successful one. Events’ committee here wishes everyone had fun and enjoyed the bowls. ☐

Best Team	Meet Mama Tina (Kartina Bt Md Ariffin, Ramlan Bin Mohd Nasir, Mohd Husni Bin Mohd Hafiz, Ahmad Faiz Ashrofie)
Male Champion	Ramlan Bin Mohd Nasir
Female Champion	Hairunnisa Hafni
Male 1 st runner up	Zailan Bin Arshad
Female 1 st runner up	Joanne Lim
Male 2 nd runner up	Teo Kuok Shin
Female 2 nd runner up	Lee Wen Tjin

REMINDER! ASM FELLOWS & ASSOCIATES ARE REQUIRED TO MEET CPD REQUIREMENTS BEGINNING 1ST JANUARY 2009. There is an article on CPD for your perusal in the Malaysian Actuary August 2008 issue (<http://www.actuaries.org.my/default.asp?p=237>), or you can get more detailed information from the ASM CPD Handbook (<http://www.actuaries.org.my/default.asp?p=226>).



EXCO member Pong Chiew Ping (left) and Patrick Cheah with male 3rd and 2nd runner up Foo Yongwe and Lim Quei Hing

ASM Walk 2008

➡ Pong Chiew Ping

We know actuaries not only need to be mentally fit, yet physical healthy as well. Thus, in year 2008, ASM decided to reward members who are willing to wake up early in the morning to do some exercise.

ASM tagged on the MII Insurance and Takaful Walk 2008 event to provide incentive to the top 10 ASM members (5 in each male and female category) who managed to finish a 7km walk. With only RM10 registration fee each, we get to participate in the fun events, walking 7km and bringing many goodies home.

Unfortunately, the response for this event from ASM members was lukewarm at best; many claiming that they prefer “run” rather than “walk”. The Events’ committee will consider their feedback; we will try to look for a “run” event in year 2009, see if we get more runners. Nevertheless quite a few still turned up for the 7km “walk” challenge; a big thanks to all of them.

July 20th was a bright day with blue sky; the air around Dataran Merdeka is fresh. Although everyone woke up early, yet you can see the enthusiasm on their faces during warm up session.

Quoting the MII Insurance and Takaful Walk 2008 Event Master of the Ceremony: This is a “WALK” event. No running is allowed. In the race of

“WALK”, it is totally different from casual walking, where you legs are bending and stretching all the time. In this event, your legs have to be perfectly straight and we have officers stationing every half kilometers to watch your act. Anyone being caught running or bending your legs will be disqualified.

Trust me, you’ll wish it were just a run event after you have walked 7km in that method. From the start, you can see those professionals walking with straight legs getting to a few hundred meters ahead of you in seconds. Yes, in seconds. And you are still trying to fix your walking style as many officers are standing nearby catching the wrong move.

Special thanks to Melissa Ong (one of the committee member) who in addition to waking up as early, stood for 4 hours to get us pretty photos and recording finishing time. ☐

Male Best Walk	Alex Foong Soo Hah
Female Best Walk	Pong Chiew Ping
Male 1 st runner up	Quah Gar Guan
Female 1 st runner up	Hee Shiou Hooi
Male 2 nd runner up	Lim Quei Hing
Female 2 nd runner up	Jocelyn Chow Yik Yng
Male 3 rd runner up	Foo Yongwe
Female 3 rd runner up	Joelle Foo Jai Jai
Male 4 th runner up	Vhinodhan Veerapalan
Female 4 th runner up	Wan Nur Hafizah

Asset Liability Management (ALM) has always been a hot button in the insurance industry, especially with the Risk-Based Capital (RBC) implementation in 2009. However, not every insurance company in Malaysia has established a separate department for ALM purpose. To help insurance companies get some understanding about ALM, ASM has cooperated with All Event Group to organize a two-day ALM seminar in Kuala Lumpur. Wonderful speakers, nice location and excellent food were some of the memories brought to the participants.

The ALM seminar was conducted on 21 and 22 August 2008 at the Grand Millennium Hotel, Kuala Lumpur. Twelve participants joined the seminar. The speakers were Prof Philip Cheng of Hong Kong University of Science and Technology and Dr. Joseph Eby Ruin of Risk First Consultancy & Training Services. Prof Philip had 21 years of experience in international banking and investment with JPMorgan-Chase. After leaving JPMorgan-Chase, he joined MetLife Taiwan as the Chief Investment Officer for 11 years. Dr. Joseph Eby Ruin is the principal of Risk First Consultancy & Training Services. He was elected as the Regional Director for the Malaysian Chapter of PRIMA (Professional Risk Managers' International Association) in November 2007. Prior to that he held managerial capacities in 6 different banks and 5 non-banking organizations for 30 years.

The topics covered by Prof Philip Cheng include introduction to ALM, major ALM policies, specific ALM strategies, and ALM and Capital. Other than presenting the contents in the presentation slides, Prof Philip Cheng also shared his real life experience with the participants. His experience helped the participants better understand not only ALM but also the behavioural factor of stakeholders. To ensure the participants grasped the concept of ALM, Prof Philip Cheng also prepared several case studies for the participants.

Dr. Joseph Ruin spoke on the RBC framework in the afternoon of the second day. Credit, market, liquidity and concentration risks are some of the risks concerned to ALM, so Dr. Ruin's presentation covered those relevant sections in the RBC framework.

At the end of the second day, a Q&A session was opened to the floor. Participation from the floor was active and the explanations by both speakers have allowed the participants to understand more about ALM. The ALM seminar ended with the Q&A session. ☐

Asset Liability Management Seminar

➔ Lim Kuan Hong



Prof. Phillip Cheng and the participants of Asset Liability Management Seminar



Dr. Joseph Eby Ruin explained how to manage the balance sheet under RBC framework

Mr. Jeremy Wall, an external consultant from Australia but based in HK gave an interesting talk on an actuary's role in the General Insurance (GI) field. Jeremy is a very experienced actuary, having worked in life insurance and general insurance before setting up his own consultancy focusing on general insurance. He has extensive knowledge of Asian markets and is very familiar with the Malaysian GI market, being a signing actuary for a few GI companies here.

The talk was more focused on giving a good starting base for actuaries and actuarial students to know what an actuary does in GI. As most of us are in the life insurance field, it is sometimes foreign to us what or how our skills are applied differently from that to general insurance.

Firstly the tail is shorter, length of liabilities are shorter as compared to life. Experience is probably not as predictable as life owing to dependency to the economy and also competition. Jeremy gave a good account on how reserving for GI is done and the main factors contributing to how IBNR are calculated. Usually the focus on IBNR is to predict the ultimate loss ratio of a certain insurance contract. To determine such loss ratios and IBNR, one has to look at the amount of claims that have been paid to date, the estimated amount of reserves that has been set aside and the past experience of claims and claims payout. To do this the actuary will probably use run-off triangles to predict the future losses and hence come out with the calculated IBNR. Saying that however, calculating IBNR is a rather subjective matter and different actuaries will estimate different IBNR for one company.

Jeremy then gave a good account on how Malaysian RBC is calculated for GI and the main factors contributing to the capital requirements set by BNM. He also gave a comparison of the risk factors and charges set out in Malaysia as compared to those in the region.

General Insurance Presentation on Reserving & Capital Requirements

➔ Patrick Cheah

It was interesting to note the questions flying at Jeremy especially from those of us who work in the life field. All in all, the presentation provided a lively debate on the actuary's task in GI and also various methods of reserving and ways to reduce or improve capital efficiency in the GI industry. □



Core Applications 2 (CA2)

Workshop

➔ Lim Kuan Hong

Year 2008 marked the second year ASM conducted CA2, one of the examinations under the Faculty/Institute of Actuaries. CA2 is a two-day module where the lead assessor lectures on the first day and the candidates complete assignments on the second day. As with year 2007, CA2 was conducted in University Tunku Abdul Rahman in Petaling Jaya and Prof John Shepherd was the lead assessor.

Thirteen candidates sat for the module this year, seven less than the previous year. This in a way was a blessing in disguise because the air-conditioner in the computer lab malfunctioned during the two days. However, UTAR responded fast by providing fans to help reduce the temperature. Although the module was conducted under a slightly stuffy condition, the candidates displayed high degrees of concentration.

Several measures were taken to ensure the module went smoothly. Similar to last year, each candidate was provided a thumb drive to save their work in case their work was lost due to electricity failure. In addition, one laser printer was prepared for every 4 candidates to avoid queue during printing. UTAR also had a stand-by technician for computer issues that might arise. Fortunately, no contingency occurred during the two days.

In terms of food, UTAR prepared buffet and two tea breaks. Improvement could be observed as compared to last year because spicy food was not in the buffet and no candidate experienced discomfort after the lunch.

At 4.45pm of the second day, the candidates submitted their work to Prof Shepherd. A big thank-you was expressed to UTAR and Prof Shepherd. Wish all the candidates good results. ☐

Newest Puzzle Craze: Kakuro!

Kakuro, the newest puzzle craze from Japan! Sometimes called "Cross-sums" or "Kakro", Kakuro is Sudoku's bigger (and harder) brother.

The aim of the game is to fill all the blank squares in the grid with only the numbers 1-9 so that the numbers you enter add up to the corresponding clues. The grid is made up of "across" clues and "down" clues. When the grid is filled, the puzzle is complete. As with Sudoku, there exists only one correct answer for every Kakuro game.

In the example below we see an "across" clue square, with 3 blank squares to the right of it. The 3 blank squares make up a "run", you must fill the run so that all the numbers in it add up to the clue (in this case 12). So you could enter 1, 5 and 6 or 2, 4 and 6. Notice that 3, 3 and 6 is a wrong answer since there are duplicate 3's. You must fill in every run, using only the numbers 1-9 without duplicates. (Want to take the challenge? Proceed to page 14)

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Ben Campbell (Jim Sturgess) is a shy, brilliant M.I.T. student who needing to pay school tuition finds the answers in the cards. He is recruited to join a group of the schools most gifted students that heads to Vegas every weekend armed with fake identities and the know-how to turn the odds at blackjack in their favour.



With unorthodox math professor and stats genius Micky Rosa (Kevin Spacey) leading the way, they've cracked the code. By counting cards and employing an intricate system of signals, the team can beat the casinos big time.

Seduced by the money, the Vegas lifestyle, and by his smart and sexy team-mate, Jill Taylor (Kate Bosworth), Ben begins to push the limits. However things don't seem to be going his way. Distracted by the life in the 'fast lane', Ben botches his part on a joint university project with his friends resulting in an argument between them. Even worse, Ben has also attracted the notice of Cole Williams (Laurence Fishburne): the casinos menacing enforcer.

Though counting cards isn't illegal, the stakes are high, and the challenge becomes not only keeping the numbers straight, but staying one step ahead of

➔ Alexis Chao

21

"Inspired by the true story of five students who changed the game forever"

Cole. 21 is inspired by the true story of the very brightest young minds in the country and how they took Vegas for millions.

To an actuary whose daily work revolves around probability and statistics, it is undeniable that a movie which centres on such a statistical theme would be of incredible interest. Who knows... one of us might be able to come up with a new idea from watching this movie and next stop ... it's the Casino. ☐

Kakuro Challenge!

Now that you are familiar with the rules, do some brain warm-ups and give the Kakuro below a try!

(Please find the answer on page 17)

		30	3		23	14	3
	16	11			29	18	
28							
14			15	11		35	3
	11	17			3	4	
29							
15			6	7			5
	6	10	4		8	6	
41							
8				7			



ASM Membership Card cum Credit Card

ASM is proud to announce that it will soon be issuing membership cards to all members and also to subsequent new members. ASM, in partnership with Direct Access (a division of CIMB Bank Berhad) will issue all its members with the Direct Access ASM MasterCard (Affinity Card). With this Affinity Card, ASM members will be privileged to enjoy the following benefits:

- a) a wide range of Direct Access' banking privileges in the form of banking services and banking solutions designed for total banking convenience;
- b) the convenience of 24 hours a day, seven (7) days a week, telephone banking, with Direct Access' team of professional customer service personnel to assist in all banking needs;
- c) the convenience of internet banking;
- d) the Affinity Card also comes equipped with contact-less functionality and/or pay-pass feature;
- e) no annual credit card fee or annual subscription fee;
- f) in addition to the free Affinity Card qualified ASM members will also be issued with a Visa Card, and be entitled to obtain up to three (3) supplementary cards for MasterCard and three (3) supplementary cards for the Visa Card for free;
- g) earn bonus points for retail purchases (except petrol and diesel purchase transactions);
- h) be eligible to obtain overdraft facilities (at Card Member's option) for a minimum of RM 10,000.00 with a minimum annual income of RM 60,000.00;
- i) have a current account which also functions as a savings account and money market account complete with "Auto-debit and Auto-sweep" facilities;
- j) be eligible to obtain a Direct Access Mortgage Home Loan package with attractive interest rates, flexible payment arrangement, MRTA insurance, redrawing facility and automatic loan payments through Card Member's Direct Access Premier Plus Account;
- k) be eligible to apply to be a principal Card Holder from 21 years or age and above; and
- l) be eligible to apply to be a supplementary Card Holder from 18 years of age and above.

All ASM members are encouraged to apply for this card. This Affinity Card also doubles as an ASM membership card, and members will be required to show their Affinity Card as proof of ASM membership when attending any ASM events. Members can also pay their ASM membership fee as well as any seminar fees in future through this card. ☐



5D4N to Bali: Buy 2 Get 3rd Voucher at Half Price!

Specially for ASM members only!! (Limited Offer)

5 day 4 nights international accommodation to Bali for 2 adults valued up to RM4,500.00 at only RM499.00 (while stocks last).

- Validity period: 1 year from date of purchase.
- Free 3 days/2 nights stay for up to 2 pax, valued up to RM1,000.00
- Free personal training session including diet and nutritional consultation, valued at RM700.00.
- Free 1 day seminar on "How to be a millionaire within 3 years", valued at RM1,500.00.

- Free Bloodscan Live demonstration by fully qualified doctors and qualified practitioners, valued at RM200.00.

- Free one day health and wellness seminar on "How to live longer and stronger and prevent disease", value at RM2,000.00 and etc.

(Terms and condition applies)

For more details, please consult ASM secretariat: Hooi Lee at tel: 603-2687 2166, email address secretary@actuaries.org.my ☐

Kakuro Challenge! (Answer)

	6	1	7	3	4	1	8
4	9	7	8	2	6	5	41
1	5	6	3	1	4	10	6
5	4	2	1	7	6	8	15
2	8	1	5	6	4	3	29
1	3	4	6	9	2	17	11
3	35	9	2	11	5	9	14
2	5	6	4	1	3	7	28
1	9	8	18	29	2	9	16
3	14	23		3	30		

SUDOKU Competition

Come ONE! Come ALL! It's the ASM SUDOKU Competition.

**ONE... REPEAT
ONLY ONE PRIZE TO
BE WON!**

ELIGIBILITY:

ALL ASM MEMBERS ARE ELIGIBLE FOR THE CONTEST (Aside from the EXCO and other committee members for the Malaysian Actuary)

CONDITIONS:

CONDITIONS: First member to submit the CORRECT answer to Alexis Chao will win. You can submit your answer through fax (03-2026 7476) or through email (ckt@uniasialife.net.my). If sending through fax, please state your name and company clearly and attention it to Alexis Chao.

The decision of the panel of judges' is final and an email will be sent to all members once a winner has been decided. The winner will be presented with the prize during the coming AGM in February.

7						4		
	2			7			8	
		3			8			9
			5			3		
	6			2			9	
		1			7			6
			3			9		
	3			4			6	
		9			1			5

PRIZE: One FREE 5 days 4 nights international accommodation to Bali for 2 adults PLUS FREE 3 days 2 nights local accommodation to Pulau Langkawi for 2 adults. *

* Terms & conditions apply.