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**The Institute**

The Insurance Institute of Hong Kong was founded in 1967 and is an independent professional body. It has more than 400 individuals and a growing number of corporate members.

The Institute's principle aim is to promote and advance the professionalism of the insurance industry and a well-recognised local qualification for the industry.

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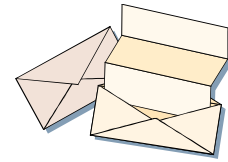
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## PRESIDENT'S LETTER



Dear members,

For many years the examinations set by the Institute as part of our Diploma course have been recognised by other examination bodies such as the CII and ANZIFF and our students have been granted significant exemptions by both organisations in their own qualification structure.

The CII has, over the past 12 months, conducted a revamp of its own examinations which could have directly affected our Hong Kong students. However, we have liaised closely with the CII and, in order to ensure that our exemptions remain meaningful, we have reviewed all our examinations and have arrived at a changed format for future settings.

This newsletter contains details of the new examination structure as well as the future exemptions so be sure to read about the changes and ensure new entrants to our industry are aware of the possibilities.

Our CII Alumni gatherings are taking shape now and the third event will be held on 16<sup>th</sup> June at the wonderful Club Lusitano in Central. Look out for the flier in this newsletter. We would urge all FCII and ACII holders to attend and we will once again invite new market entrants who have succeeded in the Award in General Insurance qualification. It is an invaluable experience for junior and senior practitioners to meet in a social environment and we seek more mentors to help nurture and advise these new graduates.

The very sad catastrophes involving both Japan and New Zealand have affected us all and have even had repercussions for the Institute. The eagerly await Advanced Course

hosted by the Insurance School (Non-Life) of Japan (ISJ) during May has had to be postponed. Our thoughts are with all victims and their families.

The consultations and deliberations continue in respect of the proposed Independent Insurance Authority. We all await the next round of consultations with interest as the first round generated significant comments and many strong opinions. The position of the Institute remains unchanged. We are non-political and we wish to be regarded as the prime independent authority in respect of insurance education and technical advising. We are working towards that role and will eagerly await the forthcoming deliberations.

Our seminars and workshops continue apace and are great forums not only to keep up-to-date but also to exchange ideas and concepts with peers. The CPD qualifications are also important for intermediaries of course!

We look forward to seeing you at one of our events and in the meantime wish you health, wealth and happiness.

Michael Haynes  
President

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## A.M. Best Comments on the Assignment of its First Asian Based Captive Rating

HONG KONG, MARCH 24, 2011

**A.M. Best Co.** recently announced that it had assigned its first rating to a captive domiciled in Asia as the global practice of major corporations self insuring through captives shows further signs of establishing itself in the major insurance markets of the Asia Pacific region.

Risk financing through captives is a long established practice in the United States and Europe whilst more recently domiciles in the Middle East have sought to attract new captive formations. A.M. Best's rating of Energas Insurance (L) Limited (Energas) in Labuan, Malaysia, marks the latest step in the growth of captive usage in Asia.

Energas, which has a financial strength rating of A (Excellent) and an issuer credit rating of "a" with a stable outlook for both ratings, is the primary insurance carrier for its ultimate parent, Petroliam Nasional Bhd (Petronas), the Malaysian state-owned oil and gas corporation.

Susanna Lam, Managing Director of A.M. Best Asia Pacific, said the rating demonstrated the development of Labuan as a captive centre in Asia. "Petronas' decision to rate its captive reflects the company's strong level of commitment to the overall risk management program of the group," she said. "By obtaining a rating, it also demonstrates the increasing sophistication of the Asian captive market."

A.M. Best currently rates approximately 200 captives worldwide, with Energas the first rated captive to be domiciled in Asia. Singapore is regarded as the key regional centre for captives, although Labuan has

emerged as an alternative hub with 33 captives operating in Labuan at year-end 2010.

Ms Lam added: "A rating can not only validate the financial strength and credibility of a captive but may also, among other things, provide greater flexibility regarding fronting arrangements, enhance access to reinsurance and provide captive benchmarking standards."

Petronas sought a rating for its captive, in part as it allowed the oil company to support its business plan of participating in the insurance arrangements of its overseas interests. Raziyah Yahya, chief executive of Energas, explained: "This rating enables us to expand our business and allow us to write our own risks domestically and in the international arena in countries where we operate without the need to use a fronting insurer."

The Asian captive market has been somewhat stagnant over the past few years, reflecting a soft market for rates although companies are reportedly becoming more sophisticated with their insurance purchasing and are exploring different alternative risk transfer techniques.

More information on Energas' ratings can be found in the February 23, 2011 press release at: <http://www.ambest.com/press/022302energ.as.pdf>.

The principal methodology used in determining captive ratings is [Best's Credit Rating Methodology -- Global Life and Non-Life Insurance Edition](#), which provides a comprehensive explanation of A.M. Best's rating process and highlights the different rating criteria employed. Additional key criteria utilized include: "Understanding Universal BCAR"; "Natural Catastrophe Stress Test



Methodology"; and "A.M. Best's Rating Methodology for Captive Insurance Companies." Methodologies can be found at [www.ambest.com/ratings/methodology](http://www.ambest.com/ratings/methodology).

**Founded in 1899, A.M. Best Company is the world's oldest and most authoritative insurance rating and information source.◆◆◆**

This article was first released on 24<sup>th</sup> March, 2011.

Source of this article can be found at Best's web site:  
<http://www3.ambest.com/Frames/Frameserver.asp?site=press&Tab=1&altsrc=2&RefNum=65494654775646496648>

***Do you know.....***

The EXTERNAL RECOGNITION of the IIHK Diploma of Insurance Studies has been updated.

**(1) The Chartered Insurance Institute (CII)**

Holders of the IIHK Diploma in Insurance Studies will be eligible to apply for the following CII credits.

**IIHK Diploma in Insurance Studies CII Accreditation available module**

Introduction to Insurance	10 non unit specific credits at Diploma in Insurance level
Principles and Practice of Insurance	20 non unit specific credits at Diploma in Insurance level
Legal Principles	10 non unit specific credits at Diploma in Insurance level
Insurances of the Person	20 non unit specific credits at Diploma in Insurance level
<b>Total</b>	<b>60 non unit specific credits at Diploma in Insurance level</b>

**(2) The Australian & New Zealand Institute of Insurance & Finance (ANZIIF)**

The ANZIIF allows two subjects (Subject FS 1402 Insurance Law and Regulation and FS 1403 Insurance Products) from their Associateship qualifying examination.

**(3) The Insurance Authority's IIQAS qualifying examination, Hong Kong (IIQAS)**

Hong Kong's Insurance Intermediaries Qualification Examination - Diploma holders are granted full exemptions on all insurance papers viz .

Part I -	Principles and Practice of Insurance
Part II -	General Insurance Long-Term Insurance



## A Mentor and a Friend, sharing of IIHK Mentorship program

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The general perception of a mentorship program to most graduates is quite often nothing more than a big grown up for “kids” like us, and for some, just an occasion for great food and drinks. For some the mentor would be a great model to follow, leading the way up the corporate ladder of success, or a big brother who you can turn to in various aspects of life, if not a helping hand for a job in the tough market. For me it is a little more than the above - thanks to IIHK and Mr. Norman Tsang, I was brought with a link to the industry network very close to my daily line of work in the general insurance industry.

Over the first three months of my mentorship program, Mr. Norman Tsang has shared his insights on paving our career. With over thirty years of experience in the field and qualified as a FCII, he discussed with us the preparations for our career according to our different background and personal characters. The industry insights and development he walked through with us have strengthened my understanding of the industry's working and environment. Thanks to Mr. Tsang, I was also presented with the opportunity to meet up with the other



professional involved in the industry, including underwriters, brokers, lawyers, insurers and reinsurers. This has been a tremendous experience to get to know the networks and various industry practitioners.

The IIHK mentorship program not only brought people from different generations together, but also provided an unique learning opportunity and opening doors of insights. I would like to thank IIHK for organizing such a wonderful and meaningful program. I would also like to express my gratitude to my mentor, Mr. Norman Tsang, for his devotion and time with us. Having a mentor to be our guide and someone to look up to definitely helps with career building. I highly recommend this mentoring program to those who are yet to join and hope our professional network will carry on expanding to future generations.◆◆◆

Helen Lau  
Hang Seng Bank

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## Being a mentee is lucky .....

I am lucky to be one of the mentees under the first mentorship program organized by IIHK which aims to help new comers of the general insurance industry. Through this nice arrangement, I got communicated with a very competent and experienced mentor as well as the other two mentees.

My mentor has been in the industry for almost 40 years. Though retired, he is still enthusiastic to contribute and take care of young members. We have met him twice in the past 3 months. I enjoy his sharing of interesting stories such as how he stepped in the field of insurance, different positions he have taken up, his work in UK, etc. I am also astonished how he could manage to take seven ACII exams in one entry. We need to work harder ☺

He is good at building strong network. It is really impressive that he could correctly name over thousand managers from different insurers or broker firms. He always emphasizes how important networking is for

everyone and therefore highly recommends us to build a connection with people, especially within the industry. In March this year, he invited us to join a housewarming party of a broker firm. During the event, he took the initiative to get more contacts for us by introducing us to his friends. Many of them are veterans of the industry. I appreciated the chance to meet with them and enjoyed the suckling pig as well as the pleasant atmosphere.

With the help of this mentorship program, I am able to extend my network and get valuable advice from my mentor about this industry which is helpful to my development. I would highly recommend everyone to join.◆◆◆

Carol Fok  
Euler Hermes Credit Underwriter

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### ***A way to help or be helped?***

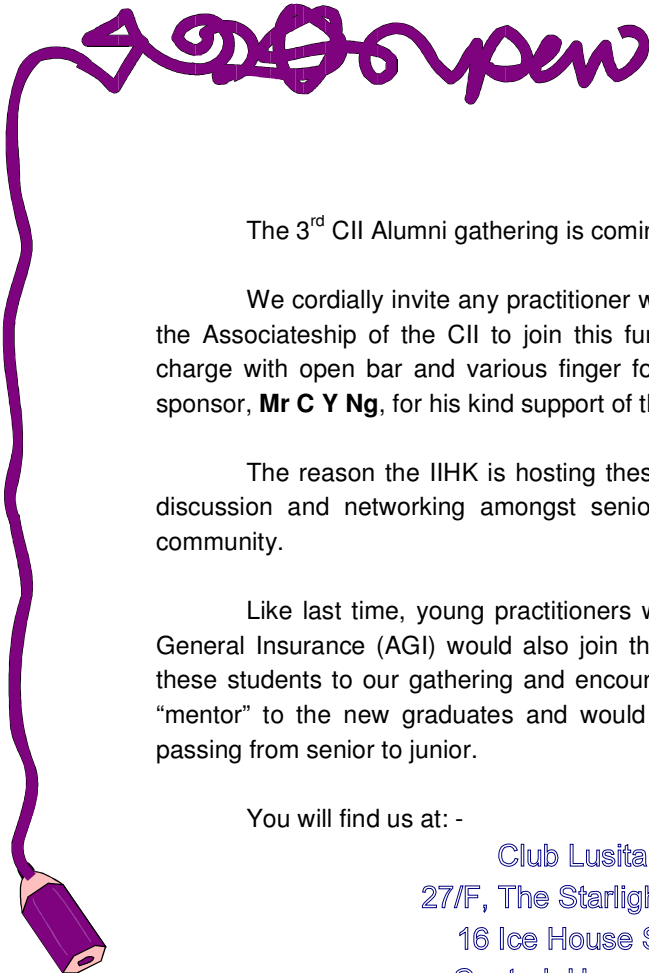
Join the mentor-mentee programme if you are enthusiastic, concerned and willing to share.

Whether you are a veteran or not, IIHK encourages the transfer of experience, knowledge and skills from one hand to the other to help the novice in the insurance industry. For a new comer to the industry, a helping hand would certainly be helpful in their career path.

Contact the Secretariat at 2520-0098 for details.◆◆◆



## The 3rd CII Alumni Gathering in Hong Kong



The 3<sup>rd</sup> CII Alumni gathering is coming!

We cordially invite any practitioner who holds either the Fellowship or the Associateship of the CII to join this function. This gathering is free of charge with open bar and various finger food provided. Our thanks to the sponsor, **Mr C Y Ng**, for his kind support of the event.

The reason the IIHK is hosting these Alumni events is to encourage discussion and networking amongst senior people in the local insurance community.

Like last time, young practitioners who have taken the CII Award in General Insurance (AGI) would also join the event. We would like to invite these students to our gathering and encourage qualified seniors to act as a “mentor” to the new graduates and would like to see advice and tutelage passing from senior to junior.

You will find us at: -

Club Lusitano  
27/F, The Starlight Room  
16 Ice House Street  
Central, Hong Kong.

Date: Thursday, 16<sup>th</sup> June, 2011,  
6:00 PM

Please complete the attached reservation form. Acceptance will be strictly on a first-come-first served basis.

Should you require further information please do not hesitate to contact Tania or Michael at the IIHK.





To: The Insurance Institute of Hong Kong

Fax: 2295-3939

## CII Alumni (HK) Gathering Reservation Form

Date: 16<sup>th</sup> June 2011 (Thur)

Time: 6:00 to 8:00pm

Venue: Club Lusitano  
27/F, The Starlight Room  
16 Ice House Street  
Central, Hong Kong

I would like to join the CII Alumni Gathering and my contact details are:

Name: Mr/Ms/Mrs \_\_\_\_\_

Position: \_\_\_\_\_

Company: \_\_\_\_\_

Tel: \_\_\_\_\_

Email address: \_\_\_\_\_

CII Membership Level (Please tick the appropriate box)

- ACII
- FCII

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*Please return this reply slip to the IIHK Office **by Fax** (2295-3939) or **E-mail** ([secretariat@iihk.org.hk](mailto:secretariat@iihk.org.hk)) on or before 9<sup>th</sup> June 2011. Places are limited and will be allocated on a first-come-first-served basis. Guests without reservation will not be served.*



# IIHK Diploma in Insurance Studies

## 2011 Second Series Examination

The Institute shall be holding the captioned Examination in Oct/Nov this year. Enrolment will be opened on July 15, 2011 and close on October 12, 2011 at 5:00 p.m.

Member will receive relevant notice via email later.

For more information please visit our web site: [www.iihk.org.hk](http://www.iihk.org.hk).



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### EXAMINATION SUBJECTS & TIME TABLE

<u>Subjects</u>		<u>Date of Exam.</u>	<u>Time</u>
i) Introduction to Insurance	(100)	Oct 27, 2011	6:30 pm – 8:30 pm
ii) Legal Principles	(120)	Oct 28, 2011	6:30 pm – 8:30 pm
iii) Principles & Practice of Insurance	(110)	Nov 3, 2011	6:30 pm – 8:30 pm
iv) Insurance of the Person	(130)	Nov 4, 2011	6:30 pm – 8:30 pm

### EXAMINATION VENUE

Sheng Kung Hui Tang Shiu Kin Secondary School  
No. 9 Oi Kwan Road, Wanchai, Hong Kong.

*CII Face-to-Face Technical Insurance Training***Business Interruption Insurance**

Dates: 13<sup>th</sup> & 14<sup>th</sup> Oct 2011, 9:00am-5:30pm

Tutor: **Mr. Neil Park from CII, UK**  
MA MBA FCII Chartered Insurance Practitioner

**Course aims**

The aim of this course is to provide a comprehensive analysis on the key elements of the BI mechanism and how BI works in practice. After attending this course, participants will gain a thorough understanding on all major aspects of Business Interruption Insurance.

**Course structure**

The course is held over two days with Day 1 on intermediate level and Day 2 on advanced level.

We recommend that delegates should attend both days (2 days) in order to gain a comprehensive understanding of the subject. However, delegates wishing to attend either day 1 or 2 may do so as the two units are self-contained.

**Who should attend?**

This course is intended for practitioners with a reasonable knowledge of insurance and the insurance market and is particularly suitable for those who work in:

- insurance companies, insurance broking firms;
- accountancy firms, banks and other organisations in the financial sectors;
- risk management departments of commercial organisations;
- law firms that carry out work related to insurance issues;
- government departments work closely with the insurance industry;
- account managers; underwriters and claims managers and the like.

**Venue:** 14/F, Fairmont House  
HKMA, 8 Cotton Tree Drive  
Central, Hong Kong

**Course fee:**  
HK\$5,900 (for 2 days)  
HK\$3,200 (for 1 day)

Duration: 2 days (6 CPD hours per day)

HKCAAVQ Approval Code: 80/38/12

***Places for each day's course are limited to 25 and will be allocated on a first-come-first-served basis. Early booking is recommended.***

*Staff of IIBK corporate member could enjoy a 5% discount.*



**MEMBERSHIP APPLICATION**

IIHK Membership No.

(for office use only)

(Please complete in BLOCK letters)

<b>Surname</b>	_____	<b>Given Name</b>	_____
<b>Chinese Name</b>	_____	<b>ID/Passport No.</b>	_____
<b>Sex</b>	Male <input type="checkbox"/>	Female <input type="checkbox"/>	
<b>Name of Employer (if any)</b>	_____		
<b>Position Held</b>	_____		
<b>Office Address</b>	_____		
<b>Home Address (Optional)</b>	_____		
<b>Tel. No.</b>	Home _____	Office _____	
<b>Fax No.</b>	_____	<b>E-mail Address</b>	_____

Insurance Qualification: (Please tick whichever is applicable)

FCII <input type="checkbox"/>	ANZIIF <input type="checkbox"/>	Others : _____
ACII <input type="checkbox"/>	Mem. ANZIIF <input type="checkbox"/>	(Please specify in details)
Dip. IIHK <input type="checkbox"/>		

I hereby apply to join as:- (Please tick as appropriate)

Ordinary membership       Non-Voting Membership       Student membership  
[For full time student]

of the Insurance Institute of Hong Kong Ltd and, if I am elected, I agree to abide by the Constitution.

I enclose my cheque HK\$150.00 payable to "The Insurance Institute of Hong Kong Ltd." being my subscription for current year.

Date : \_\_\_\_\_

Signature : \_\_\_\_\_

For further information, please call :  
Tel : 2520-0098 Fax : 2295-3939 Email : [enquiry@iikh.org.hk](mailto:enquiry@iikh.org.hk)