



Insurance & Actuary

Insurance is a risk transfer mechanism by which people or businesses can shift some of their risks to the insurance company. Insurance helps individuals, families and businesses to plan for the future and to protect themselves against unexpected losses.

Insurance can be divided into two major types: life insurance and general insurance. The latter covers marine and aviation, property and liability insurance. Some firms are highly specialised, while others investigate claims and negotiate settlements. Most, however, offer a full range of insurance services.

An actuary specialises in statistical and financial problems in life insurance and calculates the probabilities of death, sickness, injury, disability, unemployment, retirement and property loss. They also construct mortality tables to calculate the premium rates and policy values for life insurance policies and pension schemes.

POSITIONS

Opportunities for graduates in this industry are varied. These include accounting, actuarial, administration, broking, claims handling, investment, marketing, personnel, reinsurance and underwriting.

Actuaries are in demand in many different types of organisations and are key players in a company's management team. Besides the main areas of work life assurance and actuarial consultancy, actuarial consultants also advise insurance companies on all aspects of their business, and especially on mergers and acquisitions.

In addition to the major traditional work areas, there is a growing demand for actuarial services in health insurance, risk management and the financial services industry. Opportunities for actuaries are also opening up in diverse areas such as education, the environment and climate change, e-commerce and public infrastructure.

EDUCATION AND REQUIREMENTS

For the above posts, graduates of university or post-secondary colleges are recruited as trainees. Recruitment





criteria for most positions are not restricted to certain disciplines, but a background in accounting, underwriting, finance or economics is preferred.

A good command of Chinese and especially English is an advantage. For a position as an actuary, a degree or equivalent in actuarial science or a related subject such as mathematics, accountancy or statistics is a prerequisite.

Actuarial work involves lots of mathematics, but actuaries must also be up-to-date on business issues and trends, social science, law and economics. In other words, actuaries have a well-rounded business approach to problem solving. They must also be good communicators to explain issues to others.

SALARY & BENEFITS

The starting salary of a trainee is around \$10,000-\$15,000. The salary will increase with experience and those in broking, underwriting, investment and reinsurance can earn higher salaries due to commission and bonuses.

An actuarial student is likely to have a starting salary of around \$12,000-\$15,000 per month with newly qualified actuaries earning in excess of \$40,000 per month and senior actuaries in excess of \$100,000 per month. Both salary and advancement for actuaries depend on experience, after progress through a series of actuarial examinations in order to qualify as an actuary.

FURTHER TRAINING

Training is provided from both internal and external sources. Many employers conduct in-house training programmes for trainees, and also send them to insurance courses run by a variety of institutions. For actuaries, on-the-job training under the supervision of a qualified actuary for several years is the norm.

To become fully qualified, professional qualifications are offered by organisations such as the Insurance Institute of Hong Kong, Life Underwriters Association of Hong Kong and Institute of Professional Education And Knowledge.

FURTHER INFORMATION

To learn more about the actuarial profession, download 'A Career as an Actuary' from the website of the Actuarial Society of Hong Kong (www.actuaries.org.hk). For more information on opportunities in insurance, download 'Careers in Insurance' from the Hong Kong Federation of Insurers' website. The association can be contacted at:

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