

ActuaRead

A Newsletter by Malaysian Actuarial Student Association

March 2021

No. 5

Affiliated Actuarial Societies:



Official Graduate Career Partner:



About us

Founded in October 2018, the Malaysian Actuarial Student Association (MASA) has been actively developing actuarial science students' potential in Malaysia and empowering them to be the next generation of actuarial leaders. As of March 2021, MASA has gathered over 500 members from both public and private universities nationwide. MASA has also affiliated with actuarial societies from 10 universities in Malaysia.

President's Foreword



The Malaysian Actuarial Student Association envisions a united actuarial community in Malaysia that is au fait with actuarial professionalism. Comprised of actuarial science students from across Malaysia, we strive to help, lead, unite and connect with every student pursuing the actuarial pathway. We believe that through unity, we'll all thrive when we set foot into the actuarial industry.

The local actuarial student community is no short of talents, but not everyone is fortunate enough to be exposed to the necessary knowledge. Here in MASA, we pride ourselves on the connections we've made over the years to provide students with a fair chance at success. Using a variety of strategies and events, we have established a platform to be the center of influence and engagement to all those who seek for it. As the industry demands higher standard of actuaries, MASA ensures no one falls behind in the process of enriching ourselves; because we believe the key point to cultivating the next generation of actuaries is unity. The MASA newsletter continues to reinforce students' information on the industry and complement their knowledge of the updates from the entire actuarial community.

As we venture into another year of challenges, let it be known that MASA shall prevail over all the uncertainties and obstacles we must face. We henceforth invite you to join us in our journey, as we pursue to adapt to the ever-changing actuarial industry.

Our unity will be our salvation.

Our unity shall bring us triumph.

Wong Qi Jie,

President of Malaysian Actuarial Student Association

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Actuaries in the Time of Coronavirus



Actuary: Integrating the New Norm

VIRTUAL FORUM:
**ACTUARY:
INTEGRATING THE NEW NORM**

FORUM EVENT DATE: **8 February 2021**
5:00-7:00 pm

REGISTER NOW:

PANELLISTS:

- Mr Lee Chee Sin, Appointed Actuary, Allianz
- Mr Tan Suee Chieh, President, Institute and Faculty of Actuaries
- Ms Li Xiangting, Associate Director, Pricing, RGA

Sponsored by: Allianz RGA

On 8th of February 2021, **Heriot-Watt University Malaysia Society of Actuarial Science (HWUMSAS)** had organized a virtual forum to give all participants a deeper understanding of the actuarial and insurance industry during the current pandemic. A few prominent members in the actuarial industry were invited to talk about the upcoming changes in the industry and how students can prepare themselves to thrive in their future careers.

In the forum session, all the panel speakers advised that everyone should be resilient and adapt to the changes quickly as this pandemic had brought an unwelcomed change in everyone’s life. The pandemic has also impacted the actuarial and insurance product in its price as well as the underwriting process. The participants enthusiastically took their chances to voice out their concerns during the QnA session and the response from the speakers were very well received.

Better Insights into the Traditional Actuarial Fields

Actuarial Pricing & Valuation



APU Actuarial Science Club (ASC) had successfully held a webinar talk titled “Actuarial Pricing & Valuation” on 8th of February 2021. The speaker was Mr Kelvin Hii, who is the Vice President of MSIG Insurance (Malaysia) Bhd. and the President of ASM. Mr Kelvin had covered topics on the differences between actuarial pricing and valuation in terms of their functions, job scope, software used and the nature of work. He also briefly shared about his actuarial journey. The session was insightful for the club members as they gained better insights into both career options. The event has received a high participation rate and rating from the members. The society believes that the knowledge and insights gained will help students to have a clearer picture of their career planning.

Actuarial Pricing and Valuation

Monday | 8th February 2021 | 8.30pm-9.30pm
Free for ASC members | RM 10 for non-members | Microsoft Teams

Kelvin Hii
Vice President - Actuarial, MSIG Insurance (Malaysia) Bhd
President Elect, Actuarial Society of Malaysia (ASM)
Fellow of Institute of Actuaries of Australia (FIAA)
Experienced Appointed Actuary in General Insurance
2018 YAMA Winner (Young ASEAN Insurance Manger Award)

ASC
Risk is Opportunity

JOIN US !!

Discovering New Career Pathways for Actuarial Graduates



SAFE Panel Session

The poster features the Sunway University and Sunway College logos at the top. Below them, it reads 'PANEL SESSION' and 'DISCOVERING NEW CAREER PATHWAYS FOR ACTUARIAL GRADUATES'. A central image shows silhouettes of people sitting around a table. At the bottom, it provides the date (26 Jan 2021), time (7.00pm - 9.30pm), and platform (Zoom.us). It also includes contact numbers for Zong Ming and Jean Yin, a QR code, and the URL bit.ly/SAFEpanel. Logos for S.A.F.E., Friends of the Earth, Sustainable Development Goals, and the Jeffrey Cheah Foundation are at the bottom.

SUNWAY UNIVERSITY SUNWAY COLLEGE
A CLASS ABOVE Offering to a Higher Future

PANEL SESSION

DISCOVERING NEW CAREER PATHWAYS FOR ACTUARIAL GRADUATES

DATE : 26 Jan 2021 (Tuesday)
TIME : 7.00pm - 9.30pm
PLATFORM : Zoom.us

☎ 012-4815009 (Zong Ming) | 016-4346972 (Jean Yin) bit.ly/SAFEpanel

S.A.F.E. FRIENDS OF THE EARTH SUSTAINABLE DEVELOPMENT GOALS

Owned and governed by the Jeffrey Cheah Foundation
Nurturing the Seeds of Wisdom

Sunway Actuarial & Financial Excellence (SAFE) had successfully conducted an online panel session titled “Discovering New Career Pathways for Actuarial Graduates” on 26th of January 2021. The purpose of the panel session was to introduce different career opportunities beyond the actuarial industry for actuarial graduates and to provide exposure to the daily job scope of industry practitioners. A cast of experienced actuarial graduates was invited as panellists to provide insights on their current working experiences and the challenges they faced at work as fresh graduates. As the panel session wrapped up with a Q&A session, participants have gained insightful exposure to the career opportunities that lie beyond the actuarial pathway.

Route to be an Analyst!



Equity Research Challenge 2021

YOUR EQUITY, YOUR CORE VALUE

2021

EQUITY. RESEARCH. CHALLENGE.

Register Now!
[Until 5 May 2021]

Cash prize
1st prize RM4000
2nd prize RM3000
3rd prize RM2000

Participation fees
RM 50 per team
[3-5 students per team]

Competition timeline
MAY 08 - First training
MAY 15 - Second training
MAY 22 - Briefing
(Kick-off, subject company, event)
MAY 29 - Subject company meeting
JUNE 19 - Final report due date
JULY 10 - Release of report results
JULY 17 - Presentation

Contact:
|| Ong Seong Lik
017-3062988
|| Kelvin Tan Zi Yean
011-23881671

Sponsor:

Organizers: FIS BE RISK

Equity Research Challenge 2021 is a competition modified and inspired by the CFA Institute Research Challenge which tests students' equity research and analyzing skills. It is brought to you by Finance and Investment Society (FIS) of Universiti Tunku Abdul Rahman (UTAR), jointly organized with UTAR Banking and Finance Society (BFS) and collaborating with **Universiti Malaya Actuarial Science and Financial Mathematics Society (UMACT)**. This competition provides students with hands-on mentoring and in-depth training in company analysis and research skills. It tests your equity research and analyzing skills. Also, there will be 2 days of training provided by professional trainers to participants.

All university students from any courses are welcomed to join.

Do check out their Facebook page - Equity Research Challenge 2021 to join the challenge!

A Dip into Prophet

MASA Insights 3.0: Insurance Prophet-cies



In tandem with the increasing demand for usage of programming skills in insurance industry, MASA will be having **a 2-hour online webinar under MASA Insights series**. The webinar will introduce the Prophet software to the actuarial students, mainly allowing them to gain some bits and pieces of Prophet software, and its importance in insurance companies in terms of actuarial calculations such as asset liability modelling, stochastic modelling and risk management. It will be held on 17th April 2021 starting from 2.30pm, don't miss the opportunity. Limited places available!

Mentoring your Future Pathway

MASA Mentorship Programme: The ActuaReal Connect

Due to the positive responses, MASA has launched the **MASA Mentorship Programme** for students once again! This mentorship programme aims to integrate students' academic learning with real world experience to prepare a smooth and stable transition from their academic life to working life. As a mentee, various privileges can be enjoyed for instance academic and social support, soft skills development, guidance on career prospect and etc. Don't miss the chance to connect with the mentors!

Economy Recovery Process in Malaysia: Assured or Concerned?

Just months after the first anniversary, Covid-19 doesn't seem to have any sign of slowing their pace down. Impact of it might be seen superficially on paper, various sectors in fact are forced into shutting down. Especially airline sector, the worst-hit industry, is grounded by travel bans with the initiatives of curbing any risk of spread of virus across places.

Businesses are closing down, owned corporations are forced into liquidation, people living by daily wages are struggling with the cost of three meals per day. Continuous decrease in labor demand has had unemployment rate shoot up to 4.8%, which is the highest ever since 1993. It led to contraction of the economy as a result of low consumption considering the certain portion of people running out of jobs.

This is not the first time Malaysia has faced similar severe economic recession. Malaysia has experienced past three economic crises, Asian Financial Crisis (1997–1999), Dot-com Bubble (2000–2002) and Global Financial Crisis (2007–2009). In these crises, Malaysia experienced V-shape recovery, where the economy suffered a sharp decline followed by a strong recovery within five quarters.

Do we expect a similar recovery? Economist find that the strength of a country's recovery very much depends on the confident level of investors and consumers. Consumption and investment play a very huge role in the economy, because they are parts of the components of aggregate demand of a country. It requires initiatives, well-organized and cost-effective schemes that could attract the consumption. Only through increased aggregate demand, multiplier effect and accelerator effect of the economy could be initiated and chain effect of it could get under the way. Otherwise, recovery process will be hindered given limited circulation of resources.

Good news is, the first batch of vaccine has arrived in Malaysia, with around 500,000 front liners taking their first shot of it. Quoted by well-known statisticians in Malaysia, vaccination provides valuable assist in reducing the impact of the pandemic on the economy, by enabling more economic sectors to reopen and possibly allow the reopening of international borders in stages.

Vaccine shouldn't be considered as a solution, but rather a cushion to our aggravating economy in Malaysia. We should start practicing the new norm. With the acceleration of e-commerce adoption due to movement restrictions, digitalization is significantly a way to move forward and to look into in the future.

Reference:



linktr.ee/actuaread.masa

Say hello to Reinsurance!

Nearly most of us have taken an insurance policy that is significant to cover the unpredictable losses. It could be either life insurance or motor insurance, but have you discovered about the existence of reinsurance? Reinsurance company acts as an insurance provider to other insurance company in helping to reduce a large amount of insurance claim by creating an agreement. It is one of the risk transfer mechanism between insurance companies where they will transfer the insurance portfolio (can be called as ceding party) to reinsurance company (better known as reinsurer). To avoid more risks when creating more policies, ceding company will cede some risks to reinsurer in exchange of paying premium.

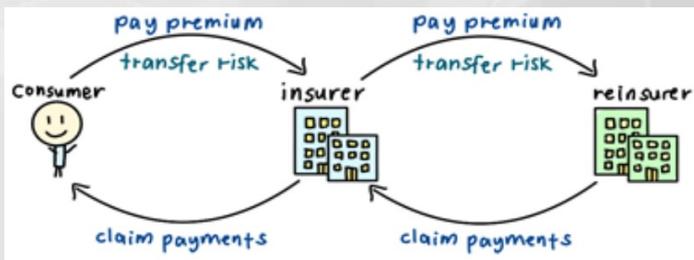


Illustration of reinsurance flow. Source: ResearchGate

Malaysian government has developed gradually in the Malaysian reinsurance market to promote the country better by opening the doors for international reinsurers and brokers. Some of the overseas reinsurers that received the licenses to operate in Malaysia are Munich Re, the Swiss Re, Employers Re, Hannover Re.

There are two types of reinsurance, which are facultative and treaty reinsurance. Both reinsurance agreements can be structured on a proportional and non-proportional basis.

Facultative reinsurance

Facultative reinsurance is the oldest form of reinsurance where the insurance underwriter offers a single risk or a defined package of risk to reinsurer. The meaning of the word 'facultative' is optional, which channels that the reinsurer can review individual risks and has the power to either accept or reject the policy offered. Thus, facultative reinsurance is more expensive than treaty reinsurance as both ceding party and reinsurer creates a facultative certificate which states that reinsurer has accepted a specified risk.

Treaty reinsurance

Treaty reinsurance is an agreement that made between ceding company and reinsurer where ceding company can cede a portfolio of risks within different type of insurance policies to reinsurer. Unlike facultative reinsurance, the reinsurance company agree to indemnify all the risks in treaty reinsurance contract even though the reinsurer has not performed individual underwriting for each policy. In most of the treaty reinsurance, the ceding company and the reinsurer indicates that it will be a long-term business relationship. In return, the ceding company gains more security and stability when any uncertain major events happen that cause a multiple number of claims.

Reference:



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Affiliated Actuarial Societies:



Hear from our Event Participants!



MASA E-Orientation: Who are we?

- ⇒ The event was very informative and gave a good overview regarding what MASA is about!
- ⇒ I like how it is well delivered, well organised and everything goes as in the itinerary.
- ⇒ If I was a non-member of MASA, I will definitely be convinced to join as MASA member after this event!
- ⇒ Presenters are kind and interesting, they gave a clear view to participants on what's ongoing at MASA.



MASA Insights 1.0: A Career in Reinsurance

- ⇒ Good flow of event, Mr Ryan gave useful advices in one's career path as an actuary and it gave a reassuring feeling to not fall for peer pressure while still being motivated to reach the goal of being a qualified actuary.
- ⇒ The session was greatly conducted with adequate materials.
- ⇒ Mr Ryan is very informative on reinsurance related matters and lifelong learning tips.
- ⇒ I like Mr Wong sharing and it is very insightful, the suggestion he provided is helpful!

MASA Corporate Relations

| | |
|---------------------------|----------|
| Mark Lim Chen Yang | Content |
| Norfatehah binti Norazman | Content |
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Malaysian Actuarial Student Association

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| Kanee Teo Jia Ying | UM |
| Nur Amalia Badrina binti Meor Amirudin Fikri | UiTM |

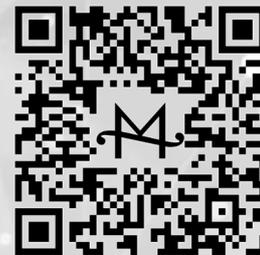
Send us your feedback!

We are concerned about your expectation. Feel free to contribute by submitting articles to us.



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Interested in becoming part of us? Wish to stay connected? Scan the QR code for more info!



linktr.ee/actuarialsa.malaysia

Stay connected with us!



More enquiries, drop us an email at general@masassociation.org

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Affiliated Actuarial Societies:

