

# **Research for the Life Insurance Appointed Actuary system**

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## **Abstract**

The objective is to construct the Life Insurance Appointed Actuary system and to draw out the practice notes for the Appointed Actuary.

We first reviewed the Appointed Actuary systems from the US, Canada and England. This is the foundation we base on when we build a system of our own.

Secondly, we set up guidelines on how to construct an appropriate liability model and how to generate a set of interest rate assumptions. Based on the projected cash flow produced by the model, we could evaluate the adequacy level of the reserves held and also how to reinforce when inadequacy occurs.

Thirdly, we also set the procedures for examining the results from different scenarios, also to identify the key elements of the opinion of the Appointed Actuary and the actuarial memorandum.

Finally, we recently held a seminar to present all related materials and to collect comments and suggestions from the industry. Follow-up training courses will also be held where more discussions and feedbacks from the life insurance companies and the foreign actuarial consulting firms could be stimulated. Hopefully, this would result in a more comprehensive system for the Appointed Actuary. By doing so, we could monitor the life insurance business in a better way.