

# 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

## Inside the issue

### ◆ Events

Past Events from Affiliated Societies  
-Page 2-

Upcoming Events from Affiliated Societies and MASA  
-Page 4-

### ◆ Articles

Economy Recovery Process in Malaysia: Assured or Concerned?  
-Page 7-

Say hello to Reinsurance!  
-Page 8-

◆ Feedback from recent MASA events  
-Page 9-

### 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 Manager Award)

ASC  
Risk is Opportunity

JOIN US!!



## Discovering New Career Pathways for Actuarial Graduates



### SAFE Panel Session



**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

# EQUITY. RESEARCH. CHALLENGE.

2021

**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

**Equity Research Challenge**

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

**Sponsor:**

**Organizers:**

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!

### Drill your Technical Skill!

#### MASA Academy

MASA will be launching multiple practical workshops for students during the midyear. Through **MASA Academy**, students will be exposed to the introductory lessons of VBA and Power BI, in which either or both together are optional to be registered for. It is believed that VBA and Power BI aren't taught to the students on their day-to-day classes' basis, thus we aim to allow students to grasp some basic knowledge on the usage of these two, as well as understand the significance of them, especially when it comes to data analytics and visualisation. Along the way, practical classes are given to ensure the lessons and materials provided are absorbed by the students and applied effectively on some data of real-life case studies. E-certificate will be awarded to participants who have attended all lessons as a significant recognition upon completion of the event.

### Aid for your Aim

#### MAS Scholarship



This year, **MAS Scholarship** is back! We are glad to announce that an amount of up to RM1,000 will be awarded to three successful scholars. MAS Scholarship is open to those students who are in financial need, with the aim of providing financial support on their cost of examination papers provided by professional actuarial organization such as Society of Actuaries (SOA), Institute and Faculty of Actuaries (IFoA) etc. RM500 will be handed out upon registration on professional papers, whereas the balance of RM500 will be given out later upon successful passing of the registered examination in the first or second attempt. The application of MAS Scholarship will be available in April. Stay tuned on our social media!



# 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](https://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.

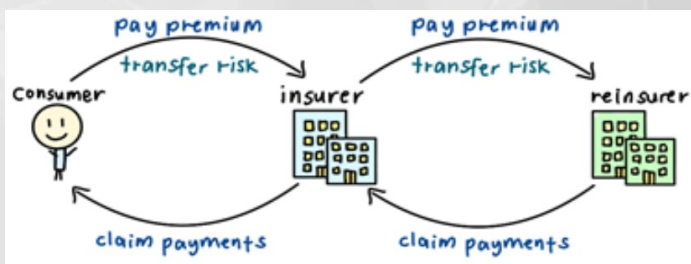


Illustration of reinsurance flow. Source: ResearchGate

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:



[linktr.ee/actuaread.masa](https://linktr.ee/actuaread.masa)



# 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
Ooi Shihui	Designer

## Malaysian Actuarial Student Association

### President

Wong Qi Jie	President
-------------	-----------

### Vice President

Matthew Philippe Liu Man Hin	Internal Affairs
Wei Jia Xin	Finance
Lee Chern Yee	Corporate Relations
Yeong D-Kai	Communication
Liew Soon Yee	Operations

### Assistant Vice President

Teo Wen Ching	Corporate Relations
Tan Jie Shen	Operations

## MASA Student Representative Council

Cha Yee Ming	Sunway
Ain Nabilah Hanim binti Zakaria	USIM
Tan Zi Yik	Taylor's
Raweewan A/P Bon Rit	UKM
Chiew Kai Shin	UTAR
Clemence Lai Cheng Man	UCSI
Lim Hua Ying	APU
Joey Lim Jia Yee	HWUM
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.



[linktr.ee/actuaaread.masa](https://linktr.ee/actuaaread.masa)

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



[linktr.ee/actuarialsa.malaysia](https://linktr.ee/actuarialsa.malaysia)

## Stay connected with us!



More enquiries, drop us an email at [general@masassociation.org](mailto:general@masassociation.org)

This publication is for general information purposes only. While all reasonable efforts are made to provide correct information, the Malaysian Actuarial Student Association does not guarantee that the information provided is complete, reliable and accurate in every aspect.

### Affiliated Actuarial Societies:

