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"A noble man's thoughts will never go in vain. -Mahatma Gandhi."

"I hold every person a debtor to his profession, from the which as men of course do seek to receive countenance and profit, so ought they of duty to endeavour themselves by way of amends to help and ornament thereunto -Francis Bacon"

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From the Desk of

Chief Editor

– Mr. Sunil Sharma

There has been lot of action in the Indian Insurance Sector recently. The interest rate scenario in India is trending downward. It may be worth noting that 10 year government bond yield was hovering at 7.5% at the start of FY17, however, this has recently dipped to a level of 6.85% which is a fall of 65 basis points over five and half months. From publicly available sources, average inflation is expected to settle around 5%. This is likely to put pressure on the policy rates from the Central Bank.

This development poses lot of questions and we do not necessarily have any answers to them. Are we heading towards low interest rate regime? Are the guarantees in non-participating products likely to become very onerous?

What does the future interest rate regime hold for the insurance business? This perhaps brings about a new challenge for the insurance Industry and actuaries in particular.

This year for the period ending Aug, 2016, the new business regular premium in life insurance Industry has grown at 14.5%. This is a good growth story and it indicates that the industry is back on growth path. The channel mix remains a key challenge for companies. Tied agency channel perhaps continue to be a costly channel for companies. The enactment of Expense of Management Regulations, 2016, is likely to put lot of pressure on companies to cut down their costs and perhaps cut down expansion of costly channels. Companies may have to find

innovative way of distribution beyond the costly conventional channels. Companies who manage to crack this will have significant competitive advantage.

On the professional front, a lot of preparation is going on for the prestigious 20th Asian Actuarial Conference scheduled to be held from 09-12th. I request members to take advantage of the early bird registration.

Some of the economic and regulatory changes bring a significant amount of opportunities and challenges for the actuarial community to meet the resource needs. Implementation of Ind AS and corresponding solvency regime will bring about its own challenges. We look forward to this and with this note would like to conclude this message. ■

IAI Officer Bearers FY 2016-18



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IRDAI- ALSM Regulations, 2016 – Practical aspects

The article captures the changes and additions in IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations 2016 (here-in-after called ALSM regulations) and at times attach the practical aspects. The reader need to form his/her opinion on regulations. The ALSM regulations have been made effective from 01-04-2016 and wherever there is an omission in new regulations it would be governed by similar 2000 regulations.

Under section- Value of Liabilities Regulation 2(1), other forms of capital and investment have been included. IRDAI had issued IRDAI (Other forms of Capital) Regulation 2015 and allowed investment in preference share capital and subordinate debts in limited way. No instrument has been allowed on Put Option. There is regulation on amortisation of the instruments for the purpose of computing solvency for different terms.

There are additions in ALSM regulation which states the assets where value to be put zero for solvency purpose. The three additions are lease hold improvement, service tax unutilised credit outstanding for more than 90 days and any other asset inadmissible under section 64V of Insurance Act 1938. The lease hold improvement generally appear in schedule 10 of financials. There were different interpretations about service tax unutilised credit but now regulations have been made clear that service tax unutilised credit outstanding for more than 90 days shall be placed value zero for solvency purpose. In my opinion, addition to the said items in regulations where value to be put zero, Appointed Actuary has discretion to put value to an asset zero other than that specifically mentioned if in his/her opinion particular asset/ investment is not of realisable nature for solvency purpose, e.g full or part of receivable(s) against unsettled

investment contracts.

The word guarantee was missing at some places. Most of the insurers would already be interpreting the word option with guarantees. Regulation 2(3) added guarantees along with options and in Regulation 4 included guarantees and example has been given for annuity investment guarantee.

Making appropriate changes, the guaranteed surrender value has been replaced by word surrender value. E.g. Regulation 2(5), 2(5)(1) and 5(iii). Companies are required to keep higher of guaranteed surrender value and special surrender value. Here reference to ARA regulations 2016 is also drawn. Regulation 5 of ARA regulation states treatment for negative reserves and guaranteed surrender value deficiency reserve to be provided. Perhaps guaranteed surrender value deficiency reserve be read as surrender value deficiency reserve.

In gross premium valuation method (GPV), Regulation 2(6) has added reserve requirement for one year renewable group term assurance (OYRGTA) business. The requirement of reserve is towards unearned premium, premium deficiency reserve and IBNR. Generally premium deficiency reserve is more prevalent in general insurance business however looking to the nature of OYRGTA with short term general insurance

business and insurers desire to be competitive in group business might have led regulator to put the premium deficiency reserve. Some of the life insurers were already assessing the need for reserve in this aspect.

The requirement of reserve higher of GPV and UPR for riders was already there in 2011 circular which was issued to the Appointed Actuaries as a Note. But now it has been included in ALSM regulations.

The 2000 ALSM regulations did not provide specific reference to actual expense experience of insurer but now Regulation 4 categorically states – Policy maintenance expenses – Actual expenses experience of Insurer.

The Insurers were generally keeping reserve for incurred but not reported claims at valuation date as generally accepted actuarial practice for individual business as well along with group term business. But now the regulations 2 (7) makes it mandatory for individual business.

It is up to insurers to consider lapse assumption in their valuation assumptions. The nil lapse rate assumption is more prudent. However, now the regulation has put a para that if lapse assumption is one of the valuation assumption assumed then as per Regulation 5(6) it should be prudent assumption based on past experience of product or similar products and shall have regard to

expected future experience based on nature of products, target market, distribution channel, etc. This means multi variate study of lapses of their products would be required by the life insurers, if not already be undertaken.

The ALSM regulations have caught the pace of product regulations and solvency as per Insurance Law Amendment Act, 2015. Non negative residual additions is part of Regulation 7 (3) (f). This carries additional explanation- General (Non unit) fund reserve under unit linked policies shall be considered as reserve for non-linked non par business for purpose of investment norms, distribution of surplus, etc. Further, Regulation 8 and 9 gives additional requirement for variable linked business and variable non-linked business (Par and Non-par) respectively. There is an addition- Every Insurer at all time shall maintain its ASM at a level which is not less than higher of 50% of amount of min capital as under section 6 of Act and 100% of RSM failing which the authority shall act in accordance with sub section 2 of section 64 VA of Act and Control level solvency – shall mean the level of solvency margin specified by Authority in accordance with sub

section 3 of section 64 VA of act on the breach of which Authority shall act in accordance with sub section 4 of section 64 VA of Act without prejudice to taking any other remedial measure as deemed fit. The control level solvency is hereby specified as solvency ratio 150%.

There are some deletions as well. E.g. Regulation 5(e) of ALSM regulation 2000, – effect of changes in risk free interest rates have been excluded for single premium policies and Schedule II B- deleted for general insurance.

For perfection, in Regulation 7(3) – Prospective valuation method has been replaced by discounted cash flow method and Sch-III – Reference to ARA Regulations 2000 has been made to ARA Life Regulations, 2016.

Regulations are interpreted in the best interest. However regulations are fine-tuned to the pleasure of individual and this may be found in Regulation 5 (1) (b) and elsewhere – APS has been included along with GN, Regulation 5(2)-ASI has been replaced by IAI, Regulation 7(1)- General fund also renamed non unit fund.

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IPO in Indian Insurance: Boon or Challenge!

The insurance sector was opened for private insurers in year 2000. Since then, the sector has witnessed a number of significant developments and reforms which has helped to increase insurance penetration along with a great contribution towards growth of the Indian Economy.

Many regulations and guidelines are issued by IRDAI related to products, investments, distribution, capital,

solvency margin, Policyholders' protection, valuation of liabilities & assets etc. in order to strengthen the operations of insurance industry, along with solvency and with a prime aim to protect the interests of the policyholders and to regulate, promote and ensure orderly growth of the insurance industry.

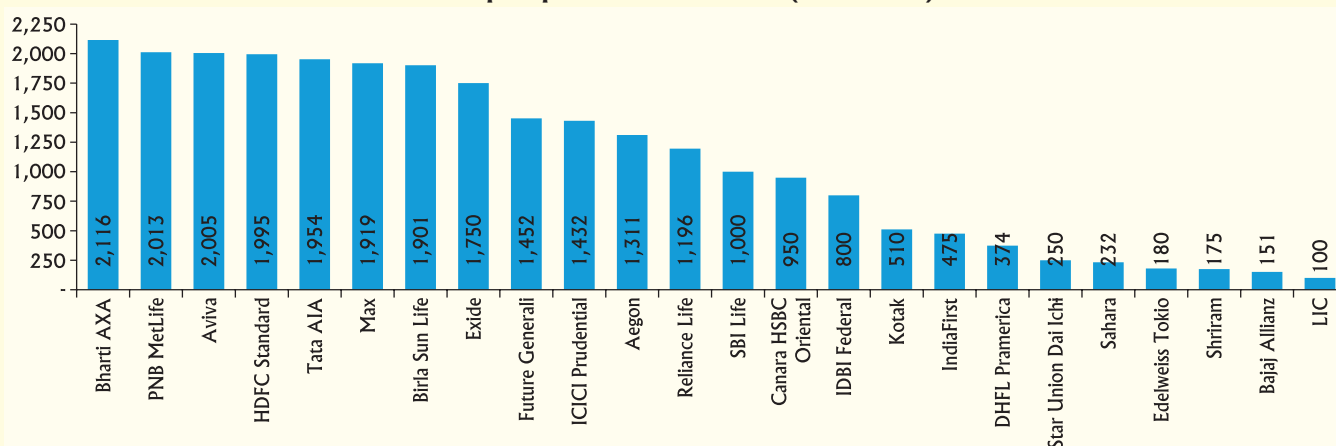
At the end of July 2016, there are 54 insurance companies operating in

India; out of which 24 are in the life insurance business and 29 are in non-life insurance business. In addition, GIC is the sole national reinsurer.

The total paid up capital of the life insurance companies as on 31st March, 2015 was 26244.14 crore.

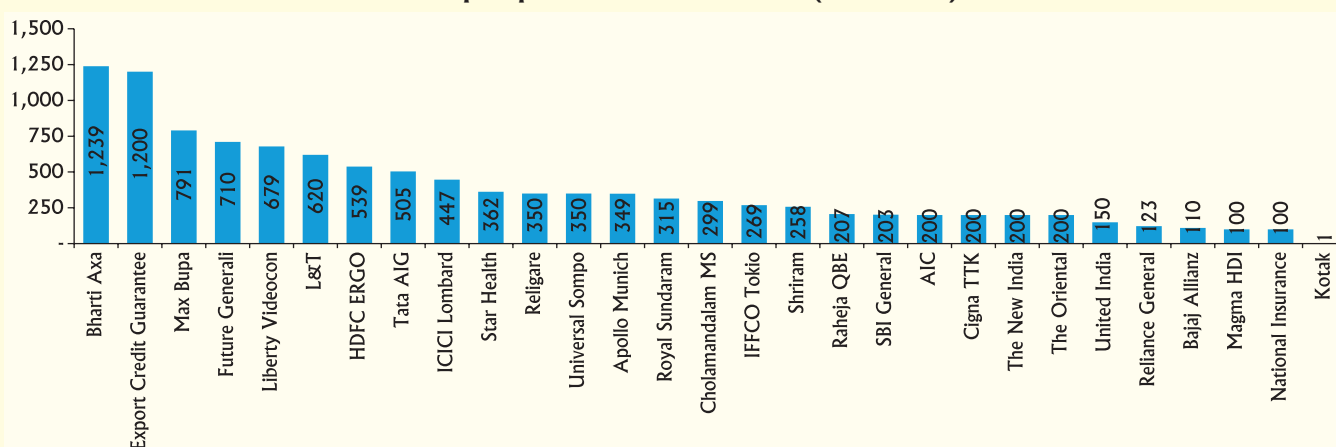
The total paid up capital of the non-life insurance companies as on 31st March, 2015 was 11,504 crore.

Paid Up Capital - Life Insurers (INR Crore)



Source – Annual Report of respective company

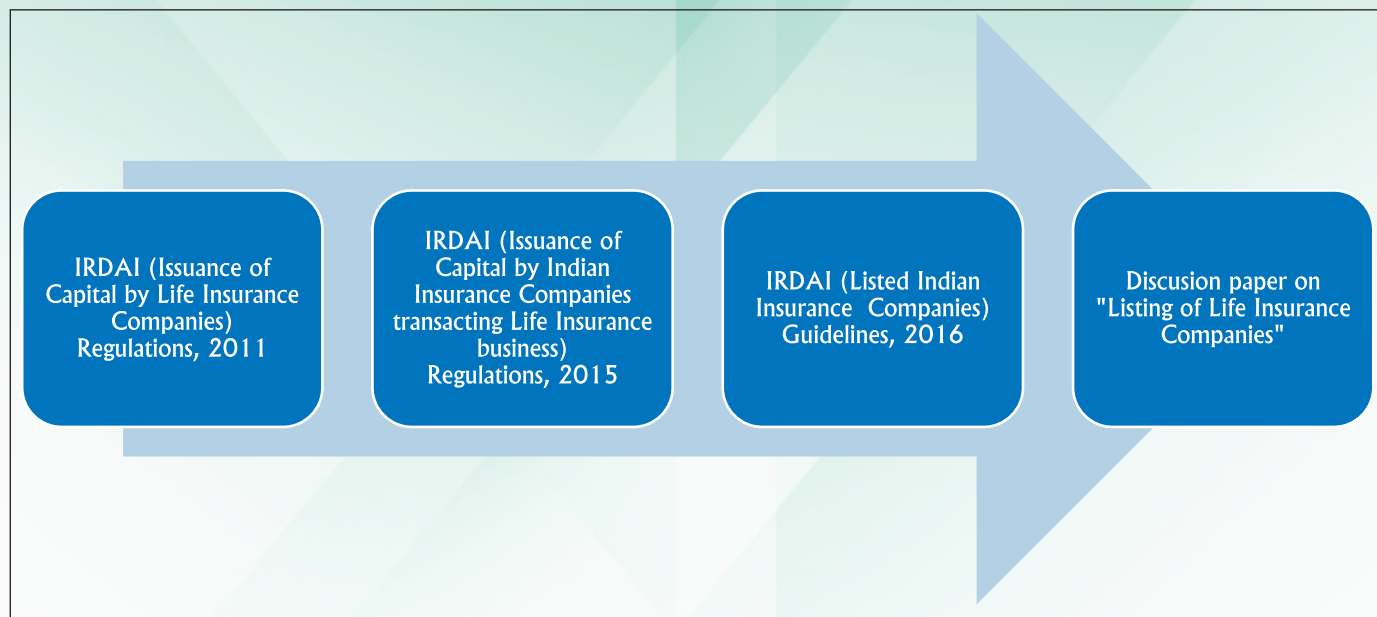
Paid Up Capital - Non-Life Insurers (INR Crore)



Source – Annual Report of respective company

During the first decade of insurance sector liberalization, the sector has reported consistent increase in insurance penetration from 2.71 per cent in 2001 to 5.20 per cent in 2009. However, since then, the level of penetration has been declining reaching 3.3 per cent in 2014 (2.6% for Life Insurance and 0.7% of Non-Life Insurance). Clearly, there is huge potential in Insurance in India and as a regulator IRDAI is pushing this growth.

In last 5-6 years, many guidelines and regulations has been issued by IRDAI in respect of capital issuance and provision for listed insurance companies in India. The regulations given below may prove to be the reason for fast change in the landscape in the life and non-life insurance industry.



The Insurance Regulatory and Development Authority (“IRDA”) on December 1, 2011 had issued the “**IRDA (Issuance of Capital by Life Insurance Companies) Regulations, 2011 (the “Regulations”)**” for life insurance companies to raise capital from the capital market via public offerings. The Regulations have been formulated in consultation with the Securities and Exchange Board of India (“SEBI”). It would appear that the Regulations were implemented to give effect to section 6AA of the Insurance Act, 1938 (“Insurance Act”) which requires promoters of Indian life insurance companies, holding more than 26% (twenty six percent) to divest the share capital in excess of 26% (twenty six percent), in a phased manner after a period of 10 (ten) years from the date of commencement of the business.

The Insurance Laws (Amendment) Act, 2015 has deleted the provisions relating to mandatory divestment of insurance companies after a period of 10 years.

In Dec 2015, the IRDAI has issued regulations with respect to:

1. IRDAI (Issuance of Capital by Indian Insurance Companies transacting Life Insurance Business) Regulations, 2015
2. IRDAI (Issuance of Capital by Indian Insurance Companies transacting other than Life Insurance Business) Regulations, 2015

These regulations cover:

- Prior written approval from IRDAI before approaching SEBI for public issue of shares
- Applicable in case of divestment of equity and/or issue of capital or both
- Embedded value report by an Independent Actuary
- Details of compliance of public disclosure requirements and corporate governance guidelines
- Details of shareholding pattern
- The history of compliances with the regulatory requirements etc.

Recent Regulatory Developments

Recently, IRDAI issued a discussion paper on “Listing of Indian Insurance Companies” in Aug 2016 and asked for Industry view on it. This paper proposes that all General insurance companies (including standalone health and reinsurance), shall take steps to get the shares listed on completion of 8 years of operations and all Life insurance companies shall take steps to get the shares listed on completion of 10 years of operations. And those companies who have exceeded these prescribed years of operations shall initiate steps to get listed within a period of 3 years from the date of issue of directions under these guidelines.

This is a welcome step to change the face of the Indian insurance industry.

SEBI Requirements

The SEBI has laid down the framework for issue of capital and disclosure requirements in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (known as ICDR).

The additional disclosures as per SEBI

requirements include:

- A detailed report on specific Risk Factors for Insurance Companies. Example: concentrated surrenders, actual future claims different from what was expected in pricing and/or reserving, assumptions used in the calculation of embedded value, default of reinsurer etc.
- An overview of Insurance Industry
- Disclosure of financial statements and information
- Additional information like persistency, cross-selling, distribution network, operating ratio, reinsurance, investment yield, interest rate sensitivity, value of new business, value of in force business and embedded value etc.
- Particulars about the Issue
- Particulars about the Issuer like Corporate governance, investors, promoters, key management person etc.
- Legal and other information
- Glossary of terms used in Insurance Sector

Key Advantages:

Listing helps in increased transparency in operations and brings stability in the Company. Further, the Company has access to sufficient capital to write new business, invest in new technology, hire talented staff and improve infrastructure. Frequent Business valuations help in better monitoring and review of all the processes and give regular information to the management about company's performance. Ultimately, this also creates a heightened public profile

Further, this will help increase the insurance penetration in rural sector. It may help to create new products with better use of technology which may be more affordable to Indian population.

Challenges:

Indian Industry have seen examples where the shareholders had pumped in huge amount of capital but still the companies are facing top line and bottom line challenges. Therefore, there is a need to maintain a balance between efficient use of capital, need based selling, innovative products and new technology to capture large volume of business within the risk appetite of the Company. This will also require additional reporting to SEBI and IRDAI on regular basis.

What Next?

It would be interesting to know and watch the movement and reactions of the insurers. And how well this will transform the fortune of Insurance Industry.

The Companies considering IPOs will need to work with SEBI (Securities and Exchange Board of India) and the IRDAI to get the necessary approvals. The companies need to be valued as outlined in the Actuarial Practice Standard 10 (APS10) issued by the Institute of Actuaries of India and their respective disclosure requirements. The report on embedded value calculation shall be prepared by an independent Actuarial expert. Hence, this requires all companies to start and plan work well in advance.

(Note: Insurance penetration is measured as the percentage of insurance premium to GDP)

Source: IRDA Annual Report 2014-15 and public disclosures of Insurance Companies

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Qualification, Experience & Age Limit: The candidate should preferably possess the following qualifications and post-qualification experience in handling the Actuarial matters. He/she should be:-

- (i) A resident of India;
- (ii) A fellow Member of Actuarial Society of India and he/she should satisfy all the requirements specified in Regulation No. 3 (2) of Insurance Regulatory and Development Authority (Appointed Actuary) Regulations, 2000 and Regulation 2 of Insurance Regulatory and Development Authority (Appointed Actuary)(First Amendment) Regulations, 2013;
- (iii) Preferably not above the age of fifty five years of age (as on 01.07.2016);
- (iv) Minimum of 10 years of relevant experience and a post qualification experience of minimum 2 years. Preference will be given to candidates with experience in General Insurance Industry.

Duties and responsibilities of the Appointed Actuary: Duties and responsibilities of the Appointed Actuary will be as per Regulation 8 of IRDA (Appointed Actuary) Regulations, 2000.

After appointment he/she should not act as an Appointed Actuary of any other General Insurance Company which has export credit insurance as a segment of its business. He/she is also expected not to practice in credit insurance segment of any other General Insurance Company or as a broker or a surveyor.

Compensation will be in line with the levels prevailing in the General Insurance Industry. Candidates may indicate expectations.

How to Apply: Application in conformity with IRDA Form AA-1(particulars of Appointed Actuary) of IRDA(Appointed Actuary) Regulations, 2000 in an envelope, subscribing at its left hand upper corner as " FOR THE POST OF APPOINTED ACTUARY IN ECGC", should be sent to the following address:

The Deputy General Manager (HRD),
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or e-mail at hrd@ecgc.in together with self-attested copies of all relevant certificates with a recent passport size photograph, so as to reach ECGC by not later than 30.09.2016.

General Instructions:

1. Company reserves the right to restrict the number of candidates to be called for interview.
2. The decision of the Company will be final and binding in all matters.
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4. Before applying for the post, the candidate should ensure that he/she fulfills the eligibility criteria as required under IRDAI's regulations and other norms given in the advertisement. The decision of the Company in respect of the matters concerning eligibility of the candidate, the stages at which such scrutiny of eligibility is to be undertaken, the documents to be produced for the purpose of conduct of interview, selection and other matters relating to appointment will be final and binding on the candidate. The Company shall not entertain any correspondence or personal enquiries on the subject.
5. Canvassing in any form will disqualify the candidate.

General Manager (HRD)

ईसीजीसी लिमिटेड

(भारत सरकार का उद्यम)

रक्ति : परामर्श के आधार पर नियुक्त बीमांकक

ईसीजीसी, भारत सरकार के पूर्ण स्वामित्व वाली, प्रतिष्ठित निर्यात ऋण बीमा संस्था, को अपने मुंबई स्थित कार्यालय में परामर्श के आधार पर “नियुक्त बीमांकक” की तत्काल आवश्यकता है।

परामर्श आधार पर “नियुक्त बीमांकक” पद के लिए निवासी भारतीय नागरिकों से आवेदन आमंत्रित हैं।

पात्रता, अनुभव एवं आयु सीमा : उम्मीदवार को निम्नलिखित पात्रता एवं शैक्षणिक योग्यता के बाद बीमांकक मामले संभालने का अनुभव होना चाहिए। उम्मीदवार होना चाहिए :-

- भारत का निवासी;
- भारतीय बीमांकक समाज का एक सदस्य तथा बीमा विनियामक विकास प्राधिकरण (नियुक्त बीमांकक) विनियम, 2000 की नियम संख्या 3(2) तथा बीमा विनियामक विकास प्राधिकरण (नियुक्त बीमांकक)(प्रथम संशोधन) विनियम, 2013 की नियम संख्या 2 में वर्णित अहर्ताओं को पूरा करे;
- श्रेष्ठ होगा यदि आयु पछपन वर्ष से अधिक न हो (दिनांक 01.07.2016 को);
- कम से कम 10 वर्षों का संबन्धित अनुभव तथा योग्यता प्राप्त करने के बाद कम से कम दो वर्ष का अनुभव। सामान्य बीमा के क्षेत्र में अनुभव प्राप्त व्यक्तियों को प्राथमिकता दी जाएगी;

नियुक्त बीमांकक के कर्तव्य एवं उत्तरदायित्व: नियुक्त बीमांकक के कर्तव्य एवं उत्तरदायित्व आईआरडीए(नियुक्त बीमांकक) विनियमन, 2000 के विनियमन 8 के अनुसार निर्धारित होंगे।

नियुक्ति के बाद उन्हें किसी अन्य सामान्य बीमा कंपनी, जहां ऋण गारंटी उसके व्यापार का एक क्षेत्र हो, के नियुक्त बीमांकक के तौर पर कार्यरत नहीं होना चाहिए। उससे यह भी आशा की जाती है कि वह ऋण बीमा क्षेत्र में किसी अन्य सामान्य बीमा कंपनी में अथवा किसी ब्रोकर अथवा सर्वेक्षक के रूप में कार्य न करे।

सामान्य बीमा क्षेत्र में प्रचलित स्तरों के आधार पर परितोषिक देय होगा। उम्मीदवार अपनी अपेक्षाएं का संकेत कर सकते हैं।

आवेदन की प्रक्रिया : आवेदन पत्र, आईआरडीए(नियुक्त बीमांकक) विनियमन, 2000 की फार्म संख्या AA-1(नियुक्त बीमांकक का विवरण) के साथ एक लिफाफे में डालकर, लिफाफे के बाईं ओर के ऊपर के कोने में “ईसीजीसी में नियुक्त बीमांकक पद हेतु” लिखकर निम्नलिखित पते पर भेजें:

उप महाप्रबंधक (मा.स.वि.),

ईसीजीसी लिमिटेड ,

दलामल हाउस, तल मंजिल, जमनालाल बजाज मार्ग, नरीमन पॉइंट, मुंबई-400021 अथवा hrd@ecgc.in पर मेल करें। सभी संबन्धित प्रमाणपत्रों की स्वप्रमाणित प्रतियां हाल की पासपोर्ट साइज़ फोटो के साथ ईसीजीसी तक 30.09.2016 तक पहुँच जानी चाहिए।

सामान्य अनुदेश :

- कंपनी के पास साक्षात्कार के लिए बुलाये जाने वाले उम्मीदवारों की संख्या सीमित करने का अधिकार सुरक्षित है।
- सभी मामलों में कंपनी का निर्णय अंतिम और बाध्यकारी होगा।
- यदि नियुक्ति के किसी स्तर पर यह ज्ञात होता है कि उम्मीदवार पात्रता कि शर्तें पूरी नहीं करता है और/अथवा उसने कोई गलत/असत्य/अपूर्ण जानकारी दी है अथवा किसी सारवान तथ्य को छुपाया है तो उसकी उम्मीदवारी को रद्द कर दिया जाएगा। यदि किसी भी समय, यहाँ तक कि नियुक्ति के उपरांत भी, उपरोक्त कमियाँ प्रकाश में आयीं तो उनकी सेवाओं को समाप्त कर दिया जाएगा।
- इस पद के लिए आवेदन करने से पूर्व उम्मीदवार को इस बात कि पुष्टि कर लेनी चाहिए कि वह आईआरडीए के नियमों के अंतर्गत तथा इस विज्ञापन में उल्लिखित शर्तों के अनुसार पात्रता शर्तों को पूर्ण करता हो। उम्मीदवार कि पात्रता, स्तर जिनपर पात्रता कि जाँच की जाएगी, साक्षात्कार के समय प्रस्तुत किए जाने वाले दस्तावेज़, चयन तथा नियुक्ति से संबन्धित अन्य मुद्दों के संबंध में कंपनी का निर्णय अंतिम तथा उम्मीदवार पर बाध्यकारी होगा। कंपनी इस विषय पर किसी भी पत्राचार अथवा व्यक्तिगत पूछताछ पर विचार नहीं करेगी।
- किसी भी रूप में संप्रेरण अथवा मतप्रचार से उम्मीदवार अयोग्य घोषित कर दिया जाएगा।

महाप्रबंधक (मा.स.वि.)

Bruce T Porteous

Challenges and Opportunities in Asian Insurance Markets – Low Interest Rate Environment, Risk Based Solvency and Business Model Transition.

Investment Director – Insurance Solutions

Standard Life

UK

Retirement Consulting

Mercer Japan Ltd.

Japan

Tomohiro Kawaguchi

Who takes responsibility for retirement wealth: Japanese case

Rob Malattia

The future of motor insurance. What lies beyond the horizon?

Director, General Insurance Consulting, South East Asia

Willis Towers Watson

UK

Managing Director

Swin Solutions Inc.

Canada

Kailan Shang

Managing With-profit Portfolio using Stochastic Approach: With a Focus on Asian Markets

Thomas Kenny

The Future of Social Care funding in the UK – Who Pays?

Head of Retail Pricing

Partnership (Assurance)

UK

AVP, Actuarial

DHFL Pramerica Life Insurance

India

Ripudaman Sethi

Managing With-profit Portfolio using Stochastic Approach: With a Focus on Asian Markets

Michael Freeman

Industrialisation and automation of actuarial processes

Managing Director, Risk Consulting & Software

Willis Towers Watson

Tokyo

P&C Sales and Practice Leader Asia Pacific

Willis Towers Watson

Singapore

Karsten Wantia

Claims inflation – the silent killer?

Devanshu Agarwal

Industrialisation and automation of actuarial processes

Consultant, Risk Consulting & Software

Willis Towers Watson

India

Senior Consultant

Willis Towers Watson

India

Manish Singh

Claims inflation – the silent killer?

David M. Dror

Climate Cost of Cultivation: A New Crop Index Method to Quantify Farmers' Cost of Climate Change Exemplified in Rural India

Chairman & Managing Director

Micro Insurance Academy

India

Consulting Actuary

Milliman

India

Philip Jackson

The Retirement Opportunity in Asia – needs, solutions, and capabilities

For more details, kindly visit
<http://www.actuariesindia.in/speakers.aspx>

LIST OF OUR ESTEEMED SPEAKERS

Barry Hewett

A health check of Critical Illness risks written by life insurers

Independent Insurance Professional

Munich Re

Singapore

Partner

Actuarial Partners Consulting Sdn Bhd

Malaysia

Hassan Scott Odierno

AEC: Expanding risks in the era of the Asean Economic Community

Madhusudhanan Sridharan

A health check of Critical Illness risks written by life insurers

Chief Pricing Actuary

Munich Re

Singapore

Head: Research & Development

Munich Re

South Africa

Lee Sarkin

A Pragmatic Overview of Predictive Analytics Applications

Jarita Kwan

Building resilient ageing society in Asia

Product Innovation Actuary

Swiss Re

Hongkong

Chief Actuary & Chief Risk Officer

Munich Re

Singapore

Gavin R. Maistry

A Pragmatic Overview of Predictive Analytics Applications

Yasuhiro Kashiwara

Challenges of Japanese insurance industry facing the low birthrate, aging and population decline

Staff Member of Research Department

The Institute of Actuaries of Japan

Japan

Consulting Actuary

EY Insurance & Actuarial Advisory Services

Hongkong

Steve Cheung

An update of the IFRS 4 Phase 2 standard and illustrations

Susumu Sato

How Japanese insurance companies and corporate pensions tackle the low interest rate environment

Department Manager in Valuation Department

MetLife Japan

Japan

Consulting Actuary

Global Insurance Consulting

USA

Jeff Blacker

Accuracy of Estimated Pricing of CBHI compared to Actual Claims Experience in Nepal and India

Daichi Tanaka

How Japanese insurance companies and corporate pensions tackle the low interest rate environment

Staff in Actuarial Department

MassMutual Life Insurance Co.

Japan

Partner

Deloitte MCS Limited

UK

Andrew D Smith

Embedded Options and Stochastic Models

For more details, kindly visit
<http://www.actuariesindia.in/speakers.aspx>

Yuu Shouji

Challenges of Japanese insurance industry facing the low birthrate, aging and population decline

Assistant Manager in Actuarial Group
Fukoku Mutual Life Insurance Company
Japan

Actuarial Technical Specialist, Life Insurance
Speaking on Behalf of IFoA
UK

Kieran Barnes
Delivering appropriate expert judgement

Yukio Goto

Challenges of Japanese insurance industry facing the low birthrate, aging and population decline

USGAAP Actuarial Team Manager
Gibraltar Life Insurance Co., Ltd.
Japan

Actuary

XL Catlin

India

Ashwani Kumar Arora
Reserves Volatility - Assessment

Tetsushi Uosaki

Challenges of Japanese insurance industry facing the low birthrate, aging and population decline

Assistant Manager in Result Analysis of Automobile Insurance team
Aioi Nissay Dowa Insurance Co. Ltd.
Japan

Head of Inforce Solutions L&H Asia

Swiss Re

Singapore

Doan Le
In-force business: Transforming today's administrative burden into tomorrow's value generator?

Safder Jaffer

Understanding the health insurance value chain

Managing Director & Consulting Actuary - Middle East & Africa
Milliman
UAE

Regional Pricing Actuary Southeast Asia & India

Swiss Re

Hongkong

Chee Foo
In-force business: Transforming today's administrative burden into tomorrow's value generator?

Joanne Buckle

Understanding the health insurance value chain

Principal & Consulting Actuary : Health
Milliman
UK

Partner - Advisory

KPMG Advisory Services

India

Rajosik Banerjee
Risk Function Effectiveness: lessons learnt from reviews

Roger Austin

Delivering appropriate expert judgement

Partner, Austin Professional Resourcing, and Deputy Chair, Institute & Faculty of Actuaries' Solvency and Capital Management Working Party
Austin Professional Resourcing LLP
UK

Director - Advisory Management

KPMG

India

Kailash Mittal
Risk Function Effectiveness: lessons learnt from reviews

For more details, kindly visit
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LIST OF OUR ESTEEMED SPEAKERS

Daisy Ning
Breaking the Insurance
Mould – What's Next for Our
Industry?

Chief Pricing Actuary Asia

Swiss Re

Hongkong

Founder and Managing
Director

Analytics Saves at Work

India

Archana Wadhwa
Social Listening for Business
Insights

Winnie Sun
Getting Ahead in Predictive
Analytics

Actuarial Manager

EY / Casualty
Actuarial Society

China

General Manager of Gen Re
Life

General Reinsurance AG
Shanghai Branch

China

Chen Haifei
Critical illness - Product
development and claims
experience in China

Justine Poon
Getting Ahead in Predictive
Analytics

Actuarial Manager

EY / Casualty
Actuarial Society

China

Immediate Past President

Institute and Faculty of
Actuaries

UK

Fiona Morrison
Leaders of Profession

Sharon Huang
Actuary's artascope:
multidimensional business
analysis under China's new
normal

Director and
Consulting Actuary

Milliman (Shanghai)
Co. Ltd

China

President

International Actuarial
Association

Sweden

Malcolm Campbell
Leaders of Profession

Yu Wang
Actuary's artascope:
multidimensional business
analysis under China's new
normal

Assistant General Manager of
Actuarial Department

Agriculture Bank of
China Life Insurance

China

Managing Director &
Head of Insurance

Citigroup
Global Markets

Asia Pacific

Donald Lacey
Panel Discussion on
trends in M&A

Chen Dongsheng
China's insurance development
under "New Normal"

President

China Association
of Actuaries

China

Division Manager of Corporate
Actuarial Department

Aflac

Japan

Yasuhiro Moriguchi
How Japanese insurance
companies and corporate
pensions tackle the low
interest rate environment

(This list provides details of speakers at the time of publication of 'the Actuary India'. Some more speakers are expected to participate in 20th AAC; the details of speakers will be published in next month's issue.)

Leave Availment and Actuarial Valuations



“In today’s competitive market, employee benefits plays major role for employee retentions, one of the benefit is different types of leave offered by the employer. Few of them are Casual Leave (CL); Privilege Leave (PL) or Earned leave (EL); Sick Leave (SL); Maternity Leave (ML); and may be other kind of leaves. Normally it is a tendency that employee would accumulate these leaves and encash on exit (Accounting and valuation of such leave is fairly simple and non-subjective), though there are employees who will also consume from accumulated leaves, we have tried to analyse this consumption pattern in this paper.”

The question comes when some type of leaves (except which can’t be utilised in future period but can be encashed at time of exit) have a liability on availing the benefit of leave while in service for the employer. How to value such liability which arises due to employee availing the leaves is the main question? There is main assumption of leave availment rate (which needs to be decided by Company in consultation with Actuary based on some past data analysis and practical judgement across various industries). There are many other assumptions involved like future salary escalation, rate of discounting, attrition, probability of death, etc. The role of actuary can be defined to use the reasonable and justifiable assumptions which will be useful in actuarial valuation of leave availment liability.

This paper (*) deals with analysis of leave availment, i.e. leaves consumed by employees during the year in excess of leave credited during the year, the additional consumption is from their past accumulated leave balances.

There is not much guidance provided for leave availment under any of the accounting standards like USGAAP or IFRS or Indian GAAP. Here authority is unable to provide any guidance on measurement of such benefits which may have essential difference in nature of benefits and considering Indian scenario where even Revised AS 15 or Ind AS 19 of the Institute of Chartered

Accountants of India is part extension of IAS 19. International Companies forcing actuaries to comply with USGAAP and IFRS without realizing that the benefits offered in India are totally different in nature from other benefits.

Focusing on leave availment, we would first understand the issue of leave availment which is totally different from paying the lump sum benefit on exit. Leave availment occurs when employee is enjoying the benefit of being absent from service because of services provided in earlier periods, where no additional amount is paid but when employee enjoys the leave from the service still he/she is paid full salary, reason being the accumulated leaves from rendering services in prior years.

The accounting principle can be considered as under:

An employer accruing a liability for employees’ leave accumulated considering future absences with few conditions as below:

- Employees’ rights to avail the leave absences in future years is attributable to the employees’ by rendering services in prior years which result in employer’s liability,
- The liability is related to vesting or accumulations criteria,
- The amount can be estimated with reasonable assumptions.

The focus should be on measurement and recognition of such availment liability. Expected salary payable for availed leaves or will be availed in future before exit. One of the commonly used accounting term is mentioned below:

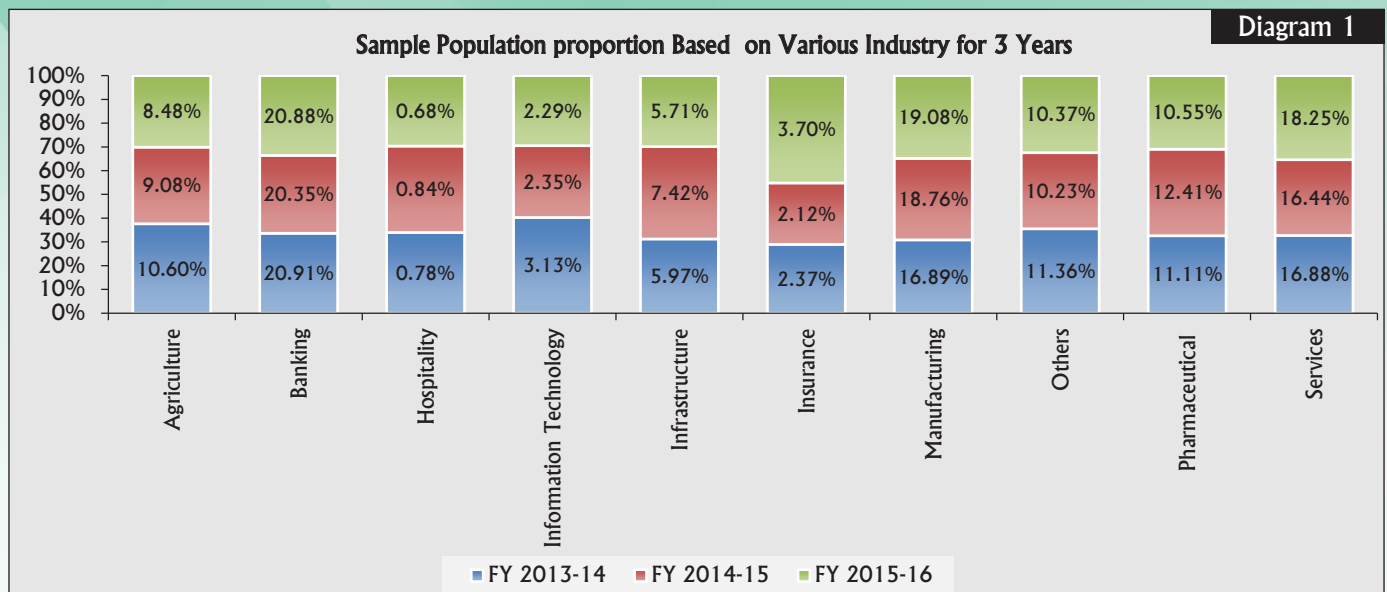
• Accumulating compensatory absences

Accumulating compensatory absences may be vesting when the employees are entitled to a cash payment for unused entitlement on leaving the enterprise or non-vesting when employees are not entitled to a cash payment for unused entitlement on e he companies could have rules which make a leave remain in an accumulating status for a defined period and thereafter lapse so that from such point of time it would become non- accumulating but such leave balances can be used while in service.

(*) Paper was discussed in 12th Seminar Current Issues in Retirement Benefits held on 29-07-2016, in Mumbai.

Such Accumulating compensatory absences can be classified as under:

- Long-term Compensatory absences (accumulating) which can be availed and also expected to be availed for any future period over and above twelve months from end of the period but before exit e.g. Privilege Leave / Earned leave / Sick Leave.



- Compensatory absence that can be availed during the service and can be encashed;
- Compensatory absence that can be availed while in service and any unutilized leave that can be availed before separation (or may lapse).

Long-term Compensatory absence:

- For example in many organisation normally Privilege Leave / Earned leave (accumulating and encashable) falls in to first category where it can be availed during the service at any point of time or encashed at time of exit depending on the rules of the company.
- Sick Leave (accumulating but non-encashable) falls in to second category where it can only be availed during the service at any point of time subject to the rules of the company.

Measurement:

Long-term Compensatory Absences require Measurement of availment on Actuarial basis which should consider the following points:-

- Credit of Leaves and maximum accumulation limit (if any);
- Cost to Company (CTC) or Gross Salary and
- Probability of leave availed which will give rise to any Liability.

For valuing availment liability for Long-term Compensatory Absences we

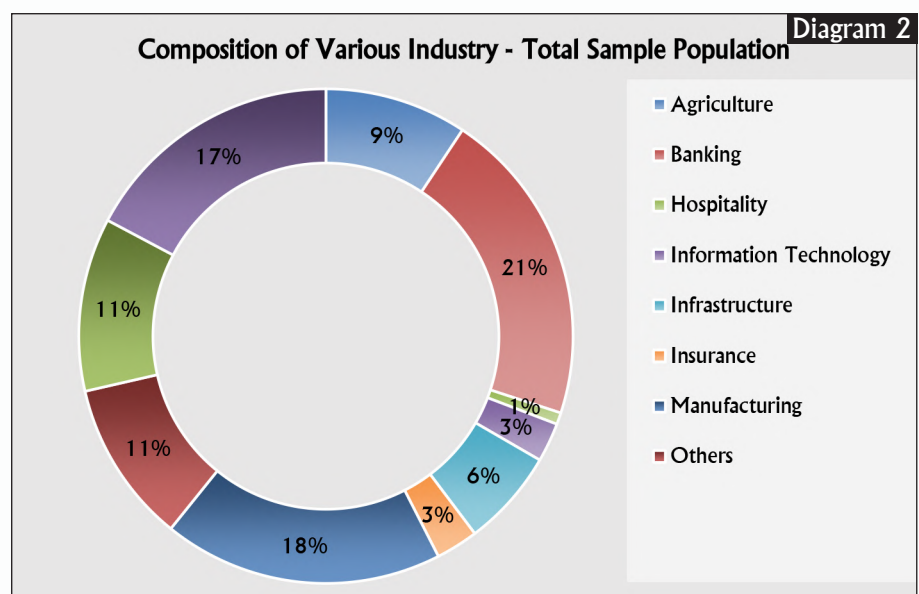
need to consider the probability that an employee will avail leave while in service. To arrive at the assumption of availment rate past experience of the company / Industry can be considered and marginal allowances can be made based on professional judgement.

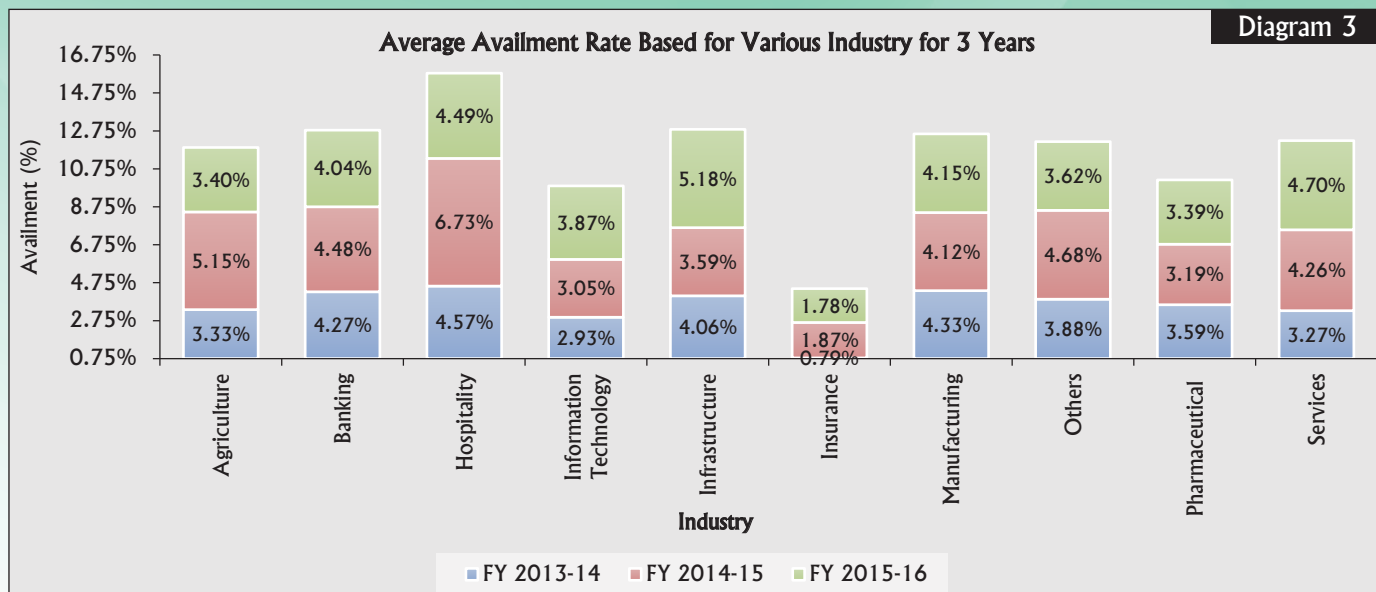
We have made few analysis to arrive at availment rate pattern of accumulated leave balances industry wise as well as age related based on some sample data. Considering Indian scenario (industries as well as various ages of employees), we have collected some base leave data from past 3 years for approximately 1 million employees for our analysis to check the average leave availment patterns across over various sectors / industries as well as under few age bands.

We have used raw data of various industries and collected the base data like Employee Code, Date of Birth (DOB), Date of Joining (DOJ) and Accumulated Leave balances as on certain date. The raw data had many abnormalities like duplicate data, missing DOB & DOJ, negative or blank leave balances, then the data was cleaned after removing duplicate data, and considering average DOB & DOJ where missing, and negative & blank leave balances considered as 0 (Zero).

Above Diagram 1: shows Sample Population proportion for each year Based on Various Industry:

Below Diagram 2: shows composition of various industry on total sample population data:





Normally it is seen across the industries that leave accumulation pattern follows Last in First out Method (LIFO) i.e. leave availed are first taken out from current years credit and any unused balance is accumulated. Defined Benefit Obligation (Actuarial Liability) is the actuarial value of accumulated leave balance at the end of the period based on few assumptions.

To arrive at the availment rate on the assumption of Last in First out (LIFO) basis we have applied below formula:

Difference: Leave balance at beginning of the period minus Leave balance at end of the period;

if difference is negative availment rate is zero;

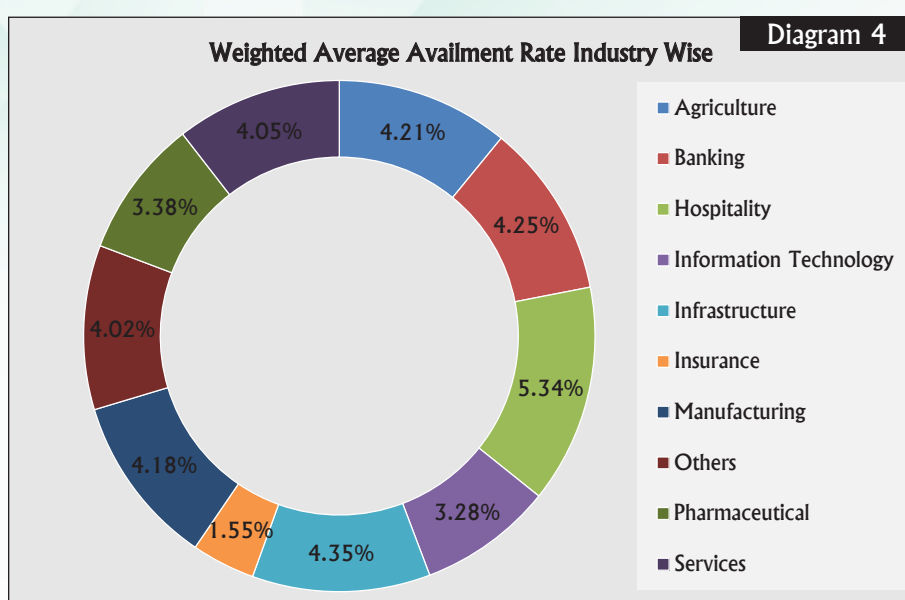
If difference is positive then the availment rate is calculated as:

Above difference divided by Leave balance at beginning of the period multiplied by 100.

Above exercise is done for all employees and then weighted average is calculated.

Above Diagram 3: shows Average Availment Rate Based on Various Industry for 3 Years based on sample population:

Considering above data we have arrived at weighted average availment rate for each industry mentioned here. above Diagram 4: shows Weighted Average Availment Rate Based on Various Industry based on sample population:



Similar exercise was performed for age related (starting age 18 years to Normal Retirement Age 60 years)

converted into few age bands to get availment rates for each age band for each of 3 years as below Diagram 5:

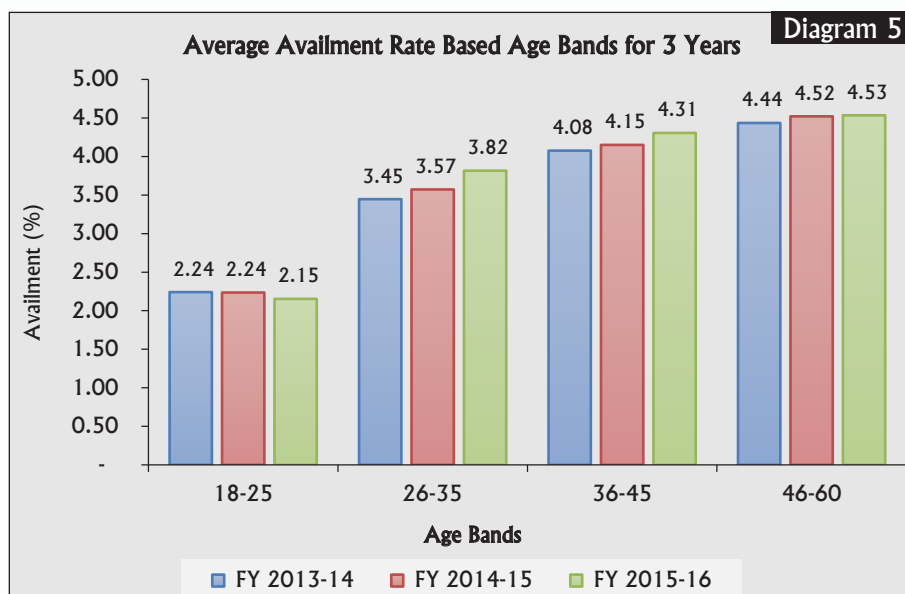
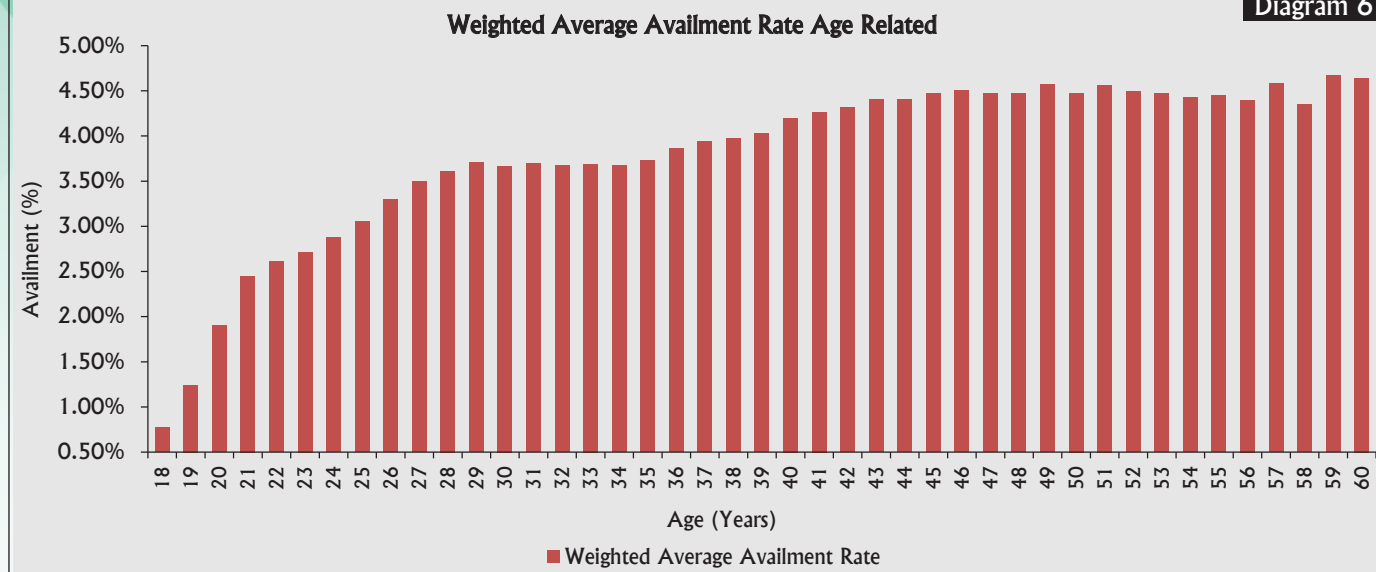


Diagram 6



Considering same data we have arrived at weighted average availment rate for each age mentioned above. Above graph shows that leave availment rate increases with age, and this can also be interpreted as and when employee has sufficient accumulated Leave balances, they start consuming / availing the leaves.

Above Diagram 6: shows Weighted Average Availment Rate Based each Age based on sample population:

Based on all data together, we have checked leave accumulation pattern i.e. increasing or decreasing over 3 years to arrive at availment rate. We have found that only approximately 10% of employees availed the leaves from accumulated leave balances while in service.

Considering same 10% data out total population we arrive at the availment rate based on industry as shown in Diagram 7.

After total analysis based on total data of approximate 1 million employees we have arrived at the weighted average sample availment rates as below:

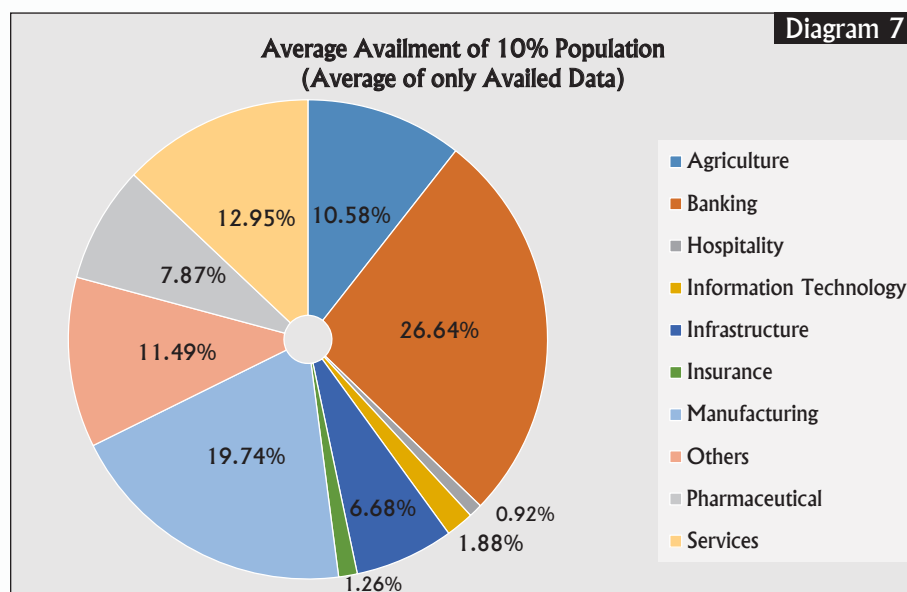
- Industry specific: total Weighted Average rate is **3.86%** with minimum **1.55%**, and maximum **5.34%**).
- Age specific: total Weighted Average rate is **3.80%** with minimum **0.78%**, and maximum **4.67%**).

This can be further classified if required based on experience of individual company to company, but then availment rate in such cases will be dependent on data availability and its materiality. But overall data shows there is gross accumulation of leave days i.e. average leave days are increasing between two years at a company level and very few employees (approximately 10%, as shown above) avail the leave while in service over and above credit leave days in a year. We feel that one can have different view to look at the expensing on account of availment of leave days, If one takes a company as a whole and not individual taking leave more than the credited, than the provision on account of leave availment may work out to be nil, and

on an individual basis there could be some provision which company will have to carry on account of availment of leave days.

From the analysis (shown in patch below) we can see the leave availment pattern for current generation and old aged population of employees as well as the assumption for expected future generation of employees will be an important task and the variance between assumption and actual leave availment based on experience will give rise to actuarial gains or losses. Leave when availed is valued on 'cost to the company' (CTC) basis. So any understatement of expected future leave availment assumption may lead to under provision of the liability.

Diagram 7



*Issues might arise in case of incomplete data or data unavailability.

In this case as an alternative one would exercise the option of booking the liability as and when the availment cost is incurred considering the assumption that probability of availment is very small and cost related to same may not be as 'material' comparing other employee benefit costs.

For appropriate assumptions, Actuary must get proper data from the company which enables him/her to arrive at reasonable estimate of leave availment rate, both from current credits as well as from past leave accumulated days. Based on data, Actuary may help company to decide on leave availment rate based on current age or at company level or at industry level.

We would suggest to make a leave availment table based on the past experience & data like Mortality Table which can help an Actuary for actuarial valuation / Companies to make reasonable provisions / Auditors to verify true & fair valuation results.

If such leave availment assumptions are used across all actuarial valuation of accumulating compensated absences, everything will be smoothened and Actuarial Gains or Losses will give the impact of variation in leave availment rates (assumed v/s actual experience).

Conclusion

Study was made with a raw data of approximately 1 million records over

a period and it was seen that there is a tendency to accumulate leaves year on year and encash it for cash on exit, though there is always a need of availing additional leave at some point of time from the accumulated balances which forms additional liability for employer in the year, overall analysis shows

that around 3.00% to 5.00% of the accumulated leave balances are being availed and it is very safe assumption to build in valuation to reflect the leave availment liability along with encashment liability, this principle gels well with most accounting standards and produces appropriate results.

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M/s. K. A. Pandit – Consultants & Actuaries



happy
bIRTHday to you!



'THE ACTUARY INDIA' WISHES
MANY MORE YEARS OF HEALTHY LIFE
TO THE FELLOW MEMBERS
WHOSE BIRTHDAY FALL IN SEPTEMBER 2016

MR. G. N. AGARWAL
MR. N. C. DAS
MS. ASHA J. JOSHI
MR. V. K. VYDIANATHAN



Job Description

Position reports to: Manager– Actuarial Services

Department: Actuarial Services

Location: Mumbai, India

PRIMARY FUNCTIONS:

- Pricing and associated data analytics. Set and periodically update pricing bases.
- Contribute to new products and reinsurance structures design.
- Ensuring delivery of quotes on time adhering to the quality standards.
- Drafting proposal and treaty documentation.
- Research and develop areas of pricing expertise as required.
- Assist with review of business and product mandates for the local business mandate
- Maintaining complete and accurate pricing documentation.
- Interacting with clients on data issues and other issues to ensure the data used for pricing is complete and accurate.
- Involvement in any project-type activities from time to time.
 - Interaction with clients on
 - Manage timely internal reporting documentation requirements.
 - Understanding of RGA internal standards and meeting them.

REQUIREMENTS:

- Bachelor's degree in Mathematics, Finance, Statistics, Actuarial Science or a related field.
- Fellow of the Institute for Actuarial Science or a related field. . Fellow of the FIA and / or FIAI
- Minimum 5 years' experience in handling various aspects of the actuarial or analytical function of an insurance/reinsurance/financial business

OTHER REQUIREMENTS :

- Excellent oral and written Communication skills
- Ability to effectively participate and help foster, a team based work environment.
- Proven track record of setting and meeting individual and team goals in a project oriented, customer-focused environment.
- An ability to set and manage priorities in a changing work environment is essential.
- Strong IT skills – sound working knowledge of MS Excel, Macros, MS Word and any actuarial/statistical software.
- Ability to work in cross-functional teams/projects.
- Strong oral and written Communication skills. Strong IT skills – sound working knowledge of MS Excel, Macros, MS Word and any actuarial/statistical software. Ability to work in cross-functional teams/projects.

COMPANY OVERVIEW : Reinsurance Group of America, Incorporated ([NYSE: RGA](#)) is a leader in the global life reinsurance industry with approximately \$2.9 trillion of life reinsurance in force and assets of \$40.4 billion. We are one of the largest life reinsurance companies in the world. We are the only global reinsurance company to focus primarily on life and health-related reinsurance solutions.

SALARY INFORMATION : Commensurate with experience

APPLICATION SUBMISSIONS : Qualified applicants can apply by submitting a resume/CV to: Margaret Munnaluru, email : mmunnaluru@rgare.com



CA3 TOPPER - MAY 2016 MR. SATEESH BHAT



Congratulations

Mr. Sateesh Bhat, for being Topper in CA3 Exam held in May 2016.

Tell us about yourself, your educational background and your hobbies

Thank you. I am an Electrical Engineer by qualification with working experience in a Nuclear power plant and also as freelance software professional. I chose the Actuarial profession just out of interest and curiosity. Prior to my current role as Actuarial manager at Raheja QBE General Insurance Company, I have worked in retirement benefits at Aon Hewitt. In my spare time, I listen to music, travel and love to cook.

How did your family and friends contribute to your success?

It is rather impossible to succeed in a profession like Actuarial without the family support. My family, friends and colleagues have always been a part of this journey. My family has happily adjusted during the exam time while my friends have encouraged and supported me all through this journey.

How many hours of study on average per day did you put in to top the CA3 result where in only 10 candidates passed out?

The CA3 exam is more about observing yourself, practicing, "applying the feedback loop" and doing a self correction whenever we communicate with the external world. Regular practice and mock presentations have helped me. Following the advice received during the pre-course counselling, I even practiced explaining the actuarial concepts to my wife at home in simple English.

How much time do you think one requires for serious preparation for this examination?

The preparation time is likely to be different for different persons. However, the orientation should be more towards communication of the given topic than the topic itself. The whole course is about changing your communication habits and this could be achieved only by repeated practice.

Did you face any difficulty while studying this subject?

The Actuarial canvas is so wide and explaining the topics in simple terms is really a daunting task. After studying so many technical topics and working in an actuarial environment, we have imbibed an actuarial lingua franca which is difficult to change. Success in CA3 is all about going beyond the technical terms and explaining the terms to a non actuarial audience.

CA3 is a three day exam where first two days are dedicated to workshop based training sessions taken by communication experts. What all exercises were included in the exam workshop? How they helped you prepare for the exam?

Though this is my first attempt in CA3, the current format, the pre-course material and the expert telephonic counselling has aptly replaced the earlier format. The pre-course material is highly intuitive and clearly sets the tone of the exam. Deliberating over each of the exercises many times has helped me get a clear picture of

what is expected from the candidate. The telephonic counselling helped to reinforce the learning and clear doubts. I literally followed the advice that I received during the counselling.

This communication based exam tests an individual's presentation and written skills. How this exam has professionally helped you in your day to day communication at work?

The exam preparation helped me to be aware of my drawbacks while communicating to a non actuarial crowd. It also helped me improve my communication at work with other departments.

How do you think you can add value to the Actuarial Profession?

As mentioned earlier, I joined this profession out of interest for the subjects. Especially in General Insurance, we have a lot more to contribute by applying the actuarial techniques to the business environment. I would like to use my technical knowledge and technical skills to do more analytical work in pricing and reserving.

What was your purpose while selecting this course – Communications?

In our business environment, every actuary is surrounded by hundreds of other professionals. Hence a course like this is essential to perfect those techniques for effective communication with the external world. Also this paper is one of the steps for the fellowship.



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The Actuary India – Editorial Policy

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A: "The Actuary India" published monthly as a magazine since October, 2002, aims to be a forum for members of the Institute of Actuaries of India (the Institute) for;

- a. Disseminating information,
- b. Communicating developments affecting the Institute members in particular and the actuarial profession in general,
- c. Articulating issues of contemporary concern to the members of the profession.
- d. Cementing and developing relationships across membership by promoting discussion and dialogue on professional issues.
- e. Discussing and debating issues particularly of public interest, which could be served by the actuarial profession,
- f. Student members of the profession to share their views on matters of professional interest by way of articles and write-ups.

B: The Institute recognizes the fact that;

- a. there is a growing emphasis on the globalization of the actuarial profession;
- b. there is an imminent need to position the profession in a business context which transcends the traditional and specific actuarial applications.
- c. The Institute members increasingly will work across the globe and in global context.

C: Given this background the Institute strongly encourages contributions from the following groups of professionals:

- a. Members of other international actuarial associations across the globe
- b. Regulators and government officials
- c. Professionals from allied professions such as banking and other financial services
- d. Academia
- e. Professionals from other disciplines whose views are of interest to the actuarial profession
- f. Business leaders in financial services.

D: The magazine also seeks to keep members updated on the activities of the Institute including events on the various practice areas and the various professional development programs on the anvil.

E: The Institute while encouraging stakeholders as in section C to contribute to the Magazine, it makes it clear that responsibility for authenticity of the content or opinions expressed in any material published in the Magazine is solely of its author and the Institute, any of its editors, the staff working on it or "the Actuary India" is in no way holds responsibility there for. In respect of the advertisements, the advertisers are solely responsible for contents of such advertisements and implications of the same.

F: Finally and most importantly the Institute strongly believes that the magazine must play its part in motivating students to grow fast as actuaries of tomorrow to be capable of serving the financial services within ever demanding customer expectations.

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Srilanka

Ensuring Examination Success



In this region of the world, the majority of actuarial profession members are students rather than Fellows. As a result, I decided to spend this article (and perhaps the next) expressing my views on maximizing the chances of actuarial exam success, particularly for newer students.

Examination Selection

This is perhaps the first step of all. When considering which Core Technical (CT) subjects to study, consider the relative difficulty. As per my own experience, CT1, CT2, CT3, CT7 and CT9 tend to be easier than CT4 and CT6, which in turn tend to be easier than CT5 and CT8. When embarking on an actuarial career, sit the easier subjects first. This helps build early success, momentum and confidence- all of which are critical to continued success.

Regarding the number of subjects to attempt, in my day my colleagues and I attempted three CT subjects in the long session and two CT subjects in the short session. This gave a few advantages, such as fast progress through the CTs and less likelihood of zero progression for any given exam period. Even if a given subject is failed, it does not take a substantial additional effort to sit it again during the next exam period. If five CT exams per year seems too much, then go for three or four instead.

Study Plan

The next stage is the most vital part; creating the study plan. The study plan should be both thorough (covers all the requirements) and realistic (can be achieved); this sounds obvious, though is seldom accomplished, primarily because insufficient quality time is spent on its preparation. Spend your first study day wholly on this task. If it is approached correctly, exam preparation will merely consist of following your well-designed study plan.

Allocate your time so that approximately 30-40% (the lower the better) is spent reading the materials

and 70-60% (the higher the better) is spent practicing questions. In actuarial study as per most things in life, practice makes perfect- so ensure that you allocate sufficient time to practice. Ensure that you allocate sufficient rest days so that you will be energized come the day of the exam. It is ideal to rest on Wednesdays and half of the weekend days, as well as several additional full days.

Practice should be focused on past papers as these give a good impression of the style, range and difficulty of questions that could potentially arise. Split the questions across the past papers according to the chapters covered and attempt them chapter-wise.

When allocating time for chapter revision, do not assign the same amount of time to each chapter. As you proceed, continuously rate the chapters according to their perceived difficulty (red, amber, green); start with the most difficult (red) chapters and keep on practicing until you push your self-rating up. In this way, you will avoid spending time on chapters that you are already comfortable with

and instead focus on your weaker areas.

How to Read

Breeze through the notes without straining. Do not stress the brain trying to understand each and every sentence and equation immediately. Following this, take a short break from the notes (30 minutes will suffice). Repeat the process, reading the same sections again, and in all likelihood you will understand more than you did during the previous reading. Repeat this process many times. This technique allows the subconscious time to absorb the full subject details without taxing yourself too heavily and tends to be more thorough and lasting than cramming. Thus study should be commenced as early as possible, so that the process can be repeated more times.

If you ever feel bored or disinterested then stop immediately. Study time is measured in terms of quality, not time spent. You must reduce the time spent studying and increase the effectiveness, considering the duration of the actuarial path to the Fellowship. ...to be continued!

About the author

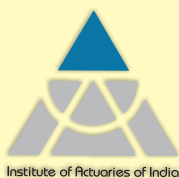
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CALL FOR ARTICLES



We invite articles from the members and non members with subject area being issues related to actuarial field, developments in the field and other related topics which are beneficial for the students of the institute.

The font size of the article ought to be 9.5. Also request you to mark one or two sentences that represents gist of the article. We will place it as 'break-out' box as it will improve readability. Also it will be great help if you can suggest some pictures that can be used with the article, just to make it attractive. Articles should be original and not previously published. All the articles published in the magazine are guided by EDITORIAL POLICY of the Institute.

The guidelines and cut-off date for submitting the articles are available at :

http://actuariesindia.org.in/subMenu.aspx?id=106&val=submit_article

Mind Exercise



Puzzle No 251

You have a large number of friends coming over and they all get thirsty. Your first friend asks for $1/2$ a cup of water. Your second friend asks for $1/4$ a cup of water. Your third friend asks for $1/8$ a cup of water, etc.

How many cups of water do you need to serve your friends?

Puzzle No 252

There are 1600 people sitting around a circular table. The first person (person 1) has a sword and kills the second person then hands it to the next alive person (in this case person 3). Person 3 stabs person 4 and gives the sword to person 5. This goes on until person 1499 kills person 1500. Then person 1 kills person 3 and so on. This is repeated until there is only a single person remaining. Who remains in the end?

Answers to puzzles

Puzzle No 247:

75, 64, 76

Puzzle No 248:

1,3,5,6,7,10,2

Puzzle No 249:

eleven seventy

Puzzle No 250:

$$30 = 22 + (2 \times 2 \times 2)$$

$$243 = 3^{31} / 3$$

$$1300 = [4 + (4 + 4) / 4]^4 + 4$$

$$24 = 5! / 5$$

$$3 = (66 \div 6) - \{(6 + 6) \div 6\} - 6$$

Correct solutions were received from

Puzzle No 247:

1. Rochak Talwar
2. Mahadevan P
3. Hemant Rupani
4. Viral Raythatha
5. Geeth Sannala
6. Megha Dhall
7. Varsha Agarwal
8. D J Jain
9. Aarju Wadke
10. Anurag Biyani
11. Keshav Bajaj
12. Abhishek Baid
13. Parag Lath

14. Shilpi Jain
15. Mrityunjaya Dagar
16. R. Mythili
17. Graham Lyons

Puzzle No 248:

1. Hemant Rupani
2. R. Mythili
3. Graham Lyons

Puzzle No 249:

1. Dilip Anand
2. Graham Lyons

Puzzle No 250:

1. Hemant Rupani
2. Dilip Anand
3. Harmeet Singh
4. Shilpi Jain
5. Pratik Baheti
6. Bhargav Swaroop
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