

立法會  
*Legislative Council*

LC Paper No. CB(2)573/01-02

Ref : CB2/SS/14/00

**Legislative Council  
Subcommittee on Solicitors  
(Professional Indemnity) (Amendment) Rules 2001**

**Minutes of first meeting  
held on Wednesday, 10 October 2001 at 8:30 am  
in Conference Room A of the Legislative Council Building**

- Members Present** : Hon Margaret NG (Chairman)  
Hon Martin LEE Chu-ming, SC, JP  
Hon Jasper TSANG Yok-sing, JP  
Hon Mrs Miriam LAU Kin-yee, JP  
Hon Eric LI Ka-cheung, JP  
Hon Audrey EU, SC, JP
- Members Absent** : Hon Albert HO Chun-yan  
Hon Bernard CHAN  
Hon Ambrose LAU Hon-chuen, GBS, JP
- Public Officers Attending** : Mr Stephen WONG  
Deputy Solicitor General
- Ms Kitty FUNG  
Senior Government Counsel
- By Invitation** : Law Society of Hong Kong
- Mr Vincent LIANG  
Chairman of the Solicitors Indemnity Fund Ltd.

Mr Anthony CHOW  
Director of the Solicitors Indemnity Fund Ltd.

Mr Chris HOWSE  
Director of the Solicitors Indemnity Fund Ltd.

Mr Patrick MOSS  
Secretary General

Horvath & Giles and Erving Brettell

Mr William GILES  
Mr Christopher ERVING

Holman Fenwick & Willan

Mr Richard WILMOT

**Clerk in Attendance** : Mrs Percy MA  
Chief Assistant Secretary (2)3

**Staff in Attendance** : Mr Stephen LAM  
Assistant Legal Adviser 4

Mr Paul WOO  
Senior Assistant Secretary (2)3

---

**I. Election of Chairman**

Miss Margaret NG was elected Chairman of the Subcommittee.

**II. The meeting**

2. The Subcommittee deliberated. (Index of proceedings attached at **Annex**).

3. The Assistant Legal Adviser 4 was requested to provide a paper on the options under section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) in relation to the Solicitors (Professional Indemnity) (Amendment) Rules 2001.

4. The Law Society was requested to provide information on the following matters -

- (a) the relevant extract of the draft Solicitor Corporation Rules;
  - (b) advice on the practical consequences on the Hong Kong Solicitors Indemnity Fund and the Professional Indemnity Insurance Scheme if the Amendment Rules were (i) repealed; or (ii) amended to the effect that the amendments were valid for one year from the date of commencement of the Amendment Rules, and upon their expiry the relevant pre-existing provisions would be revived; and
  - (c) advice on the Law Society's position on adjustment of the levels of contribution in the shorter term, taking into account a firm's no claim record and type of practice.
5. The Administration was requested to comment, from the public policy angle, on the following issues -
- (a) a reduction of the existing insurance coverage of \$10 million per claim to \$5 million or some other level; and
  - (b) the impact on the provision of legal services in Hong Kong, in view of the impact of the increase in contributions on certain small local firms.

### **III. Any other business**

6. The Subcommittee agreed that the Chairman would move a motion at the Council meeting on 17 October 2001 to extend the scrutiny period of the Amendment Rules to the Council meeting on 31 October 2001.
7. The Subcommittee agreed to hold the next meeting on 16 October 2001 at 8:30 am.
8. There being no other business, the meeting ended at 10:35 am.

**Proceedings of the first meeting of the Subcommittee on  
Solicitors (Professional Indemnity) (Amendment) Rules 2001  
on Wednesday, 10 October 2001 at 8:30 am  
in Conference Room A of the Legislative Council Building**

<b>Time</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
000001-000043	Mr Martin LEE/ Miss Margaret NG	Election of Chairman of Subcommittee	
000043-000701	Miss Margaret NG	Opening remark and introduce parties attending the meeting	
000702-000730	Clerk to Subcommittee	Legislative timetable	
000731-000745	Miss Margaret NG	-ditto-	
000746-000749	Ms Miriam LAU	-ditto-	
000750-000755	Miss Margaret NG	-ditto-	
000756-000757	Mr Martin LEE	-ditto-	
000758-000853	Miss Margaret NG	Invitation of presentation of submission	
000854-001333	Mr Patrick MOSS	Law Society's information papers (Appendices XIII to XVIII in LC Paper No. CB(2)15/01-02(02))	
001334-001347	Miss Margaret NG	Review to be conducted by Law Society	
001348-001406	Mr Patrick MOSS	-ditto-	
001407-001415	Miss Margaret NG	-ditto-	
001416-001439	Mr Patrick MOSS	-ditto-	
001440-001447	Miss Margaret NG	-ditto-	
001448-001516	Mr Patrick MOSS	-ditto-	
001517-001524	Miss Margaret NG	-ditto-	
001525-001552	Mr Patrick MOSS	-ditto-	
001553-001557	Miss Margaret NG	-ditto-	
001558-001632	Ms Miriam LAU	-ditto-	
001633-001844	Mr Patrick MOSS	Consequences of changing the existing professional indemnity insurance scheme	
001845-001920	Ms Miriam LAU	Possibility of introducing changes to the terms of the existing scheme	
001921-002015	Mr Patrick MOSS	Existing contracts with re-insurers	
002016-002043	Miss Margaret NG	Contributions paid by solicitors' firms	
002044-002103	Mr Patrick MOSS/ Miss Margaret NG	Existing professional indemnity insurance scheme	
002104-002109	Mr Patrick MOSS	-ditto-	
002110-002122	Miss Margaret NG	-ditto-	

002123-002133	Mr Patrick MOSS	-ditto-	
002134-002147	Miss Margaret NG	-ditto-	
002148-002205	Mr Martin LEE	Reaction of solicitors' firms to arrangements under the new 5-year reinsurance contract	
002206-002212	Miss Margaret NG	-ditto-	
002213-002244	Mr Martin LEE	-ditto-	
002245-002257	Miss Margaret NG	-ditto-	
002258-002300	Mr Martin LEE/ Miss Margaret NG	-ditto-	
002301-002314	Miss Margaret NG	-ditto-	
002315-002325	Mr Patrick MOSS	-ditto-	
002326-002549	Mr Anthony CHOW	Consideration of alternative schemes	
002550-002613	Miss Margaret NG	Invite questions	
002614-003129	Mr Christopher ERVING	Possibility of altering the existing formula for calculating contributions	
003130-004022	Miss Margaret NG	Brief on results of a survey on the impact of the increase in contributions on solicitors firms	
004023-004240	Mr Patrick MOSS	Nature of claims vis-à-vis types of business of solicitors firms	
004241-004343	Miss Margaret NG	Results of survey conducted by Miss Margaret NG (LC Paper No. CB(2)23/01-02(01))	
004344-004527	Mr Chris HOWSE	Problems of altering the existing formula for calculating contributions	
004528-004926	Mr Anthony CHOW	Factors leading to proposed increase in contributions	
004927-005038	Mr Chris HOWSE	Effect of increased premium on solicitors' firms	
005039-005041	Miss Margaret NG	-ditto-	
005042-005121	Mr Chris HOWSE	-ditto-	
005122-005145	Miss Margaret NG	-ditto-	
005146-005517	Ms Audrey EU	Relevant factors for determining insurance premium	
005518-005620	Miss Margaret NG	-ditto-	
005621-010008	Mr Chris HOWSE	Consequences of changing the method of calculating contributions	
010009-010206	Mr Anthony CHOW	-ditto-	
010207-010351	Mr Vincent LIANG	Explanation of the existing scheme and the future review to be conducted by Law Society	
010352-010449	Ms Audrey EU	Views on future review by the Law Society	
010450-010553	Miss Margaret NG	Matters of concern to the LegCo Subcommittee	

010554-010639	Ms Audrey EU	Situation of firms ceasing business	
010640-010645	Miss Margaret NG	Firms ceasing business / penalty deductibles and claims loading under the scheme	
010646-010649	Ms Audrey EU	-ditto-	
010650-010709	Miss Margaret NG	Cross subsidisation under the present scheme	
010710-010956	Mr Patrick MOSS	Rationale for the existing scheme	
010957-011051	Miss Margaret NG	Comment on existing scheme	
011052-011114	Mr Jasper TSANG	Findings of survey conducted by Miss Margaret NG	
011115-011155	Miss Margaret NG	-ditto-	
011156-011246	Mr Jasper TSANG	-ditto-	
011247-011254	Miss Margaret NG	-ditto-	
011255-011349	Mr Jasper TSANG	-ditto-	
011350-011507	Mr Anthony CHOW	-ditto-	
011508-011517	Miss Margaret NG	-ditto-	
011518-011522	Mr Anthony CHOW/ Miss Margaret NG	-ditto-	
011523-011605	Mr Anthony CHOW	-ditto-	
011606-011639	Miss Margaret NG	-ditto-	
011640-011746	Mr Anthony CHOW	-ditto-	
011747-011910	Miss Margaret NG	-ditto-	
011911-011949	Mr Anthony CHOW	-ditto-	
011950-012028	Miss Margaret NG	Introduce Mr Richard WILMOT to present paper	
012029-012727	Mr Richard WILMOT	Presentation of paper (LC Paper No. CB(2)23/01-02(02))	
012728-012809	Miss Margaret NG	Qualified Insurers Plan (QIP) in UK	
012810-012949	Mr Richard WILMOT	Discussion on QIP	
012950-013014	Miss Margaret NG	-ditto-	
013015-013053	Mr Chris HOWSE	-ditto-	
013054-013100	Mr Richard WILMOT	-ditto-	
013101-013113	Mr Chris HOWSE	-ditto-	
013114-013305	Miss Margaret NG	Invite the Administration's views	
013306-013423	Administration	Explanation of Administration's stance	
013424-013621	Miss Margaret NG	Responding to Administration's views	
013622-013658	Ms Audrey EU	How the Land Titles Bill and draft rules on solicitor corporation will affect indemnity of solicitors	
013659-013712	Miss Margaret NG	Progress on making of draft rules on solicitor corporation by the Law Society	

013713-013735	Mr Patrick MOSS	Progress on draft rules on solicitor corporation	
013736-013803	Miss Margaret NG	-ditto-	
013804-013838	Administration	-ditto-	
013839-013850	Miss Margaret NG	-ditto-	
013851-014004	Mr Patrick MOSS	Land Titles Bill	
013805-014116	Ms Audrey EU	Effect of the Land Titles Bill and draft rules on solicitor corporation on indemnity of solicitors	
014117-014155	Mr Patrick MOSS	-ditto-	
014156-014231	Ms Audrey EU	Draft rules on solicitor corporation	
014232-014245	Mr Patrick MOSS	-ditto-	
014246-014253	Ms Audrey EU	Liability under draft rules on solicitor corporation	
014254-014317	Mr Patrick MOSS	-ditto-	
014318-014346	Miss Margaret NG	Draft rules on solicitor corporation relating to insurance	
014347-014349	Mr Patrick MOSS	-ditto-	
014350-014509	Miss Margaret NG	-ditto-	
014510-014550	Mr Patrick MOSS	-ditto-	
014551-014731	Miss Margaret NG	Repeal/amendment of the Amendment Rules	
014732-014743	ALA	-ditto-	
014744-014810	Miss Margaret NG	LegCo scrutiny of subsidiary legislation	
014811-014830	ALA	-ditto-	
014831-014840	Miss Margaret NG	-ditto-	
014841-014909	ALA	-ditto-	
014910-014919	Miss Margaret NG	-ditto-	
014920-014936	ALA	-ditto-	
014937-015048	Miss Margaret NG	Alternatives for the existing scheme	
015049-015132	Ms Audrey EU	Proposal to amend the Amendment Rules	
015133-015209	ALA	Consequences of repeal/amendment of the Amendment Rules	
015210-015253	Miss Margaret NG	Consideration of Ms Audrey EU's proposal	
015254-015259	ALA	-ditto-	
015300-015315	Ms Audrey EU	Consequences of repeal/amendment of the Amendment Rules	
015316-015345	ALA	Law Society's comment on possible impact of repeal/amendment of the Amendment Rules	
015346-015414	Miss Margaret NG	Legal consequences of repeal/amendment of the Amendment Rules	

015415-015443	Ms Audrey EU	Legal Adviser to provide paper on legal consequences of repeal/amendment of the Amendment Rules	ALA
015444-015548	Miss Margaret NG	Impact of repeal/amendment of the Amendment Rules	
015549-015602	Mr Patrick MOSS	-ditto-	
015603-020021	Miss Margaret NG	Legal Adviser, Law Society and the Administration to provide papers for discussion at the next meeting	ALA/ Law Society/ Admin
020022-020220	Miss Margaret NG	Fixing date for next meeting	

**Note : The audio records of the above proceedings are kept at the LegCo Library**

Council Business Division 2  
Legislative Council Secretariat  
4 December 2001