

Letterhead of THE LAW SOCIETY OF HONG KONG

Our Ref : VL/mc/PI-9
Your Ref : CB2/PL/AILS
Direct Line : 28th September 2000

Mrs. Percy Ma
Clerk to Legco Panel on Administration of Justice and Legal Services
3/F Citibank Tower
No. 3 Garden Road
Central
Hong Kong

By Fax/Post
Fax: 2509 9055

Dear Mrs. Ma,

**RE: LegCo Panel on the Administration of Justice & Legal Services,
Solicitors (Professional Indemnity) (Amendment) Rules 2001**

Thank you for your letter dated 26 September the contents of which I have noted. The Law Society has the following comments on the three points listed in your letter, namely:

- a) 86.05% of firms with no claims loading will pay 5% or less of their gross fee income in contributions to the Professional Indemnity Scheme under the new Rules. The Law Society cannot comment on the effect that payment of the increased contributions will have upon individual firms. The impact upon each firm depends upon the individual circumstances of each firm.
- b) The Law Society will be looking at a number of aspects of the Scheme including those referred to by you;
- c) It has always been the Law Society's intention during the existence of the current indemnity contract to determine whether there are viable alternatives, which should replace the existing scheme.

I wait to hear further from you.

Yours sincerely,

Patrick Moss
Secretary General