

**立法會**  
**Legislative Council**

LC Paper No. CB(2) 1651/01-02  
(These minutes have been seen by  
the Administration)

Ref : CB2/BC/8/01

**Bills Committee on  
Employees Compensation Assistance (Amendment) Bill 2002**

**Minutes of the 2nd meeting  
held on Wednesday, 3 April 2002 at 4:30 pm  
in Conference Room A of the Legislative Council Building**

**Members present** : Hon Audrey EU Yuet-mee, SC, JP (Chairman)  
Hon Kenneth TING Woo-shou, JP  
Hon James TIEN Pei-chun, GBS, JP  
Hon LEE Cheuk-yan  
Hon Eric LI Ka-cheung, JP  
Hon CHAN Kwok-keung  
Hon Bernard CHAN  
Hon LEUNG Yiu-chung  
Hon Andrew CHENG Kar-foo  
Hon TAM Yiu-chung, GBS, JP  
Hon Abraham SHEK Lai-him, JP  
Hon LEUNG Fu-wah, MH, JP

**Members absent** : Hon Albert HO Chun-yan  
Hon LI Fung-ying, JP

**Public Officers attending** : Mr Philip CHOK, JP  
Deputy Secretary for Education and Manpower  
  
Mr Alan LO  
Principal Assistant Secretary for Financial Services  
(Retirement Schemes and Insurance)

Mrs Jenny CHAN  
Assistant Commissioner for Labour (Rights and Benefits)

Mr H Y MOK  
Assistant Commissioner of Insurance (General Business)

Mr LAI Ka-tong  
Senior Labour Officer (Compensation)

Mr Lawrence PENG  
Senior Government Counsel

**Clerk in attendance** : Mrs Sharon TONG  
Chief Assistant Secretary (2) 1

**Staff in attendance** : Miss Kitty CHENG  
Assistant Legal Adviser 5

Ms Dora WAI  
Senior Assistant Secretary (2) 4

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**I. Confirmation of minutes of previous meeting and matters arising**

The minutes of the meeting held on 14 March 2002 were confirmed.

2. The Chairman declared that since the meeting on 14 March 2002, she had been requested to provide legal advice on some legal-related issues arising from the HIH insolvencies and that such legal advice might be related to the Bill.

**II. Meeting with the Administration**

3. The Bills Committee deliberated (Index of proceedings attached at **Annex**).

4. The Bills Committee requested the Administration to provide a written response on the following -

- (a) the compensation arrangements in the United Kingdom and Canada for policyholders affected by the insolvency of the HIH Group of companies which operated in these two places, and the new measures adopted by the relevant authorities there in the supervision of employees' compensation insurers as a result of this insolvency case; and

- (b) the amount of common law damages (including interest) awarded by the Court where in turn such damages were paid out from the Employees Compensation Assistance Fund Board (the ECA Fund Board), persons who would be eligible for relief payment and the order of priority of such persons in receiving relief payment, and the deliberations of the Labour Advisory Board on the proposal concerning relief payment.
- 5. The Bills Committee noted the request of the General Insurance Council of The Hong Kong Federation of Insurers and agreed to invite the organisation to present its views on the Bill at the next meeting.
- 6. The Bills Committee also agreed that the following deputations be invited to the next meeting to present their views on the Bill, if any -
  - (a) the ECA Fund Board;
  - (b) the Employers' Federation of Hong Kong; and
  - (c) The Hong Kong Construction Association Ltd.
- 7. The Bills Committee agreed that the next meeting be held on 23 April 2002 at 10:45 am.
- 8. There being no other business, the meeting ended at 5:35 pm.

**Proceedings of the 2nd meeting of the  
Bills Committee on  
Employees Compensation Assistance (Amendment) Bill 2002  
held on Wednesday, 3 April 2002 at 4:30 pm  
in Conference Room A of the Legislative Council Building**

<b>Time</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
0000 - 0219	Chairman	(a) Confirmation of minutes of last meeting; (b) Declaration of having been requested to provide legal advice on some legal-related issues arising from the HIH insolvencies; and (c) Admin's written response concerning the basis for projecting the HIH liabilities, breakdown of injury claims arising from the HIH insolvencies, dates when the respective accidents happened and when the claims payments were due (LC Paper No. CB(2)1467/01-02(01))	
0220 - 0242	Mr Bernard CHAN	Accuracy of the estimated liabilities arising from the HIH insolvencies	
0243 - 0430	Admin	- ditto -	
0431 - 0531	Mr James TIEN	Way of handling the situation where the total amount of compensation/damages awarded in cases arising from the HIH insolvencies was less than the estimated liabilities	
0532 - 0731	Admin	- ditto -	
0732 - 0802	Mr James TIEN	- ditto -	
0803 - 0807	Admin	- ditto -	
0808 - 0819	Mr James TIEN	- ditto -	
0820 - 1034	Admin	- ditto -	
1035 - 1101	Mr James TIEN	- ditto -	
1102 - 1113	Admin	- ditto -	
1114 - 1129	Mr James TIEN	- ditto -	
1130 - 1257	Admin	- ditto -	
1258 - 1339	Mr Bernard CHAN	(a) Inclusion of common law damages in the estimated liabilities; and (b) Accuracy of the estimated liabilities arising from the HIH insolvencies	
1340 - 1358	Admin	- ditto -	
1359 - 1403	Chairman	- ditto -	
1404 - 1409	Admin	- ditto -	

<b>Time</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
1410 - 1515	Chairman	Inviting Admin to brief members on the proposed Employees Compensation Insurer Insolvency Scheme (the proposed Scheme) and other related information as set out in Admin's written response (LC Paper No. CB(2)1467/01-02(02))	
1516 - 1634	Admin	Briefing on the proposed Scheme	
1635 - 1700	Chairman	Submission from the General Insurance Council (LC Paper No. CB(2)1428/01-02(01)) and its request to present the Council's views on the Bill	
1701 - 1829	Mr James TIEN	Feasibility of raising the level of registered capital required of insurers with parent companies outside Hong Kong	
1830 - 1834	Admin	- ditto -	
1835 - 1839	Chairman	- ditto -	
1840 - 1845	Mr James TIEN	- ditto -	
1846 - 2233	Admin	(a) Existing regulatory requirements under the Insurance Companies Ordinance (Cap. 41) and the Insurance Companies (General Business) (Valuation) Regulation as applicable to insurance companies; and (b) Proposal to set an admissibility limit to the amount of reinsurance recoverable from parent companies outside Hong Kong	
2234 - 2256	Mr James TIEN	Proposal to set an admissibility limit to the amount of reinsurance recoverable from parent companies outside Hong Kong	
2257 - 2310	Admin	- ditto -	
2311 - 2330	Mr James TIEN	Possibility of reoccurrence of similar insolvency incidents in the future even though the above proposal had been put in place	
2331 - 2402	Admin	- ditto -	
2403 - 2415	Mr James TIEN	- ditto -	
2416 - 2425	Admin	- ditto -	
2426 - 2555	Mr Bernard CHAN	Relaying the views of the insurance industry on the proposed Scheme	
2556 - 2617	Chairman	Inviting further questions from members concerning the proposed Scheme	

<b>Time</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
2618 - 2656	Mr James TIEN	Actions taken by the relevant authorities of the UK, Canada and Singapore in handling the claims arising from the insolvency of the HIH Group of companies operating in these three places	
2657 - 2737	Admin	Actions taken by the relevant authorities of the UK and Canada (except Singapore as the HIH Group had no operation there) in handling the claims arising from the insolvency of the HIH Group of companies operating in these two places	
2738 - 2759	Mr James TIEN	Compensation arrangements in the United Kingdom and Canada for policyholders affected by the insolvency of the HIH Group of companies which operated in these two places, and the new measures adopted by the relevant authorities there in the supervision of employees' compensation insurers as a result of this insolvency case	
2800 - 2855	Admin	- ditto -	
2856 - 2938	Chairman	Compensation arrangements in the United Kingdom and Canada for policyholders affected by the insolvency of the HIH Group of companies which operated in these two places, and the new measures adopted by the relevant authorities there in the supervision of employees' compensation insurers as a result of this insolvency case	✓ Admin to provide a written response
2939 - 3034	Mr LEE Cheuk-yan	Comment made by the General Insurance Council in its submission that the statement of "the insurance industry in Hong Kong is in the process of establishing a scheme which will in effect replace the present provisions of the principal Ordinance relating to applications by employers for payment from the Fund where their insurers are insolvent" in the Bill was incorrect	
3035 - 3104	Admin	- ditto -	
3105 - 3129	Mr LEE Cheuk-yan	Need for support from the insurance industry for implementing the proposed Scheme	
3130 - 3203	Admin	- ditto -	
3204 - 3335	Mr Bernard CHAN	Implications on insurers underwriting reinsurance business in the aftermath of the terrorist attacks on 11 September 2001	
3336 - 3602	Chairman	Inviting members' views on whether the General Insurance Council and the ECA Fund Board should be invited to the next meeting to give views on the Bill	✓ Clerk to follow up

<b>Time</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
3603 - 3709	Mr James TIEN	Suggestion to invite the Employers' Federation of Hong Kong to the next meeting to give views on the Bill	✓ Clerk to follow up
3710 - 3728	Chairman	- ditto -	
3729 - 3744	Mr Abraham SHEK	Suggestion to invite The Hong Kong Construction Association Ltd to the next meeting to give views on the Bill	✓ Clerk to follow up
3745 - 3804	Mr LEUNG Yiu-chung	Suggestion to invite The Hong Kong Occupational Deafness Association to the next meeting to give views on the Bill	
3805 - 3814	Chairman	- ditto -	
3815 - 3851	Mr LEUNG Yiu-chung	- ditto -	
3852 - 3859	Chairman	- ditto -	
3900 - 3909	Mr LEUNG Yiu-chung	- ditto -	
3910 - 3923	Mr LEUNG Fu-wah	- ditto -	
3924 - 4108	Chairman	Admin's written response to the submission from the General Insurance Council (LC Paper No. CB(2)1467/01-02(03))	
4109 - 4130	Mr James TIEN	Details of the proposal under clause 17 of the Bill for empowering the ECA Fund Board to take part in court proceedings in respect of claims assisted by the Board	
4131 - 4133	Admin	- ditto -	
4134 - 4152	Mr James TIEN	- ditto -	
4153 - 4201	Chairman	Power of the ECA Fund Board in taking part in court proceedings under the existing provisions of Cap. 41	
4202 - 4240	Admin	- ditto -	
4241 - 4311	Chairman	Inviting further questions from members on the proposed Scheme	
4312 - 4405	Mr LEE Cheuk-yan	Basis for proposing \$1.5 million as an initial payment made by the ECA Fund Board, followed by monthly payments of \$10 000, in cases where the amount of common law damages awarded by the Court exceeded \$1.5 million	
4406 - 4810	Admin	- ditto -	
4811 - 4957	Mr LEE Cheuk-yan	(a) Request for information on the amount of common law damages (including interest) awarded by the Court where in turn such damages were paid out from the ECA Fund Board; and (b) Eligibility of parents of a deceased employee for relief payment made by the ECA Fund Board	

<b>Time</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
4958 - 5108	Admin	Eligibility of parents of a deceased employee for relief payment made by the ECA Fund Board	
5109 - 5142	Mr LEE Cheuk-yan	- ditto -	
5143 - 5152	Chairman	- ditto -	
5153 - 5255	Mr LEE Cheuk-yan	Request for information on the amount of common law damages (including interest) awarded by the Court where in turn such damages were paid out from the ECA Fund Board	
5256 - 5314	Chairman	Request for Admin to provide information on the amount of common law damages (including interest) awarded by the Court where in turn such damages were paid out from the ECA Fund Board, persons who would be eligible for relief payment and the order of priority of such persons in receiving relief payment	✓ Admin to provide a written response
5315 - 5343	Mr James TIEN	Request for information on the deliberations of the Labour Advisory Board on the proposal concerning relief payment	✓ Admin to provide a written response
5344 - 5458	Chairman	Date of next meeting	

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

Council Business Division 2  
Legislative Council Secretariat  
 19 April 2002