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OFFICE OF THE COMMISSIONER
OF INSURANCE
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66 Queensway,
Hong Kong

INS/TEC/6/10 (VII)

20 June 2002

Mr. Raymond Pao
1501 World Wide House
19 Des Voeux Road Central
Hong Kong.

Dear Mr. Pao

Drink Driving Exclusion Clause

Thank you for your letter of 17 June 2002 regarding the "drink" driving exclusion clause ("exclusion clause") in your motor insurance policy.

Whilst we are debarred under the Insurance Companies Ordinance from intervening in the terms and conditions of an insurance policy, we would wish to point out that drunk driving is a traffic offence under the Road Traffic Ordinance. One of the basic principles of insurance is not to provide insurance protection in respect of any unlawful acts, we therefore do not see anything improper for the insurers to insert such an exclusion clause.

The incorporation of the exclusion clause in a motor policy will not prejudice the protection for innocent third party traffic victims. Under section 12 of Motor Vehicles Insurance (Third Party Risks) Ordinance, irrespective of any such exclusion clause in the policy, the insurer is still required to settle bodily injury or fatal claims arising out of a motor accident, albeit it has a right to seek indemnity from the insured. With such requirement, the rights of third party traffic victims are protected.

Yours faithfully,

(S K Leung)
for Commissioner of Insurance
(Insurance Authority)