



THE
LAW SOCIETY
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10th March 2003

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Mr. Joey Lo,
Office of Clerk to Panel,
Legislative Council,
Legislative Council Building,
8 Jackson Road, Central,
Hong Kong.

URGENT

Dear Mr. Lo,

Panel on Financial Affairs
Special meeting on 15th March 2003

I refer to your letter dated 25th February addressed to the President who has asked me to respond. Unfortunately he has other commitments and will not be able to attend the Panel meeting on that day.

The Law Society does have a number of concerns not only as to the high premium rates required for all forms of insurance and the difficulties encountered by some of our members obtaining the cover they require at a price that is acceptable. Additionally there are concerns at the escalating trend of damages for compensation awarded by the court both for employees' claims and for other personal injury litigation. In this respect we propose making further enquiries but we believe that there is evidence of inconsistency of awards by the courts, inflation of claims for loss of earnings and the use of statistics produced by the Census and Statistics Department which are allegedly out of date. These indicate an increase in wages and earnings in areas where they would not otherwise be expected such as the construction industry.

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Subject to our further enquiries we also understand that changes in the Employees Compensation Ordinance have resulted in families being able to claim compensation without the need first to prove dependency upon the deceased workman. This has led to an increase in awards well above the level previously experienced.

It may take sometime to obtain further particulars and confirmation of these possible causes and it may well be that there are others either within the insurance industry or elsewhere who are in a better position to provide statistics and data to the Panel. Please keep us informed of the discussion that will take place on 15th March.

Yours sincerely,



Patrick Moss
Secretary General

PM/ff