



中華人民共和國香港特別行政區 Hong Kong Special Administrative Region of the People's Republic of China

LEGISLATIVE COUNCIL

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(By fax and by post) Total: 2 pages

16 June 2004

Ms Elsie LEUNG, GBM, JP Secretary for Justice 4th floor, High Block **Oueensway Government Offices** Hong Kong

Dear Elsie.

Panel on Administration of Justice and Legal Services

Professional Indemnity Scheme of the Law Society of Hong Kong

I am requested by members of the Panel to bring the captioned matter to your personal attention as it is both urgent and important, and I understand the Solicitor General is away from Hong Kong most of June.

As you are aware, the Panel held a special meeting on 14 June 2004 to discuss Apart from representatives from the Administration, the captioned matter. representatives from the Law Society and 10 members of the Professional Indemnity Scheme Action Group were also in attendance.

The Panel has noted that a questionnaire was issued by the Law Society on 12 June 2004 to gather views from members of the profession on the preferred structure of the Professional Indemnity Scheme. The Law Society will then seek the views of the Administration on the scheme it proposes to adopt. The Law Society President said, and Panel members agreed, that it is crucial to have the Administration's support before a scheme can be developed in detail and the requisite legislation drafted.

Members of the Panel expressed deep concern about the present situation faced by solicitors and considered that a realistic solution to the problem should be worked out by all relevant parties. On behalf of the Panel, I write to urge the Administration to respond without delay to any decision reached by the Law Society after its consultation with members of the profession. The Panel also requests the Administration to seriously consider whether it is essential for any proposed scheme to be backed up by the Policyholders' Protection Fund or "insurance on insurance". According to the Law Society, even if the latter option is feasible, the cost will be prohibitively high to the profession.

With best regards,

(Margaret NG)

Your sincerely, Margarethy

Chairman of the Panel on

Administration of Justice and Legal Service