



THE  
**LAW SOCIETY**  
OF HONG KONG  
香港律師會

**立法會 CB(2)2238/09-10(01)號文件**  
**(只備英文本)**

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*From the President*

Our ref: VL/mc/PI-9

6 September 2010

The Honourable Margaret Ng  
Legislative Councillor  
Legislative Council  
Legislative Council Building  
8 Jackson Road  
Central, Hong Kong

**By Hand**

Dear *Margaret*,

**Solicitors (Professional Indemnity) (Amendment) Rules 2010 (“Amendment Rules”)**

I am very grateful for the assistance provided by the Subcommittee and the Panel on Administration of Justice and Legal Services in monitoring the Amendment Rules.

Pursuant to the Amendment Rules, the Council of the Law Society has resolved to reduce the total contributions payable by law firms for the 2010/2011 indemnity year by 1/3. The Scheme Manager, ESSAR Insurance Services Ltd. will be issuing the debit notes this week showing the contributions payable after the reduction. Pursuant to paragraph 2(4) of Schedule 1 to the Solicitors (Professional Indemnity) Rules Cap. 159M, law firms have been asked to pay the reduced contributions by 30 September 2010.

As I explained in the meeting of the Subcommittee on 7 June 2010, the Council has taken actuarial advice on the projections of the outstanding liabilities of the Solicitors Indemnity Fund (“Fund”), its balance sheets, and solvency ratios to determine the amount of reduction. The actuarial calculations project that a reduction in the contributions in the 2010/2011 indemnity year by 1/3 would not disable the Fund in meeting its outstanding liabilities.

*From the President*

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The Council and Hong Kong Solicitors Indemnity Fund Ltd will keep the financial status of the Fund under review in consultation with the actuaries.

I understand that it is unnecessary for the Law Society to provide any actuarial calculations to Legco on the impending reduction which has been made pursuant to a resolution of the Council in this indemnity year, but that Members of the Subcommittee have requested an information note be provided to the Panel should any reduction be contemplated in the future.

Nevertheless, should you have any other questions about the impending reduction, please do not hesitate to contact me.

Yours sincerely,



Huen Wong  
President