

**Panel on Financial Affairs
Follow-up to the Meeting on 3 January 2011**

**Creation of a Supernumerary Administrative Officer Staff Grade C Post
for the Establishment of an Independent Insurance Authority
and a Policyholders' Protection Fund**

This note provides supplementary information in response to questions raised by Members of the Panel on Financial Affairs ("FA Panel") during the discussion on the captioned subject at its meeting on 3 January 2011.

Information on the existing staff size of the Office of the Commissioner of Insurance ("OCI"), and the arrangements for them upon the establishment of the independent Insurance Authority ("IIA")

2. As at 1 January 2011, there were 118 staff in the OCI, which is headed by the Commissioner of Insurance and comprises Insurance Officers, Executive Officers and other supporting staff. Among them, there were 74 civil servants, including 50 pensionable Insurance Officers and 24 general grades staff.

3. Upon the formal transfer of duties to the IIA, all general grades staff in the OCI will be re-deployed to other Government offices in accordance with established procedures and arrangements by their respective Heads of Grades. As for the pensionable Insurance Officers, the Government will continue to discuss with them the arrangements following the transfer of duties to the IIA and the de-establishment of the OCI. At this stage, we are not able to provide an estimate on the financial implications arising from such arrangements. We will report back to the FA Panel after a proposal has been worked out in consultation with the affected staff and will approach the Finance Committee for any funding application.

Details of the idea of a provisional office for the setting up of the IIA

4. We will engage the industry in considering the approach for taking forward the preparatory work for the establishment of the IIA that

would facilitate smooth transition into the new regime. In this context, we will explore the feasibility of setting up a provisional office for taking up relevant tasks such as staff recruitment and procurement of office premises, etc. We will report back to the FA Panel after a proposal has been finalized, and will approach the Finance Committee for any funding application.

Financial Services Branch
Financial Services and the Treasury Bureau
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