

Panel on Health Services
Special Meeting on 8 August 2011
Written Submission from the Hong Kong Federation of Insurers

The HKFI continues to be very supportive of the Government's initiative to improve the healthcare system of Hong Kong on behalf of the people of Hong Kong.

The HKFI hopes to see the successful implementation of a viable and sustainable health care financing scheme for the good of the community. The success of a voluntary medical insurance scheme will depend on a range of critical factors including:

- proper control of medical costs and effective risk pooling;
- the general public need to be convinced that the ultimate design of the scheme is good for them and that the coverage is affordable and represents fair value for money;
- the scheme must contain sufficient incentives to encourage a sizeable number of people of different risk profiles to participate;
- the scheme structure and pricing must be fair and follow actuarial and market principles; this will encourage a reasonable number of insurance companies to participate;
- the scheme's long term financial sustainability; and
- the proposed supervisory framework needs to cover all stakeholders including insurers, doctors, hospitals and scheme members.

The HKFI will continue to actively support the work to design a scheme meeting these requirements by providing its expertise and support.

We will provide advice to ensure that the scheme is practical, efficient, actuarially sound and commercial viable, whilst providing a positive health insurance solution to the people of Hong Kong.

29 July 2011