

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2085/10-11  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/TP+FA/1

**Panel on Transport and Panel on Financial Affairs**

**Minutes of joint meeting on  
Monday, 28 February 2011, at 10:00 am  
in the Chamber of the Legislative Council Building**

**Members present** : Members of the Panel on Transport

Hon Andrew CHENG Kar-foo (Chairman)  
Hon CHEUNG Hok-ming, GBS, JP (Deputy Chairman)  
\* Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Hon LAU Kong-wah, JP  
Hon Miriam LAU Kin-ye, GBS, JP  
\* Hon Abraham SHEK Lai-him, SBS, JP  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon WONG Kwok-hing, MH  
\* Hon Jeffrey LAM Kin-fung, SBS, JP  
\* Hon Ronny TONG Ka-wah, SC  
\* Hon KAM Nai-wai, MH  
Hon CHAN Hak-kan  
Hon WONG Sing-chi  
\* Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon LEUNG Kwok-hung  
Hon Albert CHAN Wai-yip

Members of the Panel on Financial Affairs

Hon CHAN Kam-lam, SBS, JP (Chairman)  
Hon CHAN Kin-por, JP (Deputy Chairman)  
Dr Hon David LI Kwok-po, GBM, GBS, JP

Hon James TO Kun-sun  
Hon Emily LAU Wai-hing, JP  
Hon Vincent FANG kang, SBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon WONG Ting-kwong, BBS, JP  
Hon CHIM Pui-chung  
Hon Starry LEE Wai-king, JP  
Dr Hon LAM Tai-fai, BBS, JP  
Hon Paul CHAN Mo-po, MH, JP

**Member absent** : Members of the Panel on Transport

Hon LI Fung-ying, SBS, JP  
Hon IP Wai-ming, MH  
Hon Tanya CHAN

Members of the Panel on Financial Affairs

Hon Albert HO Chun-yan  
Dr Hon Philip WONG Yu-hong, GBS  
Hon LEE Wing-tat

\* Also members of the Panel on Financial Affairs

**Public officers attending** : **Agenda item II**

Mr Albert YUEN  
Assistant Commissioner /  
Management and Paratransit  
Transport Department

Mr Gregory LO  
Chief Transport Officer /  
Taxi Planning (Acting)  
Transport Department

Miss Brenda TSANG  
Acting Assistant Commissioner of Insurance  
(General Business Division)

Ms Polly LUI  
Senior Insurance Officer  
(General Business Division)

**Attendance by invitation : Agenda item II**

**Deputations**

Mr TSANG Wai-hung  
Vice-chairman  
Association of New Territories Radio Taxicabs Limited

Mr YUM Tai-ping  
Chairman  
The Kowloon Taxi Owners Association Limited

Mr LAM Hoi-tat  
Executive Vice-chairman  
Hong Kong Container Tractor Owner Association

Mr Kwok Chi-piu  
Representative  
Hong Kong Four Seas Taxi Drivers Association

Mr LEE Chi-cheung  
Representative  
Hong Kong Kowloon and New Territories Taxi Association

Mr LEUNG Chak-sang  
Chairman  
United Friendship Taxi Owners and Drivers  
Association Limited

Mr LI Kwok-ying  
Vice-chairman  
Wai Yik Hong Kong, Kowloon and New  
Territories Taxi Owners Association Limited

Mr Alan CHAN  
Vice-chairman  
China Hong Kong and Macau Boundary Crossing  
Bus Association Limited

Mr Johnny LEE  
Treasurer  
Public Omnibus Operators Association Limited

Mr CHAN Wai-man  
Representative  
Himwell Limited

Mr LING Chi-keung  
Chairman  
Public Light Bus General Association Limited

Mr Harry WONG  
Representative  
The Hong Kong Federation of Insurers

Mr CHAN Wai-ming  
President  
Sun Hing Taxi Radio Service General Association

Mr LIU Yu-cheung  
Executive Committee Member  
Taxi Drivers and Operators Association

Mr Sammy CHOW Hing-wong  
General Secretary  
Hong Kong Guangdong Boundary Crossing Bus Association

Mr Dylan Bryant  
Hon Treasurer  
The Insurance Institute of Hong Kong

Mr NG Kwan-sing  
Chairman  
Taxi Dealers and Owners Association Limited

Mr CHENG Hak-wo  
Director  
Chung Shing Taxi Limited

Mr SO Sai-hung  
Chairman  
G.M.B. Maxicab Operators General Association Limited

Mr CHAN Yiu-tsan  
Public Relations Officer  
Traffic Services Employees Association

Mr LEUNG Yee-weng  
Chairman  
New Territories Taxi Drivers' Rights Alliance

Mr Johnson WONG  
Executive Committee member  
The Life Underwriters Association of Hong Kong Limited

Mr Patrick CHAN  
Vice-chairman  
The Hong Kong Confederation of Insurance  
Brokers

Mr Ivan CHIU  
President  
Hong Kong Chamber of Insurance Intermediaries

Mr Aaron NG Hoi-shan  
Vice-chairman  
Tau Wo Motors Limited

Mr WONG Po-keung  
Chairman  
Hong Kong Kowloon Taxi and Lorry Owner's  
Association Limited

Mr LAI Ming-hung  
Chairman  
Taxi & P.L.B. Concern Group

**Clerk in attendance** : Ms Anita SIT  
Chief Council Secretary (1)5

**Staff in attendance:** Ms Sarah YUEN  
Senior Council Secretary (1)2

Mr Noel SUNG  
Senior Council Secretary (1)5

Mr Hugo CHIU  
Council Secretary (1)5

Ms Clara LO  
Legislative Assistant (1)10

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**I Election of Chairman**

Mr CHAN Kam-lam was elected chairman of the joint meeting.

**II Difficulties encountered by the transport sector in obtaining insurance coverage**

(LC Paper No. CB(1)1377/10-11(01) — Administration's paper on insurance coverage for taxis and public light buses

LC Paper No. CB(1)1377/10-11(02) — Administration's paper on difficulties encountered by the transport sector in obtaining insurance coverage

LC Paper No. CB(1)1377/10-11(03) Letter dated 23 February 2011 from Secretary for Food and Health to Clerk to Panel on Transport

LC Paper No. CB(1)1385/10-11(01) — Paper on difficulties encountered by the transport sector in obtaining insurance coverage prepared by the Legislative Council Secretariat (Background brief)

LC Paper No. CB(1)1060/10-11(01) — Hon Miriam LAU's letter dated 16 December 2010 to the Chairmen of both Panels (Chinese version only)

LC Paper No. CB(1)1060/10-11(02) — Hon Miriam LAU's letter dated 18 October 2010 to the Commissioner of Insurance (Chinese version only)

LC Paper No. CB(1)1240/10-11(01) — Hon CHAN Kin-por's letter dated 1 February 2011 to the Chairmen of both Panels (Chinese version only)

*Submissions from deputations attending the meeting*

(LC Paper No. CB(1)1396/10-11(01) — Submission from The Hong Kong Federation of Insurers

LC Paper No. CB(1)1413/10-11(01) — Supplementary submission from The Hong Kong Federation of Insurers

LC Paper No. CB(1) 1396/10-11(02) — Submission from Taxi Drivers and Operators Association

LC Paper No. CB(1) 1396/10-11(03) — Submission from Hong Kong Guangdong Boundary Crossing Bus Association

LC Paper No. CB(1) 1396/10-11(04) — Submission from Taxi Dealers and Owners Association Limited

LC Paper No. CB(1) 1396/10-11(05) — Submission from G.M.B. Maxicab Operators General Association Limited

LC Paper No. CB(1) 1396/10-11(06) — Submission from Traffic Services Employees Association

LC Paper No. CB(1) 1396/10-11(07) — Submission from The Life Underwriters Association of Hong Kong Limited

LC Paper No. CB(1) 1396/10-11(08) — Motor Transport Workers General Union (Public Light Bus Branch)

*Submissions from organizations not attending the meeting*

(LC Paper No. CB(1) 1396/10-11(09) — Submission from Dr YANG Mo

LC Paper No. CB(1)1396/10-11(10) — Submission from Association for the Rights of Liberty Taxi Drivers

Meeting with deputations and the Administration

*Association of N. T. Radio Taxicabs Ltd.*

2. At the invitation of the Chairman, Mr TSANG Wai-hung presented the association's views on the issue. He said that although the Transport Department (TD) and Office of the Commissioner of Insurance (OCI) claimed that there were eight insurance companies operating the insurance business of taxi trade, only very few of these companies underwrote the insurance of taxis in practice. He also claimed that many taxi owners were under great mental stress owing to difficulties in obtaining insurance coverage, and he hoped TD and OCI would tackle the difficulties encountered by the taxi trade.

*The Kowloon Taxi Owners Association Limited*

3. Mr YUM Tai-ping presented the association's views on the issue. He said that third party risks insurance was mandatory and represented a major cost component of the taxi trade. Since 2009, the premiums rose significantly and yet the insurance coverage was not comprehensive. He hoped the Government could combat frauds to deceive claims. He then put forth the following questions:

- (a) How taxi owners could control taxi drivers such that the latter would not commit drink/drug driving;



- (b) If a reconciliation agreement had been signed by the parties concerned in a minor traffic accident and the third party subsequently filed a claim against the owner of the taxi after the period for filing claims, how the insurance sector would tackle the issue and whether the claim would be processed; and
- (c) If a taxi owner whose taxi had been involved in a traffic accident could not find an insurer to underwrite third party risks insurance, what sort of assistance was available to the taxi owner.

*Hong Kong Container Tractor Owner Association*

4. Mr LAM Hoi-tat presented the association's views on the issue. The salient points were as follows –

- (a) The container trucks trade also faced high premiums;
- (b) The insurance coverage offered by insurance companies was not comprehensive. When an insurance company paid compensation for a claim arising from a traffic accident, it might later ask the vehicle owner to bear part of compensation paid by the insurance company;
- (c) The relevant guidelines compiled by the insurance sector on the monitoring of drivers' driving behaviour were not yet announced and the effectiveness of such guidelines was uncertain;
- (d) The Legislative Council might establish a dedicated committee to examine the issue and identify solutions; and
- (e) Companies engaging in cross-border transport between Hong Kong and the Mainland had to procure insurance in both Hong Kong and the Mainland. In view of the increasing integration between Hong Kong and the Mainland, the necessity of procurement of such "double insurance"(雙重保險) might be examined.

*Hong Kong Four Seas Taxi Drivers Association*

5. Mr KWOK Chi-piu presented the association's views on the issue. He complained that OCI could only reflect the problems encountered by the transport sector to relevant parties and did not possess the authority to tackle the concerns of the transport sector about insurance matters. He questioned whether the insurance sector really suffered from great losses in the insurance business for taxis and public light buses, and suggested that the insurance companies should disclose details of such losses. He also complained that insurance companies refused to process claim applications for traffic accidents caused by drink/drug driving. He considered that such practice was unfair to owners of taxis because they could not prevent drivers from committing drink/drug driving.

*Hong Kong Kowloon and New Territories Taxi Association*

6. Mr Lee Chi-cheung presented the association's views on the issue. The salient points were as follows –

- (a) Under many circumstances, insurance companies only paid little compensation for claims arising from traffic accidents or even refused to process claim applications;
- (b) The insurance business for taxis was monopolised by two to three insurance companies;
- (c) Insurance companies refused to process claim applications for traffic accidents caused by drink/drug driving. Such practice was unfair to owners of taxis because they could not prevent drivers from committing drink/drug driving; and
- (d) OCI did not have the authority to tackle the problems raised by the transport sector against the insurance sector.

*United Friendship Taxi Owners and Drivers Association Limited*

7. Mr LEUNG Chak-sang presented the association's views on the issue. He remarked that in practice only two insurance companies would underwrite taxi insurance. He complained that some policies were processed slowly. He also stated that if a reconciliation agreement had been signed by parties concerned in a traffic accident, the car owner might not report the traffic accident to the insurance company. However, the third

party may make a claim against the owner of the taxi after the period for filing claims and the insurance company might refuse to process the claim application.

*Wai Yik Hong Kong, Kowloon and New Territories Taxi Owners Association Limited*

8. Mr LI Kwok-ying presented the association's views on the issue. He was disappointed that the Hospital Authority and the Hong Kong Police Force (the Police) did not send any representative to the meeting because they had an important role in combating frauds to deceive claims. He also complained that insurance companies did not recognize the reconciliation agreements signed by parties concerned in traffic accidents, and suggested OCI study how to make the insurance sector recognize such documents.

*China Hong Kong and Macau Boundary Crossing Bus Association Limited*

9. Mr Alan CHAN presented the association's views on the issue. The salient points were as follows –

- (a) The insurance coverage for cross-border transport business had grey areas. Car owners of vehicles used for cross-border transport were required to purchase insurance in both Hong Kong and the Mainland. If a traffic accident occurred in the Mainland, the parties concerned would in most cases signed an agreement on non-pursuance so that they could quickly return to Hong Kong to receive medical treatment. They might subsequently make a claim against the car owners in Hong Kong. Insurance companies in both Hong Kong and the Mainland would refuse to process claim application under this scenario, because the former argued that the traffic accident happened outside Hong Kong while the latter claimed that an agreement on non-pursuance had been signed. He urged the Government and the Legislative Council to help tackle the issue; and
- (b) OCI should be given more powers so that it could:
  - (i) determine whether there was insufficient supply of insurance underwriting services in the market;
  - (ii) delay the extension or even revoke the licence of those insurance companies which frequently refused to process claim applications; and
  - (iii) prevent monopoly in the insurance business for commercial vehicles.

*Public Omnibus Operators Association Limited*

10. Mr Johnny LEE presented the association's views on the issue. He remarked that the problems encountered by the transport sector could be addressed through (a) prevention and reduction of tariff accidents by installing black boxes and requiring drivers to conduct body check; (b) combating frauds to deceive claims and alleged illegal activities of recovery agents; (c) promoting meditation services to reduce the number of claims; and (d) improving the financial management of insurance companies and prevention of monopoly in the insurance sector. He also complained that insurance companies often refused to process claim applications.

*Himwell Limited*

11. Mr CHAN Wai-man presented the company's views on the issue. He complained that when a traffic accident involving injuries was reported to the insurance company, the insurance company would deduct the No Claim Discount (NCD) of the policyholder even if the driver involved was subsequently found not at fault in the accident. He also remarked that insurance companies never assign lawyers to follow up claims arising from traffic accidents, and as such drivers would choose to plead guilty even if they were not actually at fault.

*Public Light Bus General Association Limited*

12. Mr LING Chi-keung presented the association's views on the issue. The salient points were as follows –

- (a) When a car owner report a traffic accident to the insurance company concerned, the company would increase the premiums even if the driver involved was subsequently found not at fault in the accident;
- (b) Insurance companies refused to process the claim application if a reconciliation agreement had been signed by the parties concerned in a traffic accident;
- (c) In view of the fact that car owners would suffer losses from traffic accidents caused by drink/drug driving of the driver, it

was suggested that drivers might also be required to purchase insurance; and

- (d) Monopoly in the insurance business for commercial vehicles should be eliminated.

*The Hong Kong Federation of Insurers companies*

13. Mr Harry WONG presented the federation's views on the issue. The salient points were as follows –

- (a) The insurance sector was fully aware of the difficulties encountered by the transport sector;
- (b) The motor insurance industry had suffered continuous underwriting losses during the past six years on taxi and public light bus insurance business. The number of insurance companies engaging in the taxi and public light bus insurance business had thus dropped and the premium rates had to be adjusted upward accordingly; and
- (c) The grave underwriting losses of the insurance sector were caused by (i) fraudulent claims associated with recovery agents; (ii) reluctance of bodies like the Hospital Authority to review their existing procedures of granting sick leaves; and (iii) adoption of a less stringent approach by the Legal Aid Department in processing applications for legal aid. The Federation urged various stakeholders and the Government to work together to tackle the issue.

*Sun Hing Taxi Radio Service General Association*

14. Mr CHAN Wai-ming presented the association's views on the issue. He complained that OCI did not have the authority to regulate the malpractices of insurances companies like increasing premiums and amending policy details arbitrarily. He remarked that the insurance market of Hong Kong was not open and resulted in market domination. He urged the Government to strengthen regulation over the insurance sector.

*Taxi Drivers and Operators Association*

15. Mr LIU Yu-cheung presented the association's views on the issue. He complained that there were few insurance companies underwriting insurance for commercial vehicles and the premiums had risen to an unreasonable level. He also remarked that it was the drivers who had to bear the cost increase associated with insurance.

*Hong Kong Guangdong Boundary Crossing Bus Association*

16. Mr Sammy CHOW Hing-wong presented the association's views on the issue by highlighting the difficulties faced by the cross-border transport sector. He referred to the proposed solutions set out in the association's submission, like providing insurance coverage for both Hong Kong and Mainland operation under one insurance policy, and allowing vehicle inspection to be conducted either in Hong Kong or in the Mainland instead of in both places.

*The Insurance Institute of Hong Kong*

17. Mr Dylan BRYANT presented the institute's views on the issue. He concurred that the increase in premiums was caused by frauds to deceive claims and suggested providing more training to relevant underwriters in this aspect.

*Taxi Dealers and Owners Association Limited*

18. Mr NG Kwan-sing presented the association's views on the issue by highlighting the difficulties faced by the taxi trade and the proposed solutions set out in the association's submission.

*Chung Shing Taxi Limited*

19. Mr CHEUNG Hak-wo presented the company's views on the issue. He remarked that the Government should combat frauds to deceive claims so that the premiums for taxi trade could be reduced.

*G.M.B. Maxicab Operators General Association Limited*

20. Mr SO Sai-hung presented the association's views on the issue. The salient points were as follows –

- (a) When claims arising from a traffic accident were made on an owner of a public light bus, the NCD of the owner would be withdrawn even if the driver involved was subsequently found not at fault in the accident;
- (b) The insurance sector should provide clear guidelines on insurance coverage under certain scenarios like the operation under Typhoon Signal No. 8;
- (c) Insurance companies frequently refused to process claim applications; and
- (d) The Government should combat frauds to deceive claims.

*Traffic Services Employees Association*

21. Mr CHAN Yiu-tsan presented the association's views on the issue. He complained that when claims arising from a traffic accident were made on a vehicle owner, the NCD of the owner would be withdrawn even if the driver involved was subsequently found not at fault in the accident. He also remarked that the insurance coverage was not comprehensive in spite of rising premiums.

*New Territories Taxi Drivers' Rights Alliance*

22. Mr LEUNG Yee-weng presented the alliance's views on the issue. He remarked that taxi drivers had to pay a deposit to the taxi owners and such deposit would be completely confiscated by the taxi owner when a traffic accident happened. He considered that if the Police would issue a formal notification on not prosecuting the taxi driver involved in the traffic accident, the insurance company might issue a letter to the car owner informing him that his insurance policy would not be affected. As a result, the deposit of the taxi driver would not be confiscated by car owner under such situation.

*The Life Underwriters Association of Hong Kong Limited*

23. Mr Johnson WONG presented the association's views on the issue by highlighting relevant points set out in the submission of the association.

*The Hong Kong Confederation of Insurance Brokers*

24. Mr Patrick CHAN presented the confederation's views on the issue and remarked that the transport sector might seek assistance from insurance brokers.

*Hong Kong Chamber of Insurance Intermediaries*

25. Mr Ivan CHIU presented the chamber's views on the issue. He proposed a number of solutions for the taxi trade to tackle the issue, as follows:

- (a) to conduct risk management by hiring high quality drivers and strengthening training for taxi drivers;
- (b) to compile operational guidelines for taxi drivers;
- (c) to require taxi drivers to participate in relevant driving courses; and
- (d) to approach insurance intermediaries who were forthcoming in giving them advice. In this way, their bargaining power with the insurance sector could be enhanced.

*Tau Wo Motors Limited*

26. Mr Aaron NG Hoi-shan presented the company's views on the issue. The salient points were as follows –

- (a) OCI might arrange actuaries to compute reasonable premiums for taxis and public light buses; and
- (b) When a traffic accident happened, the driver might sign a reconciliation agreement with the parties concerned and did not inform the car owner about the traffic accident. As a result, the car owner might not know the traffic accident until claims on the accident were received and thus could not report the traffic accident to the insurance company in time.



*Hong Kong Kowloon Taxi and Lorry Owner's Association Limited*

27. Mr WONG Po-keung presented the association's views on the issue. Apart from complaining the increase in premiums, he remarked that the Traffic Accident Victims Assistance Scheme had loopholes which might be exploited for frauds. He hoped that the Government could combat frauds to deceive claims. He also stated that if a third party was injured in a traffic accident and the Police issued a notice of reconciliation, the car owner might not report the traffic accident to the insurer. If the third party filed a claim against the vehicle owner afterwards, the insurer might not process the claim application.

*Taxi & P.L.B. Concern Group*

28. Mr LAI Ming-hung presented the group's views on the issue. He said that the main culprits of frauds to deceive claims should be prosecuted. However, the Police usually stated that there was insufficient evidence for prosecution. He also complained that when claims arising from a traffic accident were made on an owner of public light bus(es), the deposits and premiums of the owner would be forfeited and raised for the subsequent insurance policies even if the driver involved was subsequently found not at fault in the accident. He considered that the Government should tackle the problems he mentioned.

(*Post-meeting note:* Submission (LC Paper No. CB(1)1445(10-11(01))) were issued to Members by a Lotus Notes e-mail on 28 February 2011.)

Response by the Administration on comments made by deputations

29. The Assistant Commissioner (Management and Paratransit) of Transport Department (AC(MP)) said that the transport sector had conveyed to TD the difficulties in obtaining insurance coverage and TD was concerned with the issue. AC(MP) said that he would relay the suggestion of allowing vehicle inspection to be conducted either in Hong Kong or in the Mainland instead of in both places to the relevant unit of TD.

30. The Acting Assistant Commissioner of Insurance of Office of the Commissioner of Insurance (ACI/OCI) said that OCI was aware of the difficulties encountered by the transport sector in obtaining insurance coverage, such as rising premiums and refusal by some insurance companies to underwrite insurance, and would relay the matters to relevant authorities.

ACI/OCI also stated that the role of OCI was to monitor the financial position of insurance companies and to oversee the compliance of insurance companies with the requirements stipulated in the Insurance Companies Ordinance (Cap. 41). OCI did not have the authority to interfere with the business operation nor the premiums charged by individual insurance companies. She stressed that OCI would not tolerate the malpractices of the insurance sector, and the transport sector could relay their concerns in this regard to OCI for appropriate follow-up actions. Regarding the difficulties faced by the taxi and public light bus trades in obtaining insurance coverage, ACI/OCI remarked that the situation was improving and OCI would provide assistance where necessary. The number of complaints received by OCI from the taxi and public light bus trades involving difficulties in obtaining insurance coverage remained low and all such cases had been resolved. Although OCI would not interfere with the business operation of insurance companies, it would ensure that they followed the "Code of Conduct for Insurance companies". On the issues of drink/drug driving and reconciliation agreement, ACI/OCI stated that they were under the purview of the Hong Kong Federation of Insurance Companies. As regards the concerns of the cross-border transport trades, ACI/OCI pointed out that merging the insurance policies taken out in Hong Kong and the Mainland into one insurance policy might not be feasible because the insurance legislation in Hong Kong and the Mainland were different, and there was no arrangement for mutual recognition of insurance policies between Hong Kong insurance companies and Mainland insurance companies.

31. The Chairman remarked that Hong Kong Deputies to the National People's Congress had reflected the cross-border transport trade's request for vehicle inspection to be conducted either in Hong Kong or in the Mainland instead of in both places. While the relevant Mainland authority was studying the matter, it would take some time for the matter to have further development.

## Discussion

### *Attendance of public officers at the meeting*

32. Ms Miriam LAU expressed disappointment that no representatives from the Hospital Authority (HA), the Department of Justice (DoJ) and the Police attended the meeting. She considered that frauds to deceive claims were one of the major causes of the difficulties encountered by the transport sector, and the efforts of these departments were essential for combating

such frauds. Mr CHAN Kin-por concurred with Ms LAU and remarked that HA and the Police should send representatives to attend relevant meetings in future.

33. Mr Albert CHAN expressed disappointment that the Administration did not send higher ranking officers, such as the Directors of Bureaux, the Under Secretaries or the Permanent Secretaries of relevant bureaux, to attend the meeting and this reflected that the Administration did not respect the Legislative Council. He considered that the Administration should be condemned for this. Mr James TO said that he shared Mr Albert CHAN's view. He suggested that an additional meeting with the attendance of appropriate public officers should be held to discuss the subject.

34. AC(MP) explained that the Transport and Housing Bureau had decided not to attend the meeting as the issue for discussion was considered not a transport policy matter.

35. Mr Ronny TONG said that the meeting might be adjourned and in the meantime, the relevant bureaux should be contacted for sending immediately higher ranking officers to attend the meeting. The Chairman then instructed the staff of the Legislative Council Secretariat to make phone calls to the relevant bureaux to convey members' dissatisfaction about the attendance of public officers at the meeting, and request the bureaux to immediately send appropriate representatives to attend the meeting. (*Note of the Secretariat: As instructed by the Chairman, the Secretariat had made phone calls to the Transport and Housing Bureau and the Financial Services and the Treasury Bureau. Both Bureaux declined to send representatives to the meeting.*) The Chairman remarked that the Administration only provided their attendance list shortly before the meeting. He considered that the meeting should not be cancelled because a number of deputations were present. Nevertheless, the Administration would be requested to follow up members' concern about the non-attendance of appropriate public officers at the meeting.

36. Mr Andrew CHENG suggested that the Chairmen of the Panel on Transport and the Panel on Financial Affairs might raise the issue at a coming House Committee meeting and request the Chairman of the House Committee to convey to the Chief Secretary the dissatisfaction of the two Panels with the Administration for not respecting the Legislative Council and the deputations attending the meeting by not sending appropriate public officers to attend the meeting. Mr CHENG also suggested that another meeting should be held and the Administration should send representatives

at the Under Secretary level or above from the relevant bureaux and representatives from relevant government departments including HA, DoJ and the Police to attend the meeting.

37. Members agreed that the meeting should not be cancelled, and that the Administration's failure in sending appropriate representatives to attend the meeting should be followed up as suggested by Mr Andrew CHENG.

*Difficulties encountered by the transport sector on insurance matters*

38. Ms Miriam LAU remarked that the transport sector had raised concerns about the difficulties in obtaining insurance coverage for a long time and the problem had escalated in the last two years. She considered that the problem was mainly caused by limited number of insurance companies underwriting the insurance for the trades and rampant frauds to deceive claims. As a result, the taxi trade had to pay increased premiums even though the number of traffic accidents involving taxis had actually decreased. Pointing out that the transport sector was required by law to take out third party risks insurance, Ms LAU opined that it was unfair to the transport sector because there seemed to be no Government bureau or department that could help them to tackle the problem. Ms LAU considered that some issues, like the compilation of clear guidelines for insurance coverage under various scenarios such as Typhoon Signal No. 8 and refusal of insurance companies to process claims when a reconciliation agreement had been signed by the parties concerned in a minor traffic accident, could not be tackled by the Hong Kong Federation of Insurance companies alone. Besides, Government representatives present in the meeting did not have the capacity to tackle certain issues like the problems faced by the cross-border transport trades. As such, Ms LAU suggested that the Administration should tackle the whole issue at the policy level and relevant government departments and agencies like TD and OCI might need to be vested with more powers. For instance, OCI should have the power to regulate the insurance sector in compiling guidelines/arrangements that would be fairer to the transport sector.

39. Mrs Regina IP expressed concurrence with Ms LAU's remark that the Government representatives present in the meeting did not have the capacity to tackle the issues raised by the cross-border transport trades and the issues should be handled by higher level bodies like the Constitutional and Mainland Affairs Bureau or the Hong Kong-Guangdong Cooperation Joint Conference.

40. Mr CHAN Kin-por said that the continuous underwriting losses suffered by motor insurance industry on taxi and public light bus insurance was the reason for the limited number of insurance companies underwriting the insurance for the trades. He considered that the relevant systems in Hong Kong encouraged people to make improper claims. He remarked that while guidelines on handling of drink/drug driving and relevant scenarios like Typhoon Signal No. 8 had been compiled, information of such guidelines might not have been relayed properly to the transport sector. He also stated that on some occasions, the ambiguity of relevant legislative provisions might have affected the clarity of such guidelines.

*Proposal for appointment of subcommittee*

41. Mr LEUNG Kwok-hung said that relevant Government departments/bureaux like the Police might not have discharged their duties properly. He suggested that the Administration should review the relevant legislation or regulations to examine whether amendments should be made to combat maintenance and champerty and ensure that the Police would process the conciliation of traffic accidents in a timely manner. Mr LEUNG also considered that monopoly existed in the insurance business of Hong Kong and suggested that the Administration discuss with OCI to examine whether the existing arrangement that in the event of a traffic accident, a car owner choosing a lawyer other than the one assigned by the insurance company had to pay for the lawyer fee himself should be reviewed. He also suggested that the Government should study the feasibility of providing relevant insurance products to the transport sector.

42. Mr James TO said that the difficulties encountered by the transport sector in obtaining insurance coverage was a structural problem and the focus should be placed on punishing the main culprits. The Police had full responsibility in this regard. He suggested that the Legislative Council establish a subcommittee to examine how relevant government departments/bureaux could tackle the issue and to monitor the work of the relevant government departments/bureaux to ensure that they discharge their duties seriously. Mr LEUNG Kwok-hung, Mr CHAN Kin-por, Ms Miriam LAU and Mr WONG Kwok-hing expressed support for the suggestion of setting up a subcommittee to follow up the issue. Deputations from the Taxi Dealers and Owners Association Limited and Chung Shing Taxi Limited also expressed support for the suggestion. Ms Miriam LAU remarked that the subcommittee should not only focus on combating frauds to deceive claims, but should also look into other relevant issues like limited number of insurance companies underwriting insurance for the transport

trades and unfair arrangements imposed by the insurance sector on the transport sector. Mr WONG considered that through identifying and tackling the causes of the problem, the subcommittee could help lower the operating costs of transport sector, which in turn would help relieve inflation.

43. Summing up, the Chairman said that to follow-up members' suggestion of setting up a subcommittee, the Legislative Council Secretariat might prepare a paper to seek the views of members of the two Panels, and subject to members' views, he would report to the House Committee on the matter. He thanked deputations for providing their views on the subject and requested the Government representatives to relay members' and deputations' views and concerns to relevant Government bureaux and departments for follow-up actions. He remarked that the concerted efforts of relevant Government bureaux and departments was necessary for tackling the problem and the subject needed further study.

*(Post-meeting Note: A joint meeting of the two Panels was held on 18 March 2011 to discuss the appointment of a subcommittee to study the relevant issues.)*

### **III Any other business**

44. There being no other business, the meeting ended at 12:42 pm.

Council Business Division 1  
Legislative Council Secretariat  
4 May 2011