

(Translation)

**Motion on  
“Alleviating the difficulties of small and medium enterprises  
in taking out insurance”  
moved by Hon Tommy CHEUNG  
at the Council meeting of 14 December 2011**

**Motion as amended by Hon CHAN Kin-por and Hon WONG Kwok-hing**

That, as recently, many retail consumption and business services industries in Hong Kong, when taking out employees' compensation insurance and motor vehicle third party risk insurance as required by the law, often encountered significant premium increases or even refusal of underwriting insurance policy by insurance companies for various reasons, causing the employers of many small and medium enterprises great anxiety and significant increases in costs, this Council urges the Government to proactively discuss with the insurance sector to make efforts to reduce the costs and difficulties of various industries in taking out the relevant insurance, so as to avoid affecting their business operation and effective protection for employees; the relevant measures should include:

- (a) to enhance the Employees' Compensation Insurance Residual Scheme by, in addition to the existing list of 19 high-risk occupations, including those occupations such as retail consumption and business services, which are of lower-risk but have practical difficulties in taking out employees' compensation insurance, and to set relevant premium benchmark rates to serve as market reference indicators, so as to provide support as the last resort to enterprises in need of insurance coverage;
- (b) to require the police to rigorously combat illegal acts such as champerty and conspiracy to make fraudulent insurance claims, etc., and to establish a reporting channel for the public and insurance companies to report cases of suspected fraudulent insurance claims;
- (c) to request the Hospital Authority to combat attempts to make fraudulent insurance claims through obtaining prolonged sick leave certificates by exaggerating clinical conditions and degrees of injuries;
- (d) to request the Department of Justice to initiate prosecution against civil contempt of court, so as to deter misstatement with the intent of making fraudulent insurance claims; and

- (e) to increase the transparency of matters such as pricing, operation, risk assessment and complaint handling, etc. of the insurer sector, and strengthen the efforts of the Government, various industries, the media and the public in monitoring insurance companies, so as to prevent law-abiding employers from bearing unnecessary burden; and
- (f) when enhancing the Employees' Compensation Insurance Residual Scheme, to include recycling industry as well.