

立法會
Legislative Council

LC Paper No. CB(2)875/11-12
(These minutes have been seen
by the Administration)

Ref : CB2/PS/4/10

Panel on Transport and Panel on Financial Affairs

**Joint Subcommittee on Issues Relating to
Insurance Coverage for the Transport Sector**

**Minutes of meeting
held on Monday, 19 December 2011, at 10:45 am
in Conference Room 2A of the Legislative Council Complex**

Members present : Hon Miriam LAU Kin-ye, GBS, JP (Chairman)
Hon James TO Kun-sun
Hon Ronny TONG Ka-wah, SC
Hon CHAN Kin-por, JP
Hon IP Wai-ming, MH

Member absent : Hon CHEUNG Hok-ming, GBS, JP

Public Officers attending : Item I

The Administration

Miss Janet WONG
Principal Assistant Secretary for Transport and Housing

Ms Jennifer CHAN
Principal Assistant Secretary for Financial Services and
the Treasury (Financial Services)

Mr Albert YUEN, JP
Assistant Commissioner/Management and Paratransit
Transport Department

Mr Dannis LEUNG
Chief Transport Officer/Planning/Taxi
Transport Department

Mr HO Ying-foo
Superintendent (Fraud Division) (Commercial Crime Bureau)
Hong Kong Police Force

Mr SIU Wai-sing
Chief Inspector (Fraud Division) (Commercial Crime Bureau)
Hong Kong Police Force

Mr TSANG Hing-tong
Senior Social Security Officer (Accident Compensation)
Social Welfare Department

Mr LEE Tin-yan
Senior Government Counsel
Department of Justice

Mr Ros LAM, JP
Assistant Commissioner of Insurance (General Business Division)
Office of the Commissioner of Insurance

Ms Polly LUI
Senior Insurance Officer (General Business Division)
Office of the Commissioner of Insurance

Dr LEE Koon-hung
Chief Manager (Cluster Performance)
Hospital Authority

The Hong Kong Federation of Insurers

Mr Harry WONG
Representative

Mr Ben CHUNG
Representative

Clerk in attendance : Mrs Sharon TONG
Principal Council Secretary (2)

Staff in attendance : Ms Mina CHAN
Council Secretary (2) 7

Ms Michelle LEE
Legislative Assistant (2) 7

I. Meeting with the Administration

The Joint Subcommittee deliberated (index of proceedings attached at **Annex**).

2. The Joint Subcommittee noted the joint submission (LC Paper No. CB(2)635/11-12(01)) received on 16 December 2011 from 16 deputations of the taxi industry expressing their opposition to the suggestion of providing protection and indemnity insurance for the transport sector on a mutual basis.

3. Members agreed on the list of issues to be studied by the Joint Subcommittee as set out in LC Paper No. CB(2)576/11-12(01).

4. The Joint Subcommittee requested the Administration to provide the following information -

- (a) a paper setting out the benefits and drawbacks of underwriting insurance for taxis and public light buses on a mutual basis as compared to traditional insurance companies; and detailed explanation on the solvency margin and reinsurance arrangements for the establishment of an insurance company for the transport sector's reference; and
- (b) overseas experience in tackling the problems of false or exaggeration of injuries and abuse of sick leave certificates.

5. To enable further understanding of the losses that insurers had suffered due to injury-exaggerating claims, the Joint Subcommittee requested the Hong Kong Federation of Insurers to provide the following information -

- (a) the number of cases where sick leave exceeding six months was granted in the past five years;
- (b) analysis of insurance claims in the past five years, including the number of claims involving psychiatric impairments or mental illnesses; and

- (c) an estimate for the investigation resources and monitoring efforts put forth by the insurance sector in fraudulent cases.

6. To facilitate its study of the issue relating to exaggeration of injuries, the Joint Subcommittee asked the Hospital Authority to provide information about the mechanisms/policies implemented by the public healthcare systems in other jurisdictions on handling cases of patients with prolonged recovery after injuries.

II. Date of next meeting

7. The Chairman suggested that the Joint Subcommittee should continue its discussion at the next meeting on 13 January 2012 on the issues relating to exaggeration of injuries and sick leave certificate, and would also study the issues regarding continuous rise in insurance premium and limited number of insurers to underwrite taxi and public light bus insurance, which were scheduled for discussion at this meeting. Members agreed.

8. There being no other business, the meeting ended at 12:43 pm.

Council Business Division 2
Legislative Council Secretariat
20 January 2012

**Proceedings of meeting of the Joint Subcommittee on
Issues relating to Insurance Coverage for the Transport Sector
held on Monday, 19 December 2011, at 10:45 am
in Conference Room 2A of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action Required
000914 - 001029	Chairman	Opening remarks	
001030 - 001110	Chairman	Endorsement of the list of issues to be studied by the Joint Subcommittee (LC Paper No. CB(2)576/11-12(01))	
001111 - 001542	Chairman Admin	Receipt of a joint submission from 16 deputations of the taxi industry expressing their opposition to the suggestion of providing protection and indemnity ("P&I") insurance for the transport sector on a mutual basis (LC Paper No. CB(2)635/11-12(01)) Presentation of paper by the Administration (LC Paper No. CB(2)576/11-12(02))	
001543 - 002748	Chairman Admin Mr CHAN Kin-por	Feasibility of applying the licensing requirements for a P&I Club of the shipping sector to the taxi and public light bus insurance business in Hong Kong; and Operation of a mutual insurance association ("MIA") and factors to consider when establishing MIA	The Administration to provide a paper setting out the benefits and drawbacks of writing insurance for taxis and public light buses on a mutual basis as compared to traditional insurance companies for the transport sector's reference
002749 - 004054	Chairman Admin The Hong Kong Federation of Insurers Mr CHAN Kin-por	Whether the establishment of MIA could help reduce the traffic accident rate caused by taxis and public light buses; Possible impacts on the insurance market to be brought by the establishment of MIA; and Difficulties in underwriting insurance for taxis and public light buses by setting up MIA	
004055 - 004817	Chairman Admin The Hong Kong Federation of Insurers	Enquiry about the solvency margin and reinsurance arrangements for the establishment of an insurance company	The Administration to provide details explaining the solvency margin and reinsurance arrangements for the establishment of an insurance company

Time marker	Speaker	Subject(s)	Action Required
004818 - 005934	Chairman Mr CHAN Kin-por The Hong Kong Federation of Insurers Hospital Authority	Severity of the problem of injury-exaggerating claims; Implementation of a reporting mechanism in mid-January 2012 for referral of suspected cases of insurance fraud to the Police; The losses that insurers had suffered due to injury-exaggerating claims; and Difficulties encountered by the Hospital Authority in handling cases suspected of exaggerating injuries and its mechanism to follow up with cases of patients with prolonged recovery	
005935 - 010400	Chairman Admin Hospital Authority	Whether the Hospital Authority could provide a medical certificate to facilitate a patient making a claim; and Factors to be considered by doctors of the Hospital Authority when a patient requested a medical certificate	
010401 - 012758	Chairman Mr CHAN Kin-por Hospital Authority Admin The Hong Kong Federation of Insurers Mr IP Wai-ming	Whether the Hospital Authority could provide a mechanism for reporting cases suspected of exaggerating injuries; Difficulties for insurance companies in seeking further information from the Hospital Authority about the illness of a patient; and Proposed measures to shorten the recovery period of a patient (e.g. vocational rehabilitation programme to be organized by the Hospital Authority but sponsored by the insurance sector)	
012759 - 013654	Chairman Mr CHAN Kin-por The Hong Kong Federation of Insurers Hospital Authority Mr James TO Mr IP Wai-ming	Handling of cases where patients experienced prolonged recovery in other jurisdictions; Effectiveness of a voluntary vocational rehabilitation programme co-organized by the Hong Kong Federation of Insurers and the Chinese University of Hong Kong; and	

Time marker	Speaker	Subject(s)	Action Required
		Obstacles (e.g. shortage of occupational therapists and priority in the allocation of healthcare resources) to extend the service of the back-to-work programme offered by the Hospital Authority to the whole community other than its staff members and civil servants	
013655 - 014414	Chairman Mr James TO The Hong Kong Federation of Insurers	Whether the voluntary vocational rehabilitation programme financed by the insurance sector could be expanded so that more people could benefit from the service	
014415 - 015433	Chairman Admin Hospital Authority The Hong Kong Federation of Insurers Mr James TO	Measures taken by other jurisdictions to tackle the problem of insurance fraud; and Investigative resources and monitoring efforts put forth by the insurance sector in fraudulent cases	The Administration to provide information about overseas experience in tackling the problems of false or exaggeration of injuries and sick leave certificates; and The Hong Kong Federation of Insurers to provide the following information - (a) the number of cases where sick leave exceeding six months was granted in the past five years; (b) analysis of insurance claims in the past five years, including the number of claims involving psychiatric impairments or mental illnesses; and (c) an estimate for the investigative resources and monitoring efforts put forth by the insurance sector in fraudulent cases
015434 - 015455	Chairman	Issues to be discussed at the next meeting	
015456 - 020138	Chairman Mr James TO The Hong Kong Federation of Insurers Hospital Authority	Mechanisms implemented by the public healthcare systems in other jurisdictions to deal with cases of patients with slow recovery after injuries	The Hospital Authority to provide information about the mechanisms / policies implemented by the public healthcare systems in other jurisdictions on handling

Time marker	Speaker	Subject(s)	Action Required
			cases of patients with prolonged recovery after injuries
020139 - 020150	Chairman	Date of next meeting and closing remarks	

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