

For information
on 23 November 2011

Panel on Transport and Panel on Financial Affairs

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

Follow-up to the meeting on 31 October 2011

Response to the suggestion of providing a channel for reporting cases of insurance fraud

At the meeting of the Joint Subcommittee on 31 October 2011, members requested the Police to provide an effective channel for insurance companies to report insurance-related frauds. In this regard, the reply of the Hong Kong Police Force ("the Police") is as follows:

In response to the request of the transport sector and the insurance industry, the Police is considering to provide a co-ordinated crime reporting system. The Commercial Crime Bureau will consolidate and co-ordinate reports on traffic accident related insurance frauds referred by the Hong Kong Federation of Insurers.

Information about a fraud case on Traffic Accident Victims Assistance offered by the Social Welfare Department

2. At the meeting of the Joint Subcommittee on 31 October 2011, the Chairman requested the Police to provide information pertaining to a fraud case on Traffic Accident Victims Assistance ("TAVA") offered by the Social Welfare Department (SWD). Details of the case are summarised as follows:

In November 2010, an operation code-named Operation Blue Day was mounted by SWD and the Police. In the operation, a syndicate was found to have fabricated road accidents involving dilapidated vehicles to deceive TAVA from SWD was neutralised. The amount involved was HK\$2.4 million in total.

In the operation, 101 persons (including 92 males and 9 females aged between 17 and 62) have so far been arrested. Up to present, 99 of them have been prosecuted for offences of fraud, attempt to defraud, conspiracy to defraud and use of false instruments, and so on. Among these defendants, 93 were convicted and sentenced to penalty ranging from 80 hours of community service to six months' imprisonment. Five persons (4 males and 1 female) are still wanted for this case.

The Hong Kong Police Force
November 2011