

Your Ref: CB1/BC/3/12

Our Ref: Lv045/13

By Fax Only**(Fax no.: 2978 7569)**

28 March 2013

Clerk to Bills Committee
Bills Committee on Trust Law
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Sirs

Consultation Paper on Trust Law (Amendment) Bill 2013

Thank you for your letter dated 7 March 2013.

Please find enclosed a letter dated 25 March 2013 with comments provided by Zurich Insurance (Hong Kong) for your consideration.

Yours sincerely



Peter C H Tam
Chief Executive

c.c. Zurich Insurance (Hong Kong)

PT/IW/sw

RECEIVED 26 MAR 2013



The Hong Kong Federation of Insurers
29th Floor, Sunshine Plaza
353 Lockhart Road
Wanchai, Hong Kong

Attn: Ms. Irene Wong

Your reference IW/sw
Our reference JL
Date 25 March 2013

Re : Trust Law (Amendment) Bill 2013

Dear Sirs

Zurich Insurance (Hong Kong)

We refer to your letter dated 7 March 2013.

Zurich Life Insurance
Company Ltd
(a company incorporated in
Switzerland with limited liability)

We enclose for your attention our comments on the subject matter for your preparation of a consolidated reply.

Zurich Insurance Company Ltd
(a company incorporated in
Switzerland with limited liability)

Thank you for your attention.

Zurich Assurance Ltd
(a company incorporated in
United Kingdom with limited liability)

Yours faithfully
For and on behalf of
Zurich Life Insurance Company Ltd
Zurich Insurance Company Ltd
Zurich International Life Limited
Zurich Assurance Ltd

24-27/F, One Island East
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Island East, Hong Kong

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Jane Lee
General Counsel, Hong Kong

Encl.

Comments on Trust Law (Amendment) Bill 2013

Section	Proposal	Comments
Clause 14 Division 1 -- General Powers	Power to insure (1) The trustee of a trust may— (a) insure any property that is subject to the trust against loss or damage due to any event; and (b) pay the premiums out of the trust funds.	Does it mean that the trustee will have the power to take out any kind of insurance as long as it is for insuring the loss or damage of trust property?
Clause 27 Part IVD - 41X	A trust is not invalid only because of the person creating the trust (<i>the settlor</i>) reserving to the settlor any or all powers of investment or asset management functions under the trust.	Will a trust be invalid if a settlor purchase an investment linked insurance? Would that be considered within the "powers of investment"?
Clause 40 Third Schedule, Division 4 – Insurance	The statutory duty of care applies to a trustee when— (a) exercising the power under section 21 to insure property; or (b) exercising any corresponding power, however conferred.	In what circumstances would a trustee breach the statutory duty of care when insuring the trust property under section 21 (power of insure)? What are the consequences when a trustee breaches the statutory duty of care?