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財經事務及庫務局
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來函檔號 YOUR REF.:

29 July 2013

Ms Connie SZETO
Clerk to Panel on Financial Affairs
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong
(Fax No.: 3529 2837)

Dear Ms SZETO,

Panel on Financial Affairs

Key Legislative Proposals on the Proposed Establishment of an Independent Insurance Authority (“IIA”) Consultation Conclusions

Regarding the follow-up actions mentioned in your letter of 8 July, the Administration’s response is set out below.

(a) Arrangements for the existing staff of the Office of the Commissioner of Insurance (“OCI”)

The Panel has requested the Administration to provide the number of existing staff members of the OCI and the transitional

arrangements for them upon the establishment of the IIA. As at 1 July 2013, there were 140 staff members in the OCI, including 70 civil servants and 70 Non-Civil Service Contract (“NCSC”) staff members.

For the civil servants, the 22 general grades staff members will be re-deployed to other Government offices in accordance with established procedures upon the official establishment of the IIA. As for the other 48 staff who are members of the Insurance Officer grade, the Administration will consult them on the arrangements after the OCI’s transfer of functions to the IIA and the abolition of the OCI. We will report back to the Panel after a proposal has been worked out in consultation with the affected staff and will submit any funding application to the Finance Committee. As for the NCSC staff members, the OCI will, having regard to the timetable of transition to the IIA and operational needs, enter into contracts and maintain close liaison with them, in order to ensure that they will have ample time to plan ahead.

(b)&(c) Maintaining communication with the Hong Kong Federation of Insurers (“HKFI”)

We have been in close communication with HKFI regarding the establishment of the IIA. We are studying the views raised by the HKFI, and will invite their representatives to meet and discuss the issues set out in HKFI’s letter of 2 July to the Panel. We will copy the Panel our written response.

(d) Preparation for the establishment of the IIA

The establishment of the IIA is the most important reform in the Hong Kong insurance industry in 30 years. For the benefit of the entire insurance industry of Hong Kong, we need to cooperate with the industry to ensure a smooth establishment of the IIA. In fact, regarding issues relevant to the establishment of the IIA including those on the key legislative proposals as well as transitional arrangements, the OCI has been communicating with the three self-regulatory organizations (“SROs”) to solicit their views. We will continue to maintain close liaison with the

SROs, further discuss with them the transitional arrangements related to the IIA's establishment, and report to the Panel in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Adrian Lam', written in a cursive style.

(Adrian LAM)
for Secretary for Financial Services and the Treasury