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消費者委員會 CONSUMER COUNCIL
香港 · HONG KONG

國際消費者聯會
執行及理事會
EXECUTIVE AND
COUNCIL MEMBER OF
CONSUMER
INTERNATIONAL

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CNI/BC/6/13
CC 1/257/PTPD

20 June, 2014

The Hon WONG Ting-kwong, SBS, JP
Chairman of Bills Committee
on Insurance Companies (Amendment) Bill 2014
Legislative Council Complex
1 Legislative Council Road, Central, Hong Kong

Dear Hon Wong,

Insurance Companies (Amendment) Bill 2014

Thank you for your letter of 4 June in connection with the captioned subject.

We trust that you have received the Consumer Council's submission that advocates the interests of policyholders as consumers. Further to the submission, we would like to emphasize on the following two points.

First, the Council considers it crucial that the establishment of the Independent Insurance Authority (IIA) should be truly independent and impartial in assuming a direct supervisory role for rendering effective regulation of the insurance industry and protection of insurance policyholders' interests. The Council believes that the IIA should be independent of the insurance industry so as not to undermine the purpose of setting up an "independent" regulator to oversee the industry.

Second, the Council concurs to the Amendment Bill's proposal that all licensed insurance intermediaries would be required to act "in the best interest of policyholders". As the main objective of establishing the IIA is to provide protection for policyholders, the Council is of the view that the potential conflict of loyalty to the insurer should not come before the interests of policyholder. The Council supports to put the "best interest" duty on a statutory footing and that insurance intermediaries are obliged to comply.

We hope that the Council's views will be helpful in the deliberations on the Bills Committee.

Yours sincerely,

Billy WONG
Chief Executive
Consumer Council