

本局檔號 OUR REF. : S/F(3) in HAB/CR/8/10/12 Pt.6
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8 March 2000

Miss Flora TAI
Clerk to Bills Committee, Legislative Council
Legislative Council Building
8 Jackson Road, Central
Hong Kong

Dear Miss Tai,

**Bills Committee on
Building Management (Amendment) Bill 2000**

Meeting on 9 March 2000

I refer to the letters from the MTRC and the Hong Kong Federation of Insurers faxed to me today. With regard to the submission by the MTRC, the points raised are essentially the same as those raised in its earlier letter of 10 February 2000. I already faxed to you our response on 7 March 2000. With regard to the views of the Hong Kong Federation of Insurers, our response is as follows –

- a. There are no provisions in the Amendment Bill which seeks to interfere with the right of the underwriter to exercise prudent underwriting principles. The premium and conditions of an insurance coverage is a matter between the insurer and the insured. Matters that are to be covered by the Regulations to be made under section 41 are clearly spelt out in subsection (ca) thereof.

- b. The Home Affairs Department will monitor compliance with the statutory requirements.
- c. There is no proposal for a compensation fund in the Amendment Bill. We are prepared to listen to arguments in support of such a proposal.
- d. The reference to ‘all parts’ of a building is necessary for third party protection because, in practice, there could be technical difficulties to identify the place from which an eligible claim originated, e.g. falling objects.
- e. We will consult the relevant parties, including the Hong Kong Federation of Insurers, when proposals for the Regulations are formulated.

Thank you for your attention.

Yours sincerely,

(Edward Chu)
for Secretary for Home Affairs

c.c.	DHA (Attn: Mr Lui Hau-tuen, Mr Ma Kam-ki)	2574 8638 2147 0984
	D of J (Attn: Mr J D Scott, Ms Grace Chan, Miss Shirley Wong)	2869 1302 2136 8277 2869 1302
	D of FS (Attn: Mr Lee Chee-chung)	2312 0376
	DB (Attn: Mr Chow Kim-ping)	2877 6416

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