

立法會
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**Paper for the House Committee Meeting
of the Legislative Council
on 11 February 2000**

**Legal Service Division Report on
Insurance Companies (Amendment) Bill 2000**

Object of the Bill

To allow the Insurance Authority to accept other standards comparable to prescribed standards with which an appointed actuary must comply and to disclose information obtained from insurers in the interest of policy holders or in the public interest.

LegCo Brief Reference

2. C2/2/39C(99) issued by the Financial Services Bureau and undated.

Date of First Reading

3. 26 January 2000.

Comments

4. Basically, the Bill contains 2 separate proposals, extending the power of the Insurance Authority (IA) in two areas.

5. Under the existing provisions of the principal ordinance, IA has the power by regulation to prescribe standards to be complied with by an appointed actuary. According to the Administration, the intention is to prescribe the Professional Standard 1 issued by the Actuarial Society of Hong Kong as the standard. However, there are some appointed actuaries of overseas insurers who are overseas residents and already subscribe to comparable or more stringent professional standards of their own jurisdictions.

6. It is now proposed that the IA should be empowered to accept actuarial standards which are comparable to those prescribed so as to give flexibility to the present arrangement.

7. The other proposal is to allow the IA to exceptionally disclose information it has obtained relating to the affairs of an insurer in addition to the other exceptional circumstances specified in the principal ordinance. Among the latter are disclosure in summary form without identifying any particular insurer or disclosure with the consent of the insurer concerned.

8. The Administration finds the present exceptional disclosure powers inadequate if more information relating to individual insurers is to be made available to the public to enable policy holders to make informed decisions. Hence, it is proposed that disclosure may also be made exceptionally if, in the opinion of IA, the disclosure is in the interests of existing or potential policy holders or in the public interest, provided that it will not include the affairs of any individual policy holder.

Public Consultation

9. According to the LegCo Brief, the Insurance Advisory Committee, the Hong Kong Federation of Insurers, the Actuarial Society of Hong Kong and Lloyd's have been consulted on the proposals and have indicated their support.

Consultation with LegCo Panel

10. The policy aspects of the Bill have not been referred to any Panel for discussion.

Conclusion

11. Clarification is being sought from the Administration on certain drafting and policy aspects of the Bill. A further report will be made in due course.

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