

**Claims Statistics with respect to Hong Kong Solicitors Professional Indemnity Fund
up to the 2010/2011 Indemnity Year**

Professional indemnity cover

- (i) Since the indemnity year 1988/89, the average claim size has ranged from HK\$0.6 million to HK\$2.7 million, well below the statutory indemnity limit of HK\$10 million per claim.
- (ii) From the 1994/95 indemnity year to 2010/11 indemnity year (both inclusive), there have been 3,525 claims on the Hong Kong Solicitors Indemnity Fund (including notifications), out of which, only 63 claimants, i.e. 1.8 %, have sought HK\$10 million or more.
- (iii) Of these 63 claims:
- (aa) Payout of HK\$10 million
- There are 17 claims in which the Fund paid HK\$10 million (including defence cost but less the indemnified's deductible).
- Of these 17 claims, 12 were brought by companies and five by individuals.
- (bb) Payout between HK\$8 million and HK\$10 million
- There are 15 claims in which the actual or expected payment by the Fund (including defence costs) is or will be more than HK\$8 million but less than HK\$10 million.
- Of these claims, 11 were brought by companies and 4 by individuals.
- (cc) Payout of less than HK\$8 million
- There are 17 claims in which the claimant sought HK\$10 million or more, but which were settled for less than HK\$8 million (including defence costs).
- Of these claims, 14 were brought by companies and 3 by individuals.
- (dd) Payout that may reach HK\$10 million for open claims
- There are 10 open claims in which it is anticipated that the claim payments (including defence costs) will reach HK\$10 million (including the deductible).

Of these claims, 7 were brought by companies alone, two by individuals and one by a company and individual jointly. .

(ee) Payout that may be less than HK\$8 million for open claims

There are 4 open claims in which the claimants are seeking HK\$10 million or more but it is anticipated that the claims will settle for less than HK\$8 million (including defence costs).

Three of these claims were brought by companies and one by an individual.

The Working Party on LLPs
The Law Society of Hong Kong
23 March 2012

Doc. 776883