

**立法會**  
*Legislative Council*

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**Paper for the House Committee meeting on 1 April 2011**

**Proposal for activation of Joint Subcommittee on Issues relating to  
Insurance Coverage for the Transport Sector**

**Purpose**

This paper invites the House Committee to consider the proposal of the Panel on Financial Affairs and the Panel on Transport ("the two Panels") to activate the Joint Subcommittee on Issues relating to Insurance Coverage for the Transport Sector ("the Joint Subcommittee").

**Background**

2. According to section 4 of the Motor Vehicles Insurance (Third Party Risks) Ordinance (Cap. 272), it is mandatory for a motor vehicle operating on a road to be covered by valid third party risks insurance. There have been media reports in the past year that the transport sector, in particular the taxi and public light bus trades, has encountered difficulties in obtaining insurance coverage. Their major concerns include soaring insurance premiums and rejection by insurance companies to underwrite/renew their policies. The insurance sector, while pointing out that the phenomenon is mainly caused by substantial increases in both the number and amount of insurance claims in traffic accidents, has remarked that there exist organized frauds to deceive claims under motor vehicle insurance policies.

3. Members of the two Panels are concerned about the difficulties faced by the transport trades in obtaining insurance coverage, and a joint meeting of the two Panels was held on 28 February 2011 to discuss the subject with deputations from the transport and insurance sectors and the Administration.

During the discussion, Panel members and deputations pointed out that the difficulties encountered by the transport sector in obtaining insurance coverage were attributable to a number of factors and involved policy, legal, operational as well as enforcement issues. In order to follow up the relevant issues in a comprehensive and focused manner, it was agreed at the joint Panel meeting on 18 March 2011 that a joint subcommittee should be formed under the two Panels to study the issues relating to the difficulties encountered by the transport sector in obtaining insurance coverage. Information relating to the Joint Subcommittee as regards its terms of reference, work plan and time frame for completion of work is in **Appendix I**.

4. In considering the appointment of the Joint Subcommittee, the two Panels have noted Rule 26(a) of the House Rules, which provides that the maximum number of subcommittees appointed by the House Committee and Panels to study policy issues that may be in operation at any one time is eight; and that if the number of such subcommittees has reached eight and new subcommittees have been appointed, a waiting list will be formed. The Panels have also noted that given the existing position on Bills Committees and subcommittees, the Joint Subcommittee, if appointed by the Panels, will be placed on the waiting list.

#### **Consideration for activation of subcommittees**

5. At the House Committee meeting on 18 March 2011, Members noted that the number of subcommittees on policy issues had already reached 10 and there were four subcommittees on the waiting list (**Appendix II**). Members also noted that the number of Bills Committees in operation was 12. In accordance with House Rule 26(b), if the number of Bills Committees in operation is less than 16, the House Committee may activate the subcommittees on the waiting list after having considered the following –

- (a) the number of vacant slots for Bills Committees;
- (b) the number of bills likely to be introduced to the Council in the next three months;
- (c) the number of subcommittees on subsidiary legislation already or likely to be appointed by the House Committee and by Bills Committees; and
- (d) the availability of resources in the Secretariat.

6. Members also noted at the meeting on 18 March 2011 that in view of the large number of bills scheduled to be introduced to the Council in the next three months, it was not likely that the subcommittees on the waiting list, other than the Subcommittee on Retirement Protection and the Subcommittee on Improving Barrier Free Access and Facilities for Persons with Disabilities, would be able to commence work within the next three months. However, the Secretariat undertook to consult the Subcommittees currently in operation so as to assess whether any of the Subcommittees would expect to complete their work within a short time.

7. The Secretariat has already started its consultation with the Subcommittees and plans to report to the House Committee on 8 April 2011 with a more realistic assessment of the situation. It is suggested that discussion on the activation of subcommittees on the waiting list be deferred to 8 April 2011 when the information on the Subcommittees' current progress of work is available.

### **Advice sought**

8. The House Committee is invited to note the appointment of the Joint Subcommittee by the two Panels, and the Secretariat's suggestion to defer the discussion on the activation of subcommittees on the waiting list to 8 April 2011.

Council Business Division 1  
Legislative Council Secretariat  
30 March 2011

**Panel on Financial Affairs and  
Panel on Transport**

**Joint Subcommittee on Issues relating to  
Insurance Coverage for the Transport Sector**

**Terms of reference, work plan and time frame**

Terms of reference

To study the issues relating to the difficulties encountered by the transport sector in obtaining insurance coverage, and where appropriate, to make recommendations on measures to tackle the problem.

Work plan

The Joint Subcommittee will focus its work on the following major issues –

- (a) identification and examination of the factors contributing to the difficulties encountered by the transport sector in obtaining insurance coverage;
- (b) exploration of possible measures to tackle the problems identified; and
- (c) monitoring the actions to be taken by relevant Government bureaux/departments in tackling the problems identified and assisting the transport trades in obtaining the necessary insurance coverage.

Time frame

The Joint Subcommittee will, in accordance with House Rule 26(c), complete its work within 12 months of its commencement and report to the Panel on Financial Affairs and the Panel on Transport.

**Position of subcommittees on policy issues  
(position as at 30 March 2011)**

**A. Subcommittees on policy issues in operation**

<u>Under the House Committee</u>	Approval obtained for continuation of work
1. Subcommittee to Study Issues Arising from Lehman Brothers-related Minibonds and Structured Financial Products	Up to the end of the current term
2. Subcommittee to Study Issues Relating to Mainland-HKSAR Families	2010-2011 session
<u>Under Panels</u>	
3. Subcommittee on Matters Relating to Railways under the Panel on Transport	Up to the end of the current term
4. Subcommittee on Improving Air Quality under the Panel on Environmental Affairs	2010-2011 session
5. Subcommittee on Harbourfront Planning under the Panel on Development	2010-2011 session
6. Joint Subcommittee to Monitor the Implementation of the West Kowloon Cultural District Project under the Panel on Home Affairs and the Panel on Development	2010-2011 session
7. Joint Subcommittee on Amendments to Land Titles Ordinance under the Panel on Development and the Panel on Administration of Justice and Legal Services	2010-2011 session
8. Subcommittee on Combating Fly-tipping under the Panel on Environmental Affairs	2010-2011 session
9. Subcommittee on Residential and Community Care Services for Persons with Disabilities and the Elderly under the Panel on Welfare Services	2010-2011 session
10. Subcommittee on Building Safety and Related Issues under the Panel on Development	2010-2011 session

**B. Subcommittees on policy issues on waiting list**

1. Subcommittee on Retirement Protection under the Panel on Welfare Services	The House Committee agreed at its meeting on 21 January 2011 that the Subcommittee could be activated in late April 2011.
2. Subcommittee on Improving Barrier Free Access and Facilities for Persons with Disabilities under the Panel on Welfare Services	The House Committee agreed at its meeting on 21 January 2011 that the Subcommittee could be activated after the Subcommittee on Residential and Community Care Services for Persons with Disabilities and the Elderly under the Panel on Welfare Services had completed its work.
3. Subcommittee on Registration of Proprietary Chinese Medicines under the Panel on Health Services	---
4. Joint Subcommittee on Issues relating to Insurance Coverage for the Transport Sector under the Panel on Financial Affairs and Panel on Transport	---