

**立法會**  
**Legislative Council**

LC Paper No. CB(2)646/11-12  
(These minutes have been seen  
by the Administration)

Ref : CB2/PS/4/10

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

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

**Minutes of meeting  
held on Tuesday, 29 November 2011, at 4:30 pm  
in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon Miriam LAU Kin-ye, GBS, JP (Chairman)  
Hon James TO Kun-sun  
Hon CHEUNG Hok-ming, GBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon CHAN Kin-por, JP  
Hon IP Wai-ming, MH

**Public Officers attending** : Item I

Miss Janet WONG  
Principal Assistant Secretary for Transport and Housing

Ms Jennifer CHAN  
Principal Assistant Secretary for Financial Services and the  
Treasury (Financial Services)

Mr Albert YUEN, JP  
Assistant Commissioner/Management and Paratransit  
Transport Department

Mr Dannis LEUNG  
Chief Transport Officer/Planning/Taxi  
Transport Department

Ms Angela NG  
Senior Superintendent (Administration) (Traffic Branch  
Headquarters)  
Hong Kong Police Force

Mr CHAN Sung-shing  
Senior Superintendent (Fraud, Counterfeit and Support)  
(Commercial Crime Bureau)  
Hong Kong Police Force

Mr WONG Yiu-ming  
Superintendent (Law Revision and Project)  
(Traffic Branch Headquarters)  
Hong Kong Police Force

Mr SIU Wai-sing  
Superintendent (Fraud Division)  
(Commercial Crime Bureau) (Acting)  
Hong Kong Police Force

Mr TSANG Hing-tong  
Senior Social Security Officer (Accident Compensation)  
Social Welfare Department

Mr Ros LAM, JP  
Assistant Commissioner of Insurance (General Business Division)  
Office of the Commissioner of Insurance

Ms Polly LUI  
Senior Insurance Officer (General Business Division)  
Office of the Commissioner of Insurance

Mr LEE Tin-yan  
Senior Government Counsel  
Department of Justice

**Attendance** : Item I  
**by invitation**

Hong Kong Kowloon Taxi & Lorry Owners' Association Ltd.

Mr WONG Po-keung  
Chairman

The Kowloon Taxi Owners Association Ltd.

Mr YUM Tai-ping  
Chairman

Tai Wo Motors Ltd.

Mr Aaron NG Hoi-shan  
Vice-Chairman

Hong Kong Container Tractor Owner Association Ltd.

Mr LAM Hoi-tat  
Executive Vice Chairman

Wai Yik H.K. & Kln. & N.T. Taxi Owners Association Ltd.

Mr LI Kwok-ying  
Cochairman

Hong Kong Guangdong Boundary Crossing Bus Association

Mr Sammy CHOW Hing-wong  
General Secretary

Sun Hing Taxi Radio Service General Association

Mr CHAN Wai-ming  
Chairman

United Friendship Taxi Owners & Drivers Association Ltd.

Mr LAU Seck-hai  
Chairman

Himwell Limited

Mr CHAN Wai-man  
General Manager

Public Omnibus Operators Association Ltd.

Mr Peter MOK  
Committee Member

China Hong Kong and Macau Boundary Crossing Bus Association Ltd.

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Mr Alan CHAN  
Vice President

Taxi Dealers & Owners Association Ltd.

Mr LAU Hak-kai  
President

Chung Shing Taxi Ltd.

Mr CHENG Hak-wo  
Director

The Hong Kong Federation of Insurers

Mr Harry WONG  
Governing Committee Member

Taxi Drivers and Operators Association Ltd.

Mr NG Yip-pui  
General Secretary

G.M.B. Maxicab Operators General Association Ltd.

Mr LI Hung  
Vice-Chairman

The Hong Kong Federation of Insurers - Accident Insurance Association

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Mr Ben CHUNG  
Chairman

Lok Ma Chau China-Hong Kong Freight Association

Mr Stanley CHIANG  
Chairman

**Clerk in attendance** : Mrs Sharon TONG  
Principal Council Secretary (2)

**Staff in attendance** : Ms Mina CHAN  
Council Secretary (2) 7

Ms Michelle LEE  
Legislative Assistant (2) 7

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## **I. Meeting with deputations and the Administration**

The Joint Subcommittee deliberated (index of proceedings attached at **Annex**).

2. The Joint Subcommittee received oral representations from 18 deputations.

3. The Joint Subcommittee expressed regret and dissatisfaction that the Hospital Authority ("HA") had not sent representative to attend the meeting. The Chairman asked the Clerk to write to HA requesting attendance of its representatives at future meetings of the Joint Subcommittee.

*(Post-meeting note: The Secretariat had issued a letter on 30 November 2011 inviting representatives of HA to future meetings of the Joint Subcommittee.)*

4. Mr CHAN Kin-por expressed appreciation to the Hong Kong Police Force for its positive response as set out in LC Paper No. CB(2)379/11-12(01) to his suggestion of providing insurance companies and members of the public with a channel to lodge complaints about and report suspected cases of insurance fraud.

5. At the suggestion of Mr Ronny TONG, the Joint Subcommittee requested the Financial Services and the Treasury Bureau and the Office of the Commissioner of Insurance to provide a paper on the applicable licensing requirements if a mutual insurance association akin to a Protection and Indemnity Club for the shipping sector is to write taxi and public light bus insurance business in Hong Kong.

6. The Joint Subcommittee requested the Social Welfare Department to provide statistics and analysis of fraudulent claims of assistance under the Traffic Accident Victims Assistance Scheme (including the prosecution figures, successful convictions and their penalties, and the amount of money involved in such cases, etc.).

**II. Any other business**

7. There being no other business, the meeting ended at 6:40 pm.

Council Business Division 2  
Legislative Council Secretariat  
20 December 2011

**Proceedings of meeting of the Joint Subcommittee on  
Issues relating to Insurance Coverage for the Transport Sector  
held on Tuesday, 29 November 2011, at 4:30 pm  
in Conference Room 1 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action Required
000708 - 001050	Chairman	Opening remarks	
001051 - 001341	Hong Kong Kowloon Taxi & Lorry Owners' Association Ltd.	Presentation of views (LC Paper No. CB(2)3791/11-12(02))	
001342 - 001623	The Kowloon Taxi Owners Association Ltd. Chairman	Presentation of the following views -  (a) insurance premium had been skyrocketing in the past few years and it had constituted a large part of the operating expenses of transportation companies; and  (b) vehicle owners should be notified by the Police of traffic accidents where rentee-drivers were involved	
001624 - 001916	Tai Wo Motors Ltd.	Presentation of views (LC Paper No. CB(2)407/11-12(01))	
001917 - 002240	Hong Kong Container Tractor Owner Association Ltd.	Presentation of the following views -  (a) with the recent sharp increase in insurance premium, container tractor owners had encountered difficulties in procuring employees' compensation insurance for their drivers; and  (b) container tractor owners were required to provide financial information to insurance companies when applying for renewal of employees' compensation insurance for their drivers. Such requirement was unreasonable and there seemed to be no regulation over the insurance sector	
002241 - 002425	Wai Yik H.K. & Kln. & N.T. Taxi Owners Association Ltd.	In view of the seriousness of the problem of exaggerated claims, it was suggested that vehicle drivers should be self-insured	

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002426 - 002902	Hong Kong Guangdong Boundary Crossing Bus Association	Presentation of views (LC Paper No. CB(2)184/11-12(02))	
002903 - 003000	Sun Hing Taxi Radio Service General Association	Presentation of views (LC Paper No. CB(2)379/11-12(03))	
003001 - 003219	United Friendship Taxi Owners & Drivers Association Ltd.	Presentation of views (LC Paper No. CB(2)407/11-12(02))	
003220 - 003525	Himwell Limited	<p>Presentation of the following views -</p> <ul style="list-style-type: none"> <li>(a) insurance premiums for the transport sector was so high that it had accounted for an increasingly large proportion of the operating expenses of vehicle owners;</li> <li>(b) champerty led to an increase in the number of insurance claims, resulting in the loss of no claim discount ("NCD") offered to vehicle owners; and</li> <li>(c) consideration should be given to raising the levy for the Traffic Accident Victims Assistance ("TAVA") Scheme</li> </ul>	
003526 - 003739	Public Omnibus Operators Association Ltd.	<p>Presentation of the following views -</p> <ul style="list-style-type: none"> <li>(a) many insurers refused to underwrite motor vehicle insurance business;</li> <li>(b) insurance companies declined to provide coverage for traffic accidents caused by drink/drug driving and such practice offered no protection to vehicle owners; and</li> <li>(c) the insurance coverage for cross-border transport business had grey areas. If a traffic accident occurred in the Mainland, the parties concerned would in most cases return to Hong Kong making a claim against the vehicle owners. However, insurance companies in both Hong Kong and the Mainland would refuse to process claim applications under such circumstances. The former would</li> </ul>	



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		argue that the traffic accident happened outside Hong Kong while the latter claimed that policyholders were required to file their claims in the Mainland. The Association urged the Legislative Council to help tackle the issue	
003740 - 004308	China Hong Kong and Macau Boundary Crossing Bus Association Ltd.	Presentation of views (LC Paper No. CB(2)437/11-12(01))	
004309 - 004654	Taxi Dealers & Owners Association Ltd.	Presentation of views (LC Paper Nos. CB(2)184/11-12(03) and CB(2)379/11-12(04))	
004654 - 004906	Chung Shing Taxi Ltd.	Presentation of the following views -  (a) champerty was considered the main factor contributing to the underwriting loss of motor vehicle business. It was hoped that the Office of the Commissioner of Insurance and the Hong Kong Police Force could work together to combat such illegal activity; and  (b) it was suggested that the Administration should announce a list of drivers who had involved in champerty for the reference of the transport sector	
004907 - 005139	The Hong Kong Federation of Insurers	Presentation of the following views -  (a) insurance companies had not reaped huge profit from motor vehicle business. On the contrary, the industry recorded substantial losses every year. Following the closure of Anglo Starlite Insurance Company, its outstanding claims, which amounted to about \$1 billion, had been covered by the Insolvency Fund administered by the Motor Insurers' Bureau of Hong Kong; and  (b) apart from high accident rates, problems of drink/drug driving and illegal activities such as insurance fraud and champerty,	

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		<p>abuse issuance of sick leave certificates was also the main factor contributing to the significant underwriting losses of motor insurance business. The insurance sector had found that there was a continuous rise over the past five years in the number of cases where sick leave exceeding six months was granted</p>	
005140 - 005421	Taxi Drivers and Operators Association Ltd.	Presentation of views (LC Paper No. CB(2)437/11-12(02))	
005422 - 005626	G.M.B. Maxicab Operators General Association Ltd.	Presentation of views (LC Paper No. CB(2)191/11-12(01))	
005627 - 005804	The Hong Kong Federation of Insurers - Accident Insurance Association	<p>Presentation of the following views -</p> <p>(a) the operating environment of commercial vehicle insurance business was difficult;</p> <p>(b) the insurance sector would put in greater efforts in public education, risk management as well as development of new insurance products</p>	
005805 - 010115	Lok Ma Chau China-Hong Kong Freight Association	<p>Presentation of the following views -</p> <p>(a) some insurance companies refused to underwrite employees' compensation insurance for the truck drivers who had never made a claim, or charged a high premium for the policies; and</p> <p>(b) some insurance companies declined to renew the employees' compensation insurance policies for truck drivers on the grounds of high-risk occupation</p>	
010116 - 011035	Chairman The Hong Kong Federation of Insurers	<p>Liability claims arising from drivers' drink/drug driving;</p> <p>Insurance coverage for commercial vehicles when gale or storm signal No. 8 was hoisted; and</p> <p>Availability of employees'</p>	

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		compensation insurance for high-risk occupations	
011036 - 011932	Chairman Admin The Hong Kong Federation of Insurers Chung Shing Taxi Ltd.	Notification of the vehicle owners in the event of traffic accidents involving rentee-drivers; and  Respective liabilities of vehicle owner and rentee-driver in a traffic accident	
011933 - 013122	Chairman Mr Ronny TONG Admin Chung Shing Taxi Ltd. Lok Ma Chau China-Hong Kong Freight Association	Suggestion and views on providing motor vehicle insurance on the mutual principle by the transport sector; and  Applicability of marine liability insurance for the shipping sector provided by a Protection and Indemnity ("P&I") Club to the land transport sector in Hong Kong	The Administration to provide a paper on the applicable licensing requirements if a mutual insurance association akin to a P&I Club for the shipping sector is to write taxi and public light bus insurance business in Hong Kong.
013123 - 013734	Chairman China Hong Kong and Macau Boundary Crossing Bus Association Ltd.	Difficulties encountered by the transport sector in procuring insurance -  (a) champerty;  (b) abuse issuance of sick leave certificates;  (c) refusal of insurers to provide insurance coverage for traffic accidents caused by drink/drug driving;  (d) respective liabilities of vehicle owner and rentee-driver in a traffic accident; and  (e) insurance coverage for cross-border transportation operators	
013735 - 014032	Mr CHAN Kin-por Chairman The Hong Kong Federation of Insurers	Refusal of insurers to process claims or accept a reconciliation agreement signed between the driver with the other party involved in a traffic accident;  Reduction in NCD of the other vehicles when one vehicle of the same fleet had been involved in a traffic accident; and  Chinese translation of insurance policies	

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014033 - 014512	Chairman Mr CHAN Kin-por	The current difficulties in operating insurance business;  Problem of abuse issuance of sick leave certificates; and  Reporting mechanism for insurance fraud	
014513 - 015300	Chairman Mr CHAN Kin-por Admin	Invitation for the Hospital Authority to future meetings of the Joint Subcommittee	
015301 - 015902	Mr CHAN Kin-por Admin Chairman	Making of false oaths in legal proceedings of civil claims arising from traffic accidents	
015903 - 020230	Mr CHAN Kin-por Admin	Monitoring of claims of assistance under the TAVA Scheme and handling of suspected cases of fraud claims	
020231 - 020429	The Hong Kong Federation of Insurers Chairman	The right of the aided person to nominate his/her own lawyer under the Legal Aid Ordinance (Cap. 91) contributing to the grave underwriting losses of insurance sector	
020430 - 020623	Hong Kong Kowloon Taxi & Lorry Owners' Association Ltd. Chairman	Feasibility of the suggestion of providing protection and indemnity insurance for the transport sector on a mutual basis;  Review on the TAVA Scheme; and  Views on the problem of abuse issuance of sick leave certificates	
020624 - 020850	The Kowloon Taxi Owners Association Ltd. Chairman Tai Wo Motors Ltd.	Responsibility for notifying vehicle owners of traffic accidents involving rentee-drivers	
020851 - 021208	Hong Kong Guangdong Boundary Crossing Bus Association Chairman	How to combat illegal activities such as insurance fraud and champerty	
021209 - 021328	Wai Yik H.K. & Kln. & N.T. Taxi Owners Association Ltd. Chairman	Request for statistics on the TAVA Scheme	The Administration to provide statistics and analysis of fraudulent claims of assistance under the TAVA Scheme (including the

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
			prosecution figures, successful convictions and their penalties, and the amount of money involved in such cases)
021329 - 021452	Chairman	Closing remarks	

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