

**Bills Committee on Insurance Companies (Amendment) Bill 2014**

**List of follow-up actions arising from the discussion  
at the meeting on 24 November 2014**

Financial arrangements for the independent Insurance Authority

- (a) In respect of the start up funds for the independent Insurance Authority ("IIA") to help meeting its expenses in the initial five years of operation, the Administration is requested to consider a member's view that part of the funding should be provided by loans from Government to IIA; and
- (b) In the light of members' suggestion, the Administration will consider making arrangement for briefing the relevant Panel of the Legislative Council on the annual budget of IIA.

Order to pay costs of investigation

- (c) The proposed new section 64ZZO of the Insurance Companies Ordinance (Cap. 41) ("ICO") (under Clause 71) provides that the court may order convicted insurance intermediaries to pay for the costs of investigation and IIA may recover the costs as a civil debt. To address the industry's concern about potential huge investigation costs, the Administration is requested to consider refining the provision to limit recovery of costs to extremely serious and complex cases of misconduct.

Relationship between insurers and insurance agents

- (d) The Administration is requested to follow up with the Hong Kong Federation of Insurers ("HKIF") and report the outcome to the Bills Committee, on HKIF's concern about the scope of liability of an insurer for its appointed insurance agents under the proposed new section 68(1) to (4C) (to be added by Clause 73). In particular HKIF's views that the new provisions have changed the existing scope of liability of an insurer for the acts of an insurance agent appointed by the insurer under ICO.

Transitional arrangements for insurance intermediaries

- (e) The Administration is requested to report to the Bills Committee on its consideration of HKIF's views in refining the provisions in the new Schedule 11 to ICO (to be added by Clause 94) to specify more clearly the transitional arrangements for insurers and clarify certain aspects of the transitional arrangement like the arrangements for litigation fees.

Council Business Division 1  
Legislative Council Secretariat  
8 December 2014