

立法會
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Panel on Transport and Panel on Financial Affairs

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

**Minutes of the third meeting held on
Tuesday, 4 May 2021, at 4:30 pm
in Conference Room 2 of the Legislative Council Complex**

Members present : Hon Frankie YICK Chi-ming, SBS, JP (Chairman)
Hon CHAN Kin-por, GBS, JP
Hon YIU Si-wing, BBS
Ir Dr Hon LO Wai-kwok, SBS, MH, JP

Member absent : Hon Mrs Regina IP LAU Suk-ye, GBS, JP

**Public Officers
attending** : Agenda item I

Ms Amy WONG, JP
Deputy Secretary for Transport and Housing
(Transport)²

Miss Joyce KOK
Principal Assistant Secretary for Transport and
Housing (Transport)¹²

Ms Noel TSANG
Principal Assistant Secretary for Financial Services
and the Treasury (Financial Services) Insurance and
Retirement Scheme

Mr Andrew NGAN
Assistant Secretary for Financial Services and the

Treasury (Financial Services)(Insurance and Retirement Scheme)²

Mr Patrick WONG
Assistant Commissioner for Transport (Management and Paratransit)

Ms Louisa FUNG
Principal Transport Officer/Ferry and Paratransit
Transport Department

Mr WONG Chi-kwong
Chief Superintendent of Police (Commercial Crime Bureau)
Hong Kong Police Force

Mr NG Hoi-wai
Superintendent of Police (Law Revision and Projects)(Traffic Branch Headquarters)
Hong Kong Police Force

Ms Juliana CHAN, JP
Deputy Director of Legal Aid/Application and Processing

Ms Michelle LAM
Assistant Director (Social Security)
Social Welfare Department

Ms Polly TANG
Senior Social Security Officer (Social Security)⁴
Social Welfare Department

Related organizations

: Agenda item I

Insurance Authority

Mr Simon LAM
Executive Director (General Business)

Ms Regina LEUNG
Senior Manager (General Business)

The Hong Kong Federation of Insurers

Ms Fanny FUNG
Chairman
Accident Insurance Association

Ms Selina LAU
Chief Executive

Ms Joyce LAU
Councillor
General Insurance Council

Ms Peggy NG
Deputy Chairman
Accident Insurance Association

Ms Shirley LAM
Senior Manager

Ms Susanna LI
Manager - Communications and Committee

Clerk in attendance : Ms Shirley CHAN
Chief Council Secretary (4)5

Staff in attendance : Ms Shirley TAM
Senior Council Secretary (4)5

Ms Carol WONG
Council Secretary (4)5

Ms Zoe TONG
Legislative Assistant (4)5

Action

- I. Measures to eradicate insurance frauds and champerty relating to the transport sector**
[LC Paper Nos. CB(4)891/20-21(01) and (02), CB(4)941/20-21(01) and CB(4)942/20-21(01)]

Action

Discussion

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

Follow-up actions

2. The Administration was requested to provide a response in respect of the following suggestions and requests with a view to combatting traffic accident-related insurance fraud and champerty –

- (a) suggestions raised in the submission from the Hong Kong Federation of Insurers (LC Paper No. CB(4)942/20-21(01));

Hong Kong Police Force

- (b) strengthening communication with the insurance sector and arranging experience sharing sessions on a regular basis so as to speed up the investigation process;
- (c) expediting the provision of traffic accident-related information to the insurance sector;
- (d) conducting investigations/assessments into suspected cases by a specified task force under the Commercial Crime Bureau instead of by respective regional/district formations;
- (e) providing the number of reported cases on insurance fraud and champerty from 2016 to 2020 as well as the number of prosecutions instituted, with a breakdown on the number of such cases relating to motor insurance;

Legal Aid Department

- (f) assigning legal aid cases to lawyers on the Legal Aid Panel ("the Panel") by rotation instead of allowing an aided person to nominate his own lawyer;
- (g) reducing the limit set for the number of cases assigned to a Panel lawyer;
- (h) providing the following statistics from 2016 to 2020 with a breakdown on the number of traffic accident-related cases -

Action

- (i) legal aid applications received;
- (ii) legal aid certificates granted;
- (iii) registered lawyers on the Panel;
- (iv) cases involving misuse of legal aid and related follow-up actions; and
- (v) cases involving unsatisfactory conduct or malpractices committed by Panel lawyers and related sanctions ;

Social Welfare Department

- (i) strengthening efforts to verify the information received from applicants of the Traffic Accident Victims Assistance ("TAVA");
- (j) reviewing whether to tighten the current eligibility criteria for applying TAVA to prevent abuse;
- (k) maintaining close liaison with the insurance sector and providing the information required by the sector on TAVA applications; and
- (l) exploring ways to avoid touting activities conducted by recovery agents nearby the office of the TAVA section.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(4)1035/20-21(01) on 3 June 2021.)

II. Any other business

3. The Chairman advised that the next meeting of the Joint Subcommittee would be held on Friday, 4 June 2021 at 10:45 am.
4. There being no other business, the meeting ended at 6:01 pm.

Council Business Division 4
Legislative Council Secretariat
7 July 2021

Panel on Transport and Panel on Financial Affairs

**Proceedings of the third meeting of
the Joint Subcommittee on Issues Relating to
Insurance Coverage for the Transport Sector
on Tuesday, 4 May 2021, at 4:30 pm
in Conference Room 2 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
Agenda item I – Measures to eradicate insurance frauds and champerty relating to the transport sector			
000521 – 000849	Chairman	Opening remarks	
000850 – 001345	Chairman Transport and Housing Bureau ("THB")	Briefing by THB LC Paper No. CB(4)891/20-21(02)	
001346 – 002309	Chairman The Hong Kong Federation of Insurers ("HKFI")	Briefing by HKFI LC Paper No. CB(4)942/20-21(01)	
002310 – 004216	Chairman Mr YIU Si-wing Hong Kong Police Force ("the Police") HKFI	<p>Mr YIU Si-wing referred to the views of HKFI and suggested that the Police should –</p> <ul style="list-style-type: none"> (a) strengthen communication with the insurance sector so as to work out a suitable timeframe for providing the traffic accident related information requested by the insurance sector; (b) provide the number of reported cases on insurance fraud and champerty from 2016 to 2020 as well as the number of prosecutions instituted, with a breakdown on the number of such cases relating to motor insurance; and (c) review the related prosecution work to step up the deterrent effect. <p>The Police advised that it generally provided the information requested by the insurance sector within 14 days depending on the information nature and/or timing of receiving such requests. Longer time was required if the cases involved court proceedings. In dealing with reports of traffic accident-related insurance frauds, the Commercial Crime Bureau ("CCB") would handle the cases direct or refer them to respective regional/district formations depending on the nature and seriousness of the cases. Prompt prosecution actions would be taken if there was sufficient evidence.</p>	Paragraph 2 of the minutes

Time marker	Speaker	Subject(s)	Action required
		<p>Citing a previous fraud case referred by HKFI with prompt actions taken by CCB, HKFI suggested that CCB should –</p> <ul style="list-style-type: none"> (a) take charge of all traffic accident-related insurance frauds instead of referring the cases to respective formations for follow-up; (b) facilitate communication between the insurance sector and frontline police officers on relevant case investigation; and (c) share the experience of fraud investigation with the insurance sector. <p>The Chairman supported making regular arrangements for CCB and the insurance sector to share experience.</p> <p>The Police agreed to arrange regular experience sharing sessions between two sides with a view to curbing relevant illegal activities.</p>	<p>Paragraph 2 of the minutes</p>
004217– 004710	<p>Chairman Mr CHAN Kin-por Hong Kong Police Force ("the Police") HKFI</p>	<p>Mr CHAN Kin-por appreciated the efforts taken by CCB in late 2020 in relation to a traffic accident-related insurance fraud. To speed up the investigation process, he suggested that the Police should –</p> <ul style="list-style-type: none"> (a) strengthen communication with the insurance sector and arrange experience sharing sessions on a regular basis; (b) expedite the provision of traffic accident-related information to the insurance sector; and (c) conduct investigations into suspected traffic accident-related insurance frauds by a specified task force under CCB instead of referring the cases to respective regional/district formations. <p>The Chairman and Mr CHAN Kin-por requested the Administration to provide a response to HKFI's submission.</p>	<p>Paragraph 2 of the minutes</p>
004711 – 010913	<p>Chairman Mr CHAN Kin-por Social Welfare Department ("SWD") HKFI</p>	<p>The Chairman considered that the lenient conditions for applying the Traffic Accident Victims Assistance ("TAVA") were prone to abuse and fraud. He suggested that SWD should –</p>	<p>Paragraph 2 of the minutes</p>

Time marker	Speaker	Subject(s)	Action required
		<p>(a) strengthen efforts to verify the information received from TAVA applicants;</p> <p>(b) review whether to tighten the current eligibility criteria for applying TAVA;</p> <p>(c) maintain close liaison with the insurance sector and provide the information required by the sector on TAVA applications; and</p> <p>(d) explore ways to avoid touting activities conducted by recovery agents nearby the office of the TAVA section.</p> <p>Mr CHAN Kin-por considered that SWD should strengthen efforts to verify the information received from TAVA applicants.</p> <p>SWD advised that SWD maintained close liaison with the Police, the Hospital Authority ("HA") and the Department of Health in considering TAVA applications. To guard against possible abuse and fraud, SWD referred over 1 000 applications to HA annually on average for re-assessment. Over the past five years, SWD had referred five cases of suspected fraud to the Police and one of which resulted in prosecution. SWD would continue to strengthen measures to avoid abuse of TAVA.</p>	
010914 – 013026	<p>Chairman SWD Legal Aid Department ("LAD") Mr CHAN Kin-por</p>	<p>Mr Chan Kin-por expressed concern about the practice that a legally-aided person could select his own lawyer which might indirectly cause the problem of champerty. To reduce touting activities and to ensure a fair arrangement on assigning legal aid cases, he suggested that LAD should –</p> <p>(a) assign legal aid cases to lawyers on the Legal Aid Panel ("the Panel") by rotation;</p> <p>(b) reduce the limit set for the number of cases assigned to a Panel lawyer; and</p> <p>(c) provide the following statistics from 2016 to 2020 with a breakdown on the number of traffic accident-related cases -</p> <p>(i) legal aid applications received;</p> <p>(ii) legal aid certificates granted;</p> <p>(iii) registered lawyers on the Panel;</p> <p>(iv) cases involving misuse of legal aid and related follow-up actions; and</p>	<p>Paragraph 2 of the minutes</p>

Time marker	Speaker	Subject(s)	Action required
		<p>(v) cases involving unsatisfactory conduct or malpractices committed by Panel lawyers and related sanctions.</p> <p>The Chairman shared a similar concern on the practice that an aided person could select his own lawyer. He considered that such practice was the root of the problem of champerty which should be addressed.</p> <p>LAD replied that when assigning legal aid cases, LAD would consider the interest of the aided persons and competence of lawyers according to the nature and complexity of the cases. Hence, legal aid work would not be equally distributed to lawyers on the Panel by rotation. LAD would assign cases in accordance with the statutory provisions and further assess the experience and expertise of the nominated lawyers according to established guidelines and published criteria set by LAD in handling legal aid cases. LAD would take actions against assigned lawyers with unsatisfactory performance.</p>	
013027 – 013449	Chairman Mr CHAN Kin-por Insurance Authority THB HKFI	Conclusion and follow-up	
Agenda item II – Any other business			
013450 – 013528	Chairman	Date of next meeting	