

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

Government's response to submissions from various associations

	Opinion/Suggestion	Association	Government's response
(a)	Support the implementation of driver responsibility system to require taxi drivers (but not car owners) to procure third party insurance	Hong Kong Taxi Council Liberal Party Taxi Dealers & Owners Association Limited	As pointed out in the Government's reply to the Joint Subcommittee on Issues Relating to Insurance Coverage for the Transport Sector ("Subcommittee") on 30 April 2021 (LC Paper no.: CB(4)892/20-21(01)), the suggestion of requiring taxi drivers (but not car owners) to procure third party insurance will bring significant impact and changes to the relevant industries and involve complicated issues including the impact on manpower of the trade (including part-time and replacement drivers), insurance premium levels as well as impact on the procedures, time and cost involved in processing the insurance claims.
(b)	Oppose to the implementation of driver responsibility system as it is considered not feasible to require taxi drivers (but not car owners) to procure third party insurance	Hong Kong Taxi Owners' Association Limited The Transport Industry Committee of the Federation of Hong Kong & Kowloon Labour Unions	In fact, as seen from the written submissions submitted by various taxi associations to the Subcommittee, there are diverse views on the suggestion among the taxi trade. Some support

			<p>the suggestion as they believe that the drivers could then be held responsible for their driving behavior; while some others oppose to the suggestion as they opine that it will greatly discourage newcomers from joining the taxi industry and may even cause the part-time elderly drivers to leave the trade, which in turn will aggravate the problem of manpower shortage in the taxi trade. The Government must carefully consider and cautiously balance the views of various stakeholders when exploring the feasibility of the suggestion.</p>
(c)	<p>Monitor the insurance companies so that they cannot arbitrarily increase insurance premiums</p>	<p>Hong Kong Taxi Owners' Association Limited Taxi Dealers & Owners Association Limited</p>	<p>For motor insurance business, similar to other insurance businesses, insurance companies will act in accordance with commercial principles and make reference to factors including business environment, risk assessment and claims records when determining whether to underwrite and at what premium levels.</p>
(d)	<p>Increase the number of insurance companies underwriting taxi insurance</p>	<p>Liberal Party</p>	<p>According to the information of the Insurance Authority ("IA"), there are currently eight insurance companies underwriting taxi insurance. The taxi insurance business registered loss in 11 years during the 16-year period between 2005</p>

			and 2020. This has become one of the factors that insurance companies would take into account when deciding whether to participate in this type of business.
(e)	Combat insurance fraud and champerty	Hong Kong Taxi Owners' Association Limited Liberal Party Taxi Dealers & Owners Association Limited	The Police has been conducting professional investigations into insurance fraud, including the establishment of a task force under the Commercial Crime Bureau to monitor emerging trends of organised fraud cases, and conduct targeted investigation and analysis. The Police has also maintained close contacts with other government departments, IA and stakeholders (such as the Hong Kong Federation of Insurers), while at the same time enhanced intelligence gathering for intelligence-led operations. On publicity and education, the Police has disseminated information on the latest modus operandi of various common fraud cases and anti-deception messages via different media platforms, including online platforms and traditional media. The Police has also set up the Anti-Deception Coordination Centre's "Anti-Scam Helpline 18222" to provide 24-hour immediate assistance to the public.

			In addition, the Government will continue to rigorously combat the illegal acts of maintenance and champerty while strengthening public awareness against such illegal acts through publicity and education.
(f)	Review of abuse under the Traffic Accident Victims Assistance Scheme	Hong Kong Taxi Owners' Association Limited Liberal Party Taxi Dealers & Owners Association Limited	<p>The Social Welfare Department (“SWD”) will verify the information submitted by applicants when considering their applications for the Traffic Accident Victims Assistance (“TAVA”) Scheme, so as to ensure that the assistance payment is disbursed to eligible applicants. SWD also collaborates and maintains close liaison with the Police, the Hospital Authority (“HA”) and the Department of Health (“DH”) to thoroughly review suspicious traffic accidents, medical proof and medical reports. Depending on the circumstances, the relevant proof and reports submitted by applicants will be passed to HA or DH for re-assessment, and suspected cases of fraud will be referred to the Police for follow-up.</p> <p>To prevent abuse and fraud, an application for assistance payment under the TAVA Scheme must</p>

			<p>meet the following conditions:</p> <ul style="list-style-type: none"> (i) the accident must have been reported to the Police and determined by the Police as a road traffic accident; and (ii) the victim is injured or killed in the accident. In case of injury, the injured victim must be certified by a registered doctor that such injury requires hospitalisation of no less than three days or has been issued with proof for medical leave of no less than three days. <p>To further guard against abuse and fraud under TAVA, on the premise of ensuring that the road traffic accident victims or their dependants receive speedy financial assistance, SWD will step up its work in different aspects, including to enhance reminders on the application form and website of the legal consequences of fraudulent act, strengthen the investigation on income statements when processing the applications, especially for cases of those who claim to be self-employed drivers, and</p>
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			<p>strengthen the mechanism to verify whether the applicant has received damages or compensation from other sources for the same traffic accident. SWD will refine the declaration form and consider requesting self-employed drivers to provide all relevant documentary proof relating to the car rental agents and car owners concerned, e.g. the vehicle registration document and car rental contract. In addition, SWD will continue to enhance the publicity on application channels other than approaching the TAVA Section in person, e.g. submitting applications through email, fax or post, so as to reduce the number of applicants gathering outside the office.</p> <p>SWD will continue to monitor the implementation of the TAVA Scheme and maintain close collaboration with the Police, HA and DH to combat fraudulent cases. Any person who has information on attempts to obtain assistance payment by deception can report to the SWD or the Police.</p>
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(g)	Strengthen taxi fleet management, leverage on technology to reduce traffic accidents and consider subsidising the trade to purchase safety devices	<p style="text-align: center;"> Liberal Party The Transport Industry Committee of the Federation of Hong Kong & Kowloon Labour Unions </p>	<p> The Government agrees the general direction of enhancing taxi service quality through professional fleet management. In this regard, in collaboration with the Committee on Taxi Service Quality, TD will continue to encourage more members of the taxi trade to adopt fleet management and leverage on innovation and technology to enhance the operational efficiency and quality of management so as to enhance taxi service quality. </p> <p> The Government is open-minded about innovation and technologies that could effectively improve road and driving safety, and welcomes the introduction of advanced driver assistance systems by vehicle manufacturers for various classes of vehicles. In recent years, TD has already approved a number of vehicles to install driver assistance systems, such as Anti-collision Warning, Lane Keeping Warning, Blind Spot Warning, Electronic Stability Control, Automatic Emergency Braking System, etc. If vehicle manufacturers are interested in introducing driver assistance systems on taxis, we are willing to explore the application of relevant systems with the taxi trade and manufacturers so as to ascertain the technical </p>
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			feasibility of installing such systems on taxis. If car owners are interested in installing such systems, TD will examine and approve the vehicles in accordance with the legislation to ensure road safety.
(h)	Establish a database on traffic accidents and claims involving taxis	Liberal Party	TD welcomes the taxi trade's own initiative to establish a database on traffic accidents and claims involving taxis to facilitate taxi owners/dealers to identify drivers with bad driving records, thereby encouraging taxi drivers to cultivate good driving behavior and reducing traffic accidents. In addition, the IA considers that the establishment of such database would facilitate taxi owners to provide information on traffic accidents or claims of individual drivers to insurance companies when taking out insurance, such that the insurance companies will be able to more accurately assess the risks involved.
(i)	The database on traffic accidents and claims involving taxis will create labelling effect by the society and lead to excessive collection of information of drivers	The Transport Industry Committee of the Federation of Hong Kong & Kowloon Labour Unions	The establishment of such database will involve collection and storage of personal data of individual taxi drivers. In view of the concerns expressed by individual associations in this regard, the trade must

			<p>be cautious about the collection, storage, access and transfer of personal data to a third party when setting up the database so as to ensure that the use of the database complies with the Personal Data (Privacy) Ordinance (Cap. 486) and other relevant legislation.</p>
(j)	<p>Step up efforts in combating illegal carriage of passengers for reward</p>	<p>Hong Kong Taxi Owners' Association Limited</p>	<p>Pursuant to section 52 of the Road Traffic Ordinance (“the Ordinance”) (Cap 374), no person shall drive or use a motor vehicle, or suffer or permit a motor vehicle to be driven or used, for the carriage of passengers for hire or reward unless the vehicle complies with certain conditions stipulated in the Ordinance (e.g. a hire car permit (“HCP”) is in force for the vehicle). Otherwise, it is an offence.</p> <p>The Government takes a multi-pronged approach comprising enforcement, education and publicity in combating the illegal carriage of passengers for hire or reward by motor vehicles. On law enforcement, the Police will continue to closely monitor any illegal carriage of passengers for hire or reward and follow up on related complaints.</p>

			<p>Enforcement actions will be taken should there be sufficient evidence. In addition, TD has put in place a number of education and publicity measures to prevent members of the public from inadvertently riding on private cars that carry passengers for hire or reward without valid HCPs. Such measures include further enhancing the public's awareness of legal hire car service and promoting how to identify a valid hire car by checking if it has a valid HCP through promotional video, announcements of public interest, posters as well as displaying samples of HCPs on TD's website. TD encourages members of the public who are interested in using hire car services to enquire with the service operator or make use of TD's Online Checking System to ascertain whether an HCP has been issued in respect of the private car concerned prior to the journey. TD will continue with the publicity efforts and work with the Police on information exchange in order to combat illegal carriage of passengers for hire or reward.</p>
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Transport and Housing Bureau
Financial Services and the Treasury Bureau
Transport Department
Hong Kong Police Force
Department of Justice
Social Welfare Department
Insurance Authority
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