

30 May 2005

Secretariat, Constitutional Development Task Force,
Constitutional Affairs Bureau,
3/F, Main Wing,
Central Government Offices,
Lower Albert Road,
Hong Kong

Dear Sirs,

The Fourth Report of the Constitutional Development Task Force

We write in response to your invitation in the above-mentioned Report.

Both the Hong Kong Confederation of Insurance Brokers ("CIB") and Professional Insurance Brokers Association ("PIBA") are bodies of insurance brokers approved by the Commissioner of Insurance to implement self-regulation of insurance brokers in Hong Kong under the Insurance Companies Ordinance (Cap. 41, Laws of Hong Kong). Membership of our two associations, in aggregate 471 members as at 30 April 2005, accounts for almost 100% of authorized insurance brokers in Hong Kong.

CIB and PIBA would like to submit jointly our views in relation to the Insurance Functional Constituency as follows:

- The delineation of the electorate of the Insurance Functional Constituency should be extended to include all authorized corporate insurance brokers in Hong Kong.

Brokers are an important and integral part of a developed and sophisticated insurance industry. As consumers' adviser and agent a professional insurance broker will often become, by default, an unofficial consumer watchdog championing the cause of his clients within the insurance industry, hence the interest of insurance brokers are often different to those of insurance companies.

The role of insurance brokers in Hong Kong is formalized and brokers are specifically recognized in the Insurance Companies Ordinance. It would be relatively straightforward to extend the Constituency to include authorized insurance brokers in the same way that it currently includes authorized insurance companies.

- The electorate of the Constituency should remain as corporations.

Both authorized insurance companies and authorized insurance brokers in Hong Kong are corporations, and the authorization granted under the Insurance Companies Ordinance is to the corporation as a legal person.

The preservation of corporate voting in the Insurance Functional Constituency is in alignment with the statutory authorization, hence unbiased. It is also simple and clear-cut.

We look forward to the final Government proposal on the method of forming the LegCo in due course.

Yours faithfully,

(Signed)

**Ricky So
Chairman
The Hong Kong Confederation of
Insurance Brokers**

(Signed)

**Raymond Yam
Chairman
Professional Insurance Brokers
Association**