

Speech

Speech by SFST at 25th anniversary cocktail reception of Insurance Claims Complaints Bureau (English only)

Thursday, February 5, 2015

Following is the speech by the Secretary for Financial Services and the Treasury, Professor K C Chan, at the 25th anniversary cocktail reception of the Insurance Claims Complaints Bureau (ICCB) today (February 5):

Mike (Chairman of the ICCB, Mr Michael Huddart), Michael (Chairman of the ICCB Insurance Claims Complaints Panel, Dr Michael Tsui), distinguished guests, ladies and gentlemen,

Good evening. It is my pleasure to be here this evening to join you all in celebrating the silver jubilee of the Insurance Claims Complaints Bureau. I would like to extend my warmest congratulations to the ICCB.

The insurance sector plays an important role in modern economies by helping individuals and businesses manage risks and free up capital for growth. As a service industry, consumer protection is central to sustainable development of the sector. To properly protect the insurance buyers, we need to ensure that insurance companies are soundly managed, with a robust solvency position to fulfil commitments made to their customers. We also need to promote fair disclosure of product information and to make sure customers receive fair and reasonable coverage.

The year 1990 marked a significant step forward for the insurance industry in its effort to safeguard consumers' rights. The Office of the Commissioner of Insurance (OCI) and ICCB were both established in that year. The establishment of the ICCB was an important milestone in the industry's self-regulatory initiatives by offering policyholders an alternative dispute resolution mechanism for personal insurance contracts free of charge. This avenue has proved to be an effective platform for policyholders to resolve claims disputes with insurers without having to go through onerous and lengthy legal proceedings.

The ICCB has handled more than 5,000 cases in the past 25 years. With only some 20 members in its early days, ICCB has grown its membership to

cover all authorised insurers which underwrite personal insurance policies. The ICCB has also been reacting swiftly to market changes. For example, it has increased its jurisdiction limit from \$250,000 in 1990 to the present limit of \$800,000. It has also extended its service to non-Hong Kong residents since May 2013.

Not only has ICCB been assisting policyholders to resolve claim disputes, throughout the process it has also facilitated the uplifting of industry standards by identifying market vulnerabilities that need to be acted upon. ICCB has also been providing case and consumer trends analysis which helps insurers develop new products and manage distribution channels. As insurance is essentially a promise to be delivered in the future, it is fair to say that the industry is built on trust and confidence. Therefore, sustained consumer satisfaction is the best guarantee for insurers' success and the industry's growth prospects.

To take the industry forward, we are currently conducting a legislative exercise to establish an independent Insurance Authority (IIA). We hope to complete the process by mid-2015 and set up the provisional Insurance Authority before the end of this year. We look forward to working closely with the industry to make sure that transition to the IIA would be a smooth one.

Finally, I would like to congratulate ICCB again on their great accomplishments and contributions to the Hong Kong insurance industry. I would also like to thank all honorary secretaries who have volunteered their time to serve in ICCB throughout the years. Each and every one of you has contributed to the successful operation of ICCB.

Thank you very much and have a great evening.

Ends