

Consultation conclusions on establishing policy holders' protection scheme published

The Financial Services and the Treasury Bureau (FSTB) published today (December 28) a paper on the conclusions of the consultation on the proposal to establish a policy holders' protection scheme (PPS). The paper outlines the views received during the consultation period, and sets out the Government's response and the way forward.

The public consultation period ran from December 30, 2022, to March 31, 2023. The FSTB collected views on the proposed PPS from insurers, and professional bodies from various sectors including insurance, actuarial, legal and consumer protection as well as members of the public. A total of 14 submissions were received.

Furthermore, the FSTB and the Insurance Authority attended the insurance industry's briefing to exchange views directly with representatives of insurers and the Hong Kong Federation of Insurers on the consultation document, and attended a meeting of the Panel on Financial Affairs of the Legislative Council to provide a briefing on the PPS.

The spokesman for the FSTB said, "We are pleased to note that respondents generally support the establishment of a PPS as well as the proposed key features of the scheme. Having regard to the comments and suggestions from respondents, we will fine-tune our proposal as appropriate to address stakeholders' concerns."

Based on the consultation conclusions, the Government will begin preparatory work on establishing a PPS, including the formulation of detailed arrangements of the PPS and the drafting of the necessary legislative amendments, with a view to enhancing protection for policy holders in the event of insurer insolvency.

The consultation conclusions have been uploaded to the website of the FSTB at www.fstb.gov.hk/fsb/en/publication/consult/consult_pps.html.