



11 June 2008

The Director
Food and Health Bureau
Hong Kong SAR Government

Dear Sir,

Subject: Our Views on Medical Care and Financing Consultation paper

The Hong Kong Chamber of Insurance Intermediaries is a trade association representing both insurance agents and brokers. Our views in response to your Healthcare Reform Consultation Document "Your Health, Your Life" are as follows:

1. We should have a bill enacted to make a Basic Medical Insurance Cover compulsory for the care of all people in Hong Kong. People can buy additional cover above it if they want to.
2. The Compulsory Cover should also be provided and run by commercial insurers in the market with prior approval of the Authorities as appropriate, but absolutely without any scheme to be run by the government.
3. Mandatory contribution for purpose of any medical care financing is impractical and burdensome in future because it is costly to manage and deprives free choice of people as well. Making it simple, effective and straight-forward, instead, we should allow tax deduction for payment of the insurance premiums for those who are able to afford. Any one who is "unemployed", "low income class" or "old aged" (terms and conditions to be defined) should have government funding to pay for the premium as long as he or she remains to be as such.
4. Separation of those who can pay and who can not pay is much easier and less costly to keep an authority to manage the mandatory contribution.
5. In order to have a reasonable level of premium charged by the Insurers, all private hospitals and doctors should provide absolute transparency of fee charging for all kinds of services to be needed and transparency of advice and the healing procedures are also necessary to make known to the patients.
6. Long term solution to the medical care financing needs the understanding, support, and co-co-operation of vast majority of the people of Hong Kong which essentially include the Medical Profession, the Insurance Industry and the hospitals management. A working committee should be set up as soon as practicable to start working on pragmatic solutions and key issues of implementing compulsory insurance and strengthening the role of the private medical sectors and the insurance industry in managing the total cost of medical services to people of Hong Kong.
7. We further suggest that there should not be a quick hurry to move to any proposed models without adequate consultation. During the interim period, insurance industry including insurance company and our intermediaries should devote to encourage more individuals to take out voluntary private insurance actively by effective marketing effort.
8. Insurers need to provide better quality products and claims services particularly during the interim period.
9. More and sound insurance education on the general public for healthcare is imperative in short term as well for long term.
10. We shall have further deliberation within the insurance industry to ensure that our insurance products shall keep up in line with the overall consented policy of the government as a total package of the healthcare reform for the future of Hong Kong.

Yours sincerely,

Hong Kong Chamber of Insurance Intermediaries

c.c. Commissioner of Insurance
The Hon. Mr. Bernard Chan
Chairman of HKFI

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