



平等機會委員會

EQUAL OPPORTUNITIES COMMISSION

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13 February 2015

Dr. KO Wing-man, BBS, JP  
Secretary for Food and Health  
Food and Health Bureau  
18/F, East Wing, Central Government Offices  
2 Tim Mei Avenue, Tamar  
Hong Kong

Dear Dr. Ko,

**Consultation Documents on Voluntary Health Insurance Scheme and  
Regulation of Private Healthcare Facilities**

Thank you for your letter of 18 December 2015 inviting the Equal Opportunities Commission (EOC) to send you our views on the Voluntary Health Insurance Scheme (VHIS) and review of regulation of private healthcare facilities.

We support the objectives of the VHIS and welcome a government-regulated form of private health insurance that would guarantee acceptance for all and renewal for life without re-underwriting. Having said that, we are concerned about the criteria used by insurers to determine underwriting and pricing of insurance policies, in particular whether policy terms and conditions will be fair and free of discrimination or not.

Back in 2000, the EOC commissioned a research study to assess whether the insurance provision in Hong Kong complied with the anti-discrimination laws, which was followed by a *Discussion Paper on Insurance Issues under the Anti-Discrimination Legislation* published by the EOC in 2002. Over the years, the EOC received a number of complaints about insurance practices, primarily on refusal to provide cover or extraordinarily high premiums on grounds of sex and disability, and exclusion of pre-existing conditions.

One example is that PWDs, in particular persons with epilepsy, HIV/AIDS, mental illness, mental impairment, physical impairment and visual impairment, have difficulty in getting health insurance. Most insurers just declined their insurance applications outright without considering individual circumstances and would hardly inform applicants of the criteria used in rejecting applications and determining level of premium. A few insurers provided cover but mostly at unaffordable premiums. Groups representing PWDs called for greater transparency and better communication between insurers and the insured, as well as standardised definition and interpretation of policy terms, given many PWDs did not possess professional insurance knowledge.

We appreciate your Bureau's efforts to address some of the above issues in the proposed VHIS and would like to submit our views as follows:

**a) Regulation and guidelines on underwriting and premium loadings under anti-discrimination and equal opportunities principles**

Under the proposed VHIS, the insurer selling individual Hospital insurance products must offer a Standard Plan as one of the options to consumers. However, insurers may apply premium loading to policyholders who are assessed to have higher health risks in accordance with individual insurers' own underwriting practice subject to a cap of 200%. As aforementioned, the EOC received a number of complaints in the past alleging insurers refusing to provide cover or charging extraordinarily high premiums on grounds of sex and disability, and excluding pre-existing conditions. Without proper regulation for discrimination-free insurance underwriting, policyholders with disability and/or pre-existing conditions will be put at a disadvantage because insurers could easily charge them high premiums or even classify them as "high risk" and thus push them to High Risk Pool.

We suggest regulation and guidelines be introduced to ensure the underwriting decisions and premium loadings are made in compliance with anti-discrimination laws and the principle of

equal opportunities. We also suggest that the proposed new regulator be empowered to enforce such regulation and guidelines and be equipped with the knowledge and skills necessary to handle disputes involving discriminatory practices.

**b) Transparency of policy terms and conditions and accessibility of information**

The EOC supports the proposal in the Consultation Document on VHIS that insurers have to adopt a set of standardized policy terms and conditions and a common set of associated definitions, especially those terms that will affect individual policyholders' premium loadings such as pre-existing conditions. Insurers should also be required to disclose the exact criteria used in determining a policy for an individual and to justify themselves when applying premium loadings.

It is equally important for insurers and the regulators under VHIS to communicate the information (including terms and conditions) in accessible formats (such as in audio and large prints format, and ethnic minorities languages) to applicants and policyholders, especially senior citizens, PWDs and the ethnic minorities. Insurers' websites should also be accessible for policyholders with various disabilities. They should follow the standard recommended by the Office of the Government Chief Information Officer under its Web Accessibility Recognition Scheme:

[http://www.ogcio.gov.hk/en/community/web\\_accessibility/recognition\\_scheme/](http://www.ogcio.gov.hk/en/community/web_accessibility/recognition_scheme/). Only if the transparency and accessibility of policy terms and conditions are enhanced, the interests of policyholders can be safeguarded and policyholders can compare the policy terms and conditions between different insurers to realise portability of their insurance policy.

**c) No blanket exclusion of certain illnesses**

Some insurance providers in Hong Kong apply blanket exclusion of certain illnesses such as mental illness and

HIV/AIDS based on stereotypes. That is not considered reasonable and might lead to unlawful discrimination. We are of the view that such kind of blanket exclusion simply based on stereotypes or industry practice should be prohibited under the VHIS.

**d) The use of age as a criterion for distinction of cover and premiums**

Although there is not yet any legislation against age discrimination in Hong Kong, we notice the Government's efforts to eliminate age discrimination in the employment field and hope that such efforts could be extended to other aspects of life. We suggest that any use of age as a criterion for distinction on underwriting decisions and premium loading should be based upon up-to-date actuarial or statistical data or other relevant factors on which it is reasonable to rely, and the decisions themselves should be reasonable taking all factors into account.

**e) Engagement of policyholder representatives in regulation**

The Consultation Document on VHIS proposes to set up a regulatory agency under Food and Health Bureau and an Advisory Committee for providing professional advice to the agency together with a Review Committee to review decisions made by the agency. The EOC strongly believe that not only members of the insurance industry and healthcare service providers should be appointed to these regulatory bodies, representatives of policyholders such as PWDs and high risk individuals should also be appointed to ensure the VHIS really suits the needs of the policyholders. Engaging the aforementioned stakeholders will also be an important step of ensuring that all members of our community enjoy equal access to quality health insurance and healthcare services in Hong Kong.

**f) Accessibility of private healthcare facilities by PWDs**

In the future regulatory regime of private healthcare facilities, the EOC hope that the Government would consider taking accessibility of these facilities as one of the regulatory aspects, in order to allow PWDs and senior citizens have equal access to services provided by these facilities.

Once again, we appreciate that the Government is taking this important step to regulate insurance industry towards the goal of quality healthcare services for all. If there is any question regarding our aforementioned views, please feel free to ask your office to contact the undersigned at . Thank you.

Yours sincerely,

Ferrick CHU  
Head, Policy and research  
Equal Opportunities Commission