



香港專業保險經紀協會  
PROFESSIONAL INSURANCE BROKERS ASSOCIATION

專業認可三十載 同心協力建未來



Ref. No. : MEMO/072/2018  
To : All Members and Chief Executives  
From : Gary Soo – Chairman  
Date : 7 December 2018

Dear all,

**Re: Employees' Compensation Insurance Standardized Practice**

With the support of Insurance Authority, The Hong Kong Federation of Insurers (“HKFI”), Hong Kong Confederation of Insurance Brokers (“CIB”) and PIBA, the “Employees’ Compensation (“EC”) Insurance Standardized Practice” will be implemented across the board on 1 January 2019. This exercise seeks to ensure good practice of full and accurate declaration of wage rolls for the interests of employers and employees.

To follow the standardized practice, members are reminded to obtain:

1. A copy of the corporate client’s business registration certificate
2. Duly completed Proposal / Renewal Form for EC Insurance
3. Accurate information on the number and the actual earnings of employees with relevant proof (e.g. Mandatory Provident Fund (“MPF”) contribution statements, tax returns or accounting records)
4. Other relevant proof (if applicable)
5. Claims records (last 3 years)

Please also note that some insurers may update their EC Insurance policy terms and conditions in response to the standardized practice, members shall contact your respective insurers for details.

In conducting the EC Insurance business, members are reminded to abide by the fundamental principles relating to the fitness and propriety of an insurance broker as specified by Insurance Authority in the **Guideline on Minimum Requirements for Insurance Brokers** and **PIBA’s Membership Regulations**, particularly on “Due Care and Diligence”.

註冊有限公司 Incorporated with Limited Liability

香港中環德輔道中141號中保集團大廈2507-8室 Room 2507-8, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong  
電話 Tel: (852) 2869 8515 傳真 Fax: (852) 2770 2372 網址 Website: www.piba.org.hk 電郵 E-mail: info@piba.org.hk



香港專業保險經紀協會  
PROFESSIONAL INSURANCE BROKERS ASSOCIATION

專業認可三十載 同心協力建未來



The following documents are enclosed for your reference:

1. Sample Proposal / Renewal Form for EC Insurance (Earnings Rating Basis)
2. Leaflet of "Know more about taking out EC Insurance" jointly issued by the Labour Department and IA
3. FAQs (Chinese version only)

Best Regards,

Gary Soo  
Chairman

Encls.

註冊有限公司 Incorporated with Limited Liability

香港中環德輔道中141號中保集團大廈2507-8室 Room 2507-8, China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong  
電話 Tel: (852) 2869 8515 傳真 Fax: (852) 2770 2372 網址 Website: [www.piba.org.hk](http://www.piba.org.hk) 電郵 E-mail: [info@piba.org.hk](mailto:info@piba.org.hk)



<u>Occupation of Employee(s) by Categories</u>	<u>Number of Part Time Employees</u>	<u>Estimated Total Annual Earnings*</u>
	<b>Total:</b>	<b>Total:</b>

**Declaration**

I/We, being the owner / authorized person / representative of the proposed business, warrant the above estimated total annual earnings made by me/us or on my/our behalf are true and complete for all employees within the scope of the Employees' Compensation Ordinance (Chapter 282). Failure to disclose all material facts or under declaration on the total annual earnings may invalidate the insurance.

Authorized Signature (with Company Chop)

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

\* Earnings include salaries, commissions, bonuses, overtime, allowance, etc., in accordance with the Employees' Compensation Ordinance (Chapter 282).

- Please advise the working experience/qualification/certificate that the employer or employee(s) possesses in relation to the business.

**Claims and Related Details**

- Please provide the claim history for the past 3 years:

[Note: Employer shall make request on the previous insurers for providing written evidence of such records.]

<u>Accident Year</u>	<u>Paid Claim(s) (including partial claim payment)</u>		<u>Outstanding Claim(s)</u>		<u>Total for the Year</u>	
	<u>No. of Case</u>	<u>Amount (HK\$)</u>	<u>No. of Case</u>	<u>Amount (HK\$)</u>	<u>No. of Case</u>	<u>Amount (HK\$)</u>

2. Details of any Claim with amount over HK\$50,000.

<u>Date of Accident</u>	<u>Brief Details of each accident</u> (including cause of loss, degree of injury, current status, etc.)	<u>Claim Amount (HK\$)</u>		
		<u>Paid</u>	<u>Outstanding</u>	<u>Variation Date</u>

Authorized Signature:

Date:

(with Company Chop) \_\_\_\_\_

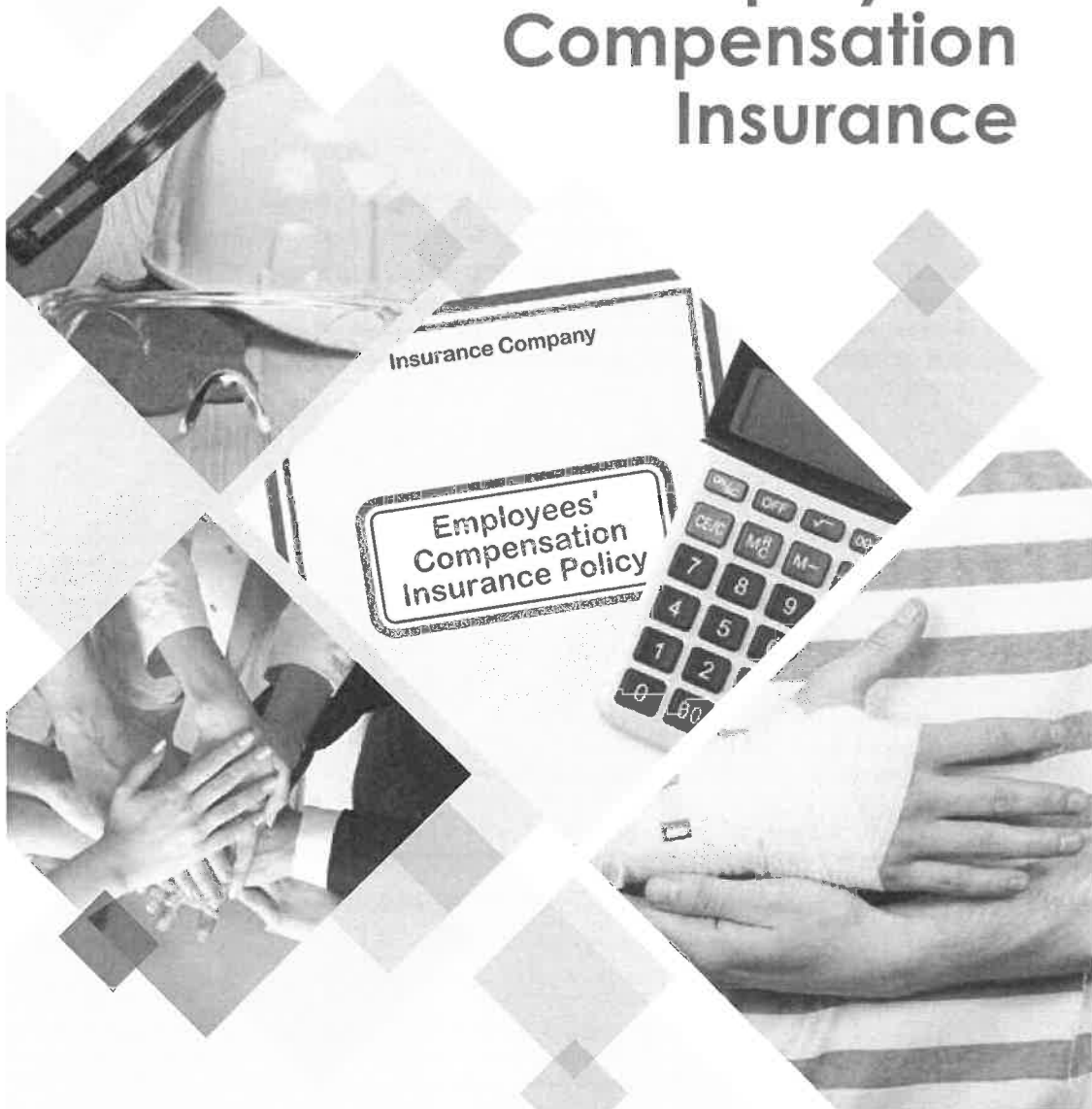
Name : \_\_\_\_\_

Position : \_\_\_\_\_

Sample



# Know More about Taking out Employees' Compensation Insurance



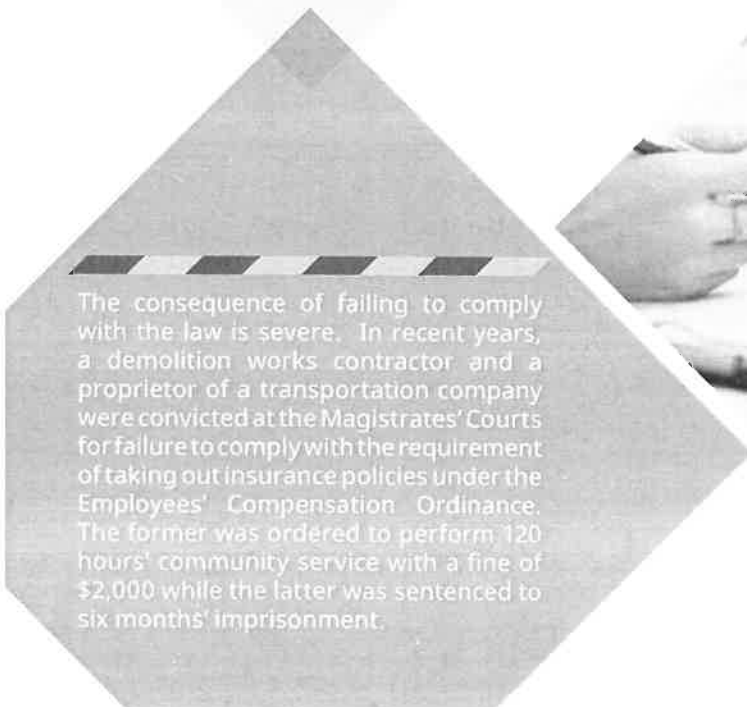
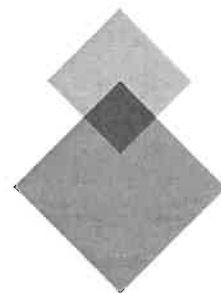
## Why should an employer take out employees' compensation insurance (ECI)?



According to section 40 of the Employees' Compensation Ordinance, Chapter 282 of the Laws of Hong Kong, no employer shall employ any employee in any employment unless there is in force a policy of insurance to cover his/ her liabilities under the laws (including the common law), irrespective of the length of employment contract or working hours, full-time or part-time, permanent or temporary employment.

An employer who fails to comply with the Ordinance to secure an ECI cover:

- ◇ commits an offence and is liable on conviction to a maximum fine of \$100,000 and imprisonment for two years;
- ◇ is liable to pay a surcharge to the Employees Compensation Assistance Fund Board according to section 36A of the Employees Compensation Assistance Ordinance, Chapter 365 of the Laws of Hong Kong; and
- ◇ is still liable to pay the compensation under the Employees' Compensation Ordinance and at common law, if his/ her employee sustains an injury or dies from an accident arising out of and in the course of employment or suffers from a prescribed occupational disease.



The consequence of failing to comply with the law is severe. In recent years, a demolition works contractor and a proprietor of a transportation company were convicted at the Magistrates' Courts for failure to comply with the requirement of taking out insurance policies under the Employees' Compensation Ordinance. The former was ordered to perform 120 hours' community service with a fine of \$2,000 while the latter was sentenced to six months' imprisonment.



## How to take out ECI?

An employer may take out an ECI policy directly from an insurance company authorised to carry on ECI business in Hong Kong, or approach an insurance intermediary (insurance agent or insurance broker) for arrangement.

## What should an employer note when taking out an ECI policy?

ECI policy is an insurance contract made between the employer and the insurance company. The main purpose of taking out an ECI policy is to cover the employer's liability to pay the employees' compensation. When taking out or renewing an insurance contract, an employer must disclose all material facts required and shall:

- ◇ Provide accurate information on the number and the actual earnings of his/ her employees and **ensure all employees are covered**, irrespective of the length of employment contract or working hours, full-time or part-time, permanent or temporary employment, work location, occupation or post when taking out an ECI policy. **Any discrepancy between the declared information and the actual situation may invalidate the insurance contract;**
- ◇ Check whether the information provided is accurately stated in the insurance policy and pay attention to the additional clauses stipulated in the insurance policy. Consult insurance companies (or insurance intermediaries) as soon as possible in case of doubt;
- ◇ Pay attention to the expiry date of the insurance policy and take action to renew the policy in advance to avoid loss of protection and contravention of the Ordinance after expiry of the insurance policy;
- ◇ Give a detailed declaration to the insurance company within a stipulated period of time as required during the validity period of or after expiry or termination of the insurance policy, where such declaration should include the employment condition and all updates during the period of insurance (e.g. number of employees, actual earnings, occupations, etc.), and provide relevant documents (e.g. Mandatory Provident Fund (MPF) contribution statements) **to facilitate the risk assessment and determination of premium by the insurance company and to ensure having proper insurance protection to meet the potential liability;**
- ◇ **Be aware that under-reporting or mis-stating of material information may lead to repudiation of claims or reduction in the compensation to the employer and thus the employer will have to pay any compensation himself/ herself;** and
- ◇ Inform the insurance company if there is uncertainty as to whether or not to disclose a particular piece of information to the company in order to avert any future dispute or repudiation of claims.



## How to determine ECI premium?



ECI premium is determined by risk assessment. Insurance companies in general will calculate the insurance premium by taking into account the underwriting risks of different industries/ occupations, the total earnings of employees and the following factors:

- ◇ Claims history of the employer concerned;
- ◇ Occupational safety and health as well as risk prevention measures taken by the employer concerned;
- ◇ Accident rate and risks to be undertaken in respect of the industry or occupation concerned;
- ◇ Market condition (e.g. market trend, economic environment, social factors, etc.); and
- ◇ Underwriting guidelines, operational costs, risk management of the insurance company, etc.

The age of employees is not a major determining factor of ECI premium.

## How can individual employers obtain premium discounts/ special offers?

An employer may consider strengthening the provision of necessary information, instruction, training and supervision, etc. to ensure that both sides duly implement occupational safety and health measures; improving the working environment and promoting safety management, rehabilitation and return-to-work programmes, etc. with a view to reducing risks at work. Based on improvement in occupational safety and health performance, the insurance company may consider providing special premium offers. Possible improvement measures include:



- ◇ Acquiring devices and facilities that meet safety standards and ensuring their proper maintenance;
- ◇ Providing training on occupational safety and health to employees;
- ◇ Arranging employees to complete specified occupational safety and health courses and obtain the related certification;
- ◇ Enhancing employees' knowledge on first aid;
- ◇ Conducting regular inspections of workplaces with a view to improving the occupational safety and health conditions; and
- ◇ Implementing improvement measures in respect of the causes of accidents at work to prevent recurrence.

When taking out an ECI policy, what information has to be given to the insurance company (or insurance intermediary) by an employer for processing his/her insurance/renewal proposal?



An employer is responsible for providing the following information and/ or documents:

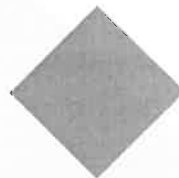
- ◇ Company information (e.g. type of business, business registration information, etc.);
- ◇ Employees' information (e.g. occupations, number of employees, actual earnings, usual work locations, full-time/ part-time, requirement to work or take business trips outside Hong Kong, etc.);
- ◇ Past claims records;
- ◇ Recent MPF contribution records; and
- ◇ Relevant tax returns/ accounting records.

### What to do if encountering difficulties in taking out ECI?



The insurance industry in Hong Kong has put in place the Employees' Compensation Insurance Residual Scheme as a market of last resort to assist employers who have difficulties in obtaining ECI cover, with a view to ensuring that employers are able to acquire ECI. If an employer has difficulties in taking out ECI, he/ she may contact the Employees' Compensation Insurance Residual Scheme Bureau.

Please consult your insurance companies (or insurance intermediaries) directly for any enquiries about taking out ECI policies or the policy terms. For enquiries about the contents of this leaflet, you may contact the department/ organisation(s) listed below for more information.



## Enquiries



### ◆ Labour Department

🌐 [www.labour.gov.hk](http://www.labour.gov.hk)

☎ 2717 1771 (handled by "1823")

### ◆ Insurance Authority

🌐 [www.ia.org.hk](http://www.ia.org.hk)

☎ 3899 9983

### ◆ The Hong Kong Federation of Insurers

🌐 [www.hkfi.org.hk](http://www.hkfi.org.hk)

☎ 2520 1868

### ◆ The Employees' Compensation Insurance Residual Scheme Bureau

🌐 [www.ecirsb.com.hk](http://www.ecirsb.com.hk)

☎ 2591 9316

Note: The above information is valid at the time of printing.

September 2018

## 常見問題

	問	答
1	為什麼會有這次安排？	根據勞工法例及保險合約要求，僱主(客戶)有責任提供全面準確的僱員薪酬資料予保險公司釐定保險合約。過往，無論因刻意不提供真確資料或疏忽誤報的情況，令到很多勞保賠償的個案，客戶得不到足夠的保障，也引致訴訟事件時有發生。保險業持分者(包括保監局、保險公司及中介人)希望改善這個情況，經商討後制定此安排。
2	保險公司會否承諾配合這次安排？	保險業持分者會一同實行這個安排，保險公司會根據此安排核保。
3	怎樣向客戶交代？	作為保險經紀，我們有責任向客戶說明勞工法例的要求、保險合約精神、及最高誠信的原則，令客戶明白填報真確資料的重要性，以保障客戶應有的權益，從而避免在工傷事件發生後得不到應有的保障，因而影響公司運作；亦滿足僱主在勞工法例下的要求。同時，亦要令客戶明白，保險公司需要有足夠及正確的資料去進行核保，為客戶提供應有的保障。
4	保險代理是否也有相同安排？	此安排適用於整個保險業界，無論是透過保險經紀還是保險代理購買勞保，客戶都需要向保險公司提供所需的資料及文件。不會因為處事人不同，而有不同的安排。
5	客戶可否申請豁免提交資料？	凡根據僱員薪酬資料而制定的勞工保險，都需要提交資料證明。如果客戶未有提供全面準確資料，保險公司有權拒絕相關的勞工保險投保和續保。

	問	答
6	如果客戶拒絕提交資料，我們可以怎樣安排？	我們需要向客戶解釋這個安排的原因，及開始的時間。如果客戶因為某些原因，譬如新成立的公司而未能提供資料證明，客戶可以向保險公司解釋，安排解決方案。
7	如果客戶有超過一位強積金服務提供者，但只給我們一份，我們可以怎樣做？	對於我們熟悉的客戶，如果知道他們有超過一份強積金，當然要求他們提供所有資料。對於不相熟的客戶，相信我們盡力協助、了解原因和向客戶說明最高誠信的原則，我們的責任也可以完成。
8	這個安排對我們保險經紀，有什麼好處？	根據保監局的《保險經紀的最低限度規定指引》，保險經紀在任何時候都須以最高誠信和正直的方式進行業務，及以謹慎且盡心盡力的態度去了解並滿足客戶的保險需要和要求，否則可能會違反相關的操守要求。如果安排勞保不正確，有機會被客戶投訴專業失當甚至產生訴訟。所以這個安排，能夠幫助我們有更清晰明確的做法。 在宏觀的角度，這個安排也可以讓勞工保險市場健康地發展，保險經紀能夠給予客戶專業的服務。
9	往後客戶要申報過往索償資料，客戶可否授權保險經紀向保險公司索取？保險公司有沒有承諾多少天內會回覆？	客戶可以授權保險經紀向保險公司索取。現時保險公司未有承諾回覆的時間，但在此安排運作順暢後，保險公司應能提供具效率的運作。
10	如果客戶填報資料不齊全，又或者資料證明不完備，保險公司會怎樣安排？	保險中介人應向客戶解釋，客戶是有責任向保險公司提供所需的資料文件並確保相關的資料正確。如果客戶填報資料不齊全，保險公司有權拒絕相關投保和續保。

	問	答
11	對於以工程價值形式的勞保安排，如建築工程勞工險，是否也要客戶提供資料證明(例如強積金)?	這個安排，是根據以員工薪酬資料去制定的勞工保險，對於以工程價值形式去制定的勞工保險，此安排並不適用。
12	PIBA 對於這次安排，會否向保險經紀會員發出新的規例去規管?	這次安排並不涉及新的操守要求原則。但在此提醒各位會員，根據保險業條例(第 41 章)保險經紀的最低限度規定指引，及本協會發出的會員規則，保險經紀須謹慎及盡心盡力去了解及滿足客戶的保險需要及要求。保險經紀亦有責任向客戶說明最高誠信原則，及聲明客戶要為所遞交給保險公司的任何資料及陳述，負上責任；保險經紀並須向客戶說明，如果客戶向保險公司提供不正確的資料或陳述，可導致保險合約失效或變成無效，又或申索遭拒絕。
13	保險經紀或其他中介人，會盡力解釋及令到客戶明白這個安排，政府或者保監局會有什麼行動，去配合這個安排?	勞工處聯同保監局準備了一份「投購勞保知多啲」的小冊子，詳細列明投購勞保的原因、投保時的注意事項及僱主在投保時有責任提供的資料，方便客戶了解。