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Economic Development Branch (Division A),
Economic Development and Labour Bureau
2/F, Main Wing, Central Government Offices,
Lower Albert Road, Central, Hong Kong

By Mail / By Fax: 28684679 /
By Email: competitive@edlb.gov.hk

Dear Sir,

With particular reference to the sector of bancassurance, we agree that Hong Kong needs a new competition law to facilitate a free and open market environment and to enhance free choices available to consumers.


We believe the following practices are anti-competitive conducts:

- 1) Many banks bundle their loan products with the insurance products limiting the choices available to customers from other insurers;
- 2) Customers had sometimes obtained an implied message verbally or otherwise that they may have disadvantageous treatment should they use the services of third party insurers other than the bundled insurance services provided by the banks;
- 3) Different banks, without spelling out the criteria, have set up different lists of approved insurers limiting the choices available to customers;
- 4) There are often cases that the banks use their customers' data without approval of customers to cross sell insurance creating a situation where the customers feel embarrassed to refuse;
- 5) Some banks set up a requirement for customers to pay an "insurance document inspection charge" to induce customers not to present insurance policies to them from buying insurance outside;
- 6) Banks seldom give priority consideration to the interests of the Insured in terms of coverage and usage of premium but solely for interests of the banks instead when they arrange insurance for customers;
- 7) Some banks even go to the extent to use their financial undue influences and create human hurdles for customers in order to get customers to use their service for insurance.

With a competition law, it will surely serve the purpose of alerting the banks to stop doing the acts as we have mentioned above to give us insurance intermediaries and the open market insurers to a fair chance to compete. We are believers of free economy and also aware of the beauty without law until and unless it is essential.

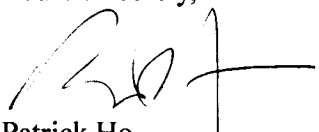
We support to have a new competition law (anti-trust) to at least have warning effect to the banks who are now progressively expanding great efforts to seek insurance service earning as an important part of their revenue.

Yours sincerely,



Roger Tsang
President

Yours sincerely,



Patrick Ho
Director of Trade Issue

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G. P. O. Box 6542, Hong Kong