

For information

Legislative Council Panel on Economic Services

**Scope of the Proposed Third Party Risks Insurance Coverage Relating to
Cargo Handling Operation Carried Out on Local Vessels**

When Members discussed the Merchant Shipping (Local Vessels) (Compulsory Third Party Risks Insurance) Regulation at the meeting on 24 February 2003, Member requested the Administration to provide information on the scope of the proposed third party risks insurance coverage relating to cargo handling operation carried out on local vessels. This paper provides Members with the information.

2. The proposed Regulation provides that insurance policy shall be a policy which insures such person(s) as may be specified in the policy in respect of any liability which may be incurred by him or them in respect of the death of or bodily injury to any person caused by or arising out of the use of local vessels in the waters of Hong Kong and arising out of one event for an amount not less than that as shall be prescribed by the Director of Marine by notice in the Gazette.

3. The proposed Regulation also provides that third party risks insurance for local vessels shall not cover -

- (i) liability in respect of the death arising out of and in the course of his employment of a person in the employment of a person insured by the policy or of bodily injury sustained by such a person arising out of and in the course of his employment;
- (ii) any contractual liability; or
- (iii) liability in respect of any one accident or series of accidents arising out of the same event exceeding such amount as shall be prescribed by the Director by notice in the Gazette.

4. Except for the conditions specified in paragraph 3 above, when the death of or bodily injury to a person is caused in cargo handling operation and the person is a third party to the vessel concerned and not employed by the policy holder, the person should be covered by the policy.

Economic Development and Labour Bureau
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