



Ref: Lv122/06

29 November 2006

Mr Victor Lam
Office of the
Government Chief Information Officer
2nd Floor, Murray Building
Garden Road
Central
Hong Kong

Dear Mr Lam

Public Consultation on 2007 Digital 21 Strategy

Thank you for your letter dated 18 October 2006 inviting our comments on the above subject.

We are unanimously of the view that the insurance industry would benefit from this project which seeks to set up eventually a centralized medical data bank on the basis of an electronic health record system. This way, insurance companies would have an efficient and reliable way to access the healthiness of individuals. Conceivable gains would include:

- a. Enhanced medical insurance underwriting assessment and premium setting with aid of more reliable information hosted by the system;
- b. Easier medical claims verification and settlement; and
- c. More effective insurance fraud detection and minimization.

In addition, we have the following comments:

Ownership of the records

While the paper outlines that the records shall be owned by the individual who would then authorize access to such records for any selected healthcare professionals, there should be clear indication of the ownership of such records on the individual's death when such authorization cannot be granted. This shall be vital for an insurance company to assess and determine the validity of a death claim.

Qualification of the person responsible for data input

The usability of the records would depend very much on the quality of such input. Therefore, we would recommend that practitioners themselves, rather than their administrative assistants, should do the inputting. As an alternative, the records in the system should be reviewed by a qualified practitioner.

The challenge for our industry would be to develop a healthiness scoring system based on such data as part of ongoing efforts to automate the insurance application process.

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Confidentiality and security issues

The system should be designed with proven technologies to provide, for example, firewalls, passwords and audit trails of each data retrieval.

Capital investment and recurrent costs

We would suggest that both the capital investment as well as the recurrent costs of the infrastructure be borne by the Government. Users of the system shall then be charged on a per usage basis to help finance the maintenance costs of the infrastructure involved.

Yours sincerely



Leo Ma
Chairman

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QBE Hongkong & Shanghai Insurance Ltd
Dah Sing Life Assurance Co Ltd

LM/IW/yk