

Travel Industry Compensation Fund (Amount of Ex gratia Payments and Financial Penalty) (Amendment) Rules 2011 gazetted

The Travel Industry Compensation Fund (Amount of Ex gratia Payments and Financial Penalty) (Amendment) Rules 2011 was published in the Gazette today (January 21). The Amendment Rules increase the total amount of ex gratia payments under the Travel Industry Compensation Fund (the Fund) to outbound travellers, who die or are injured in accidents when taking part in activities provided or organised by a travel agent, and the travellers' relatives, from a maximum of \$180,000 to a maximum of \$300,000, to enhance protection for travellers.

The Amendment Rules increase the maximum amount of ex gratia payments in connection with compassionate visits by the relatives or former spouses of the injured or deceased travellers from \$40,000 to \$100,000. It also removes the restriction on the number of relatives paying compassionate visits, which is currently set at a maximum of two, and raises the ceiling of ex gratia payment for each relative or former spouse from \$20,000 to \$25,000. The Amendment Rules also increase the maximum amount of ex gratia payments in relation to funerals or delivery back to Hong Kong of the dead bodies of outbound travellers who died in accidents whilst abroad from \$40,000 to \$100,000. The maximum amount of ex gratia payments for medical expenses remains unchanged at \$100,000.

"The Travel Industry Compensation Fund Management Board has decided to increase the ex gratia payments after considering the financial position of the Fund, the change in price levels since 1996, past experience in handling applications for ex gratia payments from outbound travellers and the views collected during the public consultation on the use of the Fund in 2009," a spokesman for the Commerce and Economic Development Bureau said.

"The proposed increase of ex gratia payments will enhance protection for outbound travellers without affecting the long-term financial health and sustainability of the Fund or causing a great burden to the Fund. We believe the amount of increase is appropriate."

The Fund was established in 1993 to provide ex gratia payments of up to 90% of the loss suffered by outbound package travellers arising from the default of travel agents. Its scope was extended in 1996 following the introduction of the Package Tour Accident Contingency Fund Scheme, which provides ex gratia payments to

outbound travellers who die or are injured in accidents when taking part in activities provided or organised by a travel agent. The ex gratia payments cover expenses incurred by outbound travellers in medical treatment arising from accidents abroad, funeral-related expenses and compassionate visits expenses incurred by the travellers' relatives.

The Amendment Rules will come into effect on March 16, 2011.

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