

FAQ on Short-term (i.e. one-off/two-week) Employees' Compensation Insurance Policy

- 1. Q: Why is it necessary for employers to take out employees' compensation insurance for their helpers?**

A: Under the Employees' Compensation Ordinance, employers are required to take out employees' compensation insurance for all their employees, including part-time local domestic helpers.
- 2. Q: Why does the Employees Retraining Board (ERB) only facilitate employers to take out the short-term employees' compensation insurance, but not long term or other types of insurance policies?**

A: Understanding that some employers just need short-term or temporary services, the common one year employees' compensation insurance policy available in the market is not suitable for them. ERB thus provides convenient and efficient one-stop service to facilitate these employers to indemnify the liability required by the ordinance. As said, other insurance policies for local domestic helpers that cover longer period of employment are readily available in the market. Employers are free to choose any insurance policy they like. For employers' reference, a list of long-term insurance policies is available at the Smart Living / Smart Baby Care website (https://www.erb.org/smartliving/download/insuranceplan_en.pdf).
- 3. Q: How did the ERB appoint the designated insurance company to provide the short-term employees' compensation insurance policy?**

A: The designated insurance company is appointed through a tender process. The major evaluation criteria of the tender are the premium level and the quality of the insurance company, policy and service.
- 4. Q: Are registered employers allowed to take out the short-term compensation insurance policy on their own, rather than via the ERB's designated training centres?**

A: Employers have the right to take out the employees' compensation Insurance policy from any insurance company. If they choose to take out an insurance policy on their own, information about the policy such as the policy number, the name of the insurance company and the effective

date of the policy should be given to the respective training centres before the first day of employment of the helpers. This is to ensure that employers have taken out insurance to cover their liabilities as required by the Ordinance. It also safeguards the interests of both the employers and employees.

5. Q: If employers do not register with the Smart Living/ Smart Baby Care Scheme, is it possible for them to take out the short-term insurance policy through the designated insurance company?

A: According to the agreement with the designated insurance company, the short-term insurance policy is exclusive to employers registered with the Smart Living/ Smart Baby Care Scheme or employers who recruit graduates of relevant ERB courses through the ERB's designated training centres.

6. Q: Is there any commission charged by the ERB or its designated training centres when employers take out the short-term insurance via the ERB's designated training centres?

A: ERB or its designated training centres are only coordinators in this issue and do not charge any commission for the short-term insurance.

7. Q: How do employers pay the insurance premiums?

A: Employers should pay the premiums by transfer through ATM, Internet Banking or Fast Payment System (FPS) to the bank accounts specified by the insurance broker and then fax or email the bank receipts with employer's name and contact phone number on it to the responsible centres. (Note: Should other payment methods are used incurring surcharge to the broker, employers are to be responsible for the surcharge and pay the surcharge of \$30 to the broker.)

8. Q: What are the consequences if employers refuse to pay the premiums after taking out an insurance policy via the designated training centres?

A: According to the agreement between the ERB and the designated insurance company, the insurance policy will not be effective if the employers fail to settle the premiums and provide valid payment proof by the first day of employment of their helper(s). This requirement is stipulated in the respective policy summary. Employers will lose the right to claim compensation from the insurance company concerned should an accident/incident occur. Should there be reasonable doubt in a specific case, that case may be referred to the Labour Department for investigation.

9. Q: If employers want to change the working date of their helper(s) after having taken out the short-term insurance policy via the designated training centres, can the insurance period be changed accordingly?

A: The insurance period is valid on the date of employment (one-off) or valid for 14 consecutive days from the first date of employment (two-week). Employers who intend to change the working date of their helper(s) should notify the respective training centre immediately. However, no amendments can be made once employment has commenced.

10. Q: Can premiums be refunded when employers decide to cancel the employment before the insurance period?

A: The insurance policy will be effective once the payment is settled. No cancellations or refunds are permitted.

11. Q: For employers who took out two-week insurance policy and would like to change another helper within the two-week insurance period, is it necessary to take out another insurance policy for the new helper?

A: Within the two-week insurance period, employers can engage in different helpers without additional premium charge. However, the total number of helpers should not exceed the committed number at any time.

12. Q: If employers decide to continue the employment with their helpers after the insurance period, can employers keep taking out the insurance via the training centres?

A: Employers can continue to take out the short-term insurance via the training centres. However, employers may consider taking out the one-year insurance within 14 days upon expiry of the two-week insurance so as to enjoy a \$20 discount from the designed insurance company. For details, please contact the insurer at 2597 9299.

13. Q: What should employers do in making enquiry about the insurance matter or claiming compensation?

A: Employers please contact the broker on 2597 9299 for general enquiries or 2597 9214 for claims.