

**THE DOMESTIC MEMORANDUM**

**dated 29th June 1995**

**between**

**MOTOR INSURERS' BUREAU OF HONG KONG**

**and**

**AUTHORISED MOTOR INSURERS**

**To : All Insurers authorised to write Motor Insurance in Hong Kong,**

Domestic Memorandum dated 29th June 1995

We refer to the Memorandum of Agreement between the Government of Hong Kong and M.I.B. made the first day of February 1981 ("the Agreement"), and the Domestic Agreement between M.I.B. and the Insurers made the first day of February 1981 ("the Domestic Agreement").

Defined terms used in the Agreement, the Domestic Agreement and the Undertaking to Government attached to this Memorandum are used herein.

By signing and returning this Memorandum, you, the Insurer, acknowledge and agree that:-

- (a) You are aware of, and to the extent necessary consent to, the Bureau entering into the Undertaking with Government attached ("the Undertaking").
- (b) In writing any policy in Hong Kong, no such policy shall be written by you with a maximum liability of less than the Prescribed Limit.
- (c) The contributions made pursuant to Clause 7 of the Domestic Agreement shall be applied by the Bureau, where necessary, to satisfy its obligations under the Undertaking in addition to satisfying the expenses and liabilities specified in such Clause 7.
- (d) Where, in the reasonable opinion of the Bureau, a claim may exceed the greater of the Prescribed Limit or the cover provided by you under the terms of a policy giving rise to a potential claim covered by the Undertaking, you will discuss and agree with the Bureau the appropriateness of the Bureau making an offer of satisfaction in accordance with Clause 9 of the Agreement (for itself and as your agent) and, if such offer is so made, shall indemnify the Bureau against, or contribute to the Bureau an amount equal to, the proportion of such offer for which you have liability under the terms of the policy written by you.
- (e) From 1st July 1997, references in the Domestic Agreement to "the Privy Council" shall be deemed to be references to "the Court of Final Appeal".
- (f) Save as amended or supplemented by this Memorandum, the provisions of the Domestic Agreement shall remain unaltered and continue in force in accordance with their terms.

In consideration of other insurers doing likewise, please confirm your agreement to the above by signing and returning this Memorandum.

*Signed by the Motor Insurers' Bureau of Hong Kong, and by the Insurers, in the presence of Philip Smith, Solicitor, Hong Kong.*