



Motor Claims Framework Launched – GIA Press Release May 26 Press Conference.

Monday May 26, 2008

Release: Immediate

A new initiative aimed at simplifying the way Singapore motorists can make an insurance claim if they are involved in a motoring accident is being launched by the General Insurance Association (GIA) this morning (May 26).

The Motor Claims Framework (MCF) is backed by all motor insurers of GIA and enables motorists to make motor claims in a simple, efficient and speedy manner.

MCF is a new best practice undertaken by all motor insurers in Singapore which provides clear and common procedures on what to do in the event of a motor accident. It will provide all motorists with a better claims experience and at the same time help contain the cost of claims for insurers.

Insurers will provide a comprehensive service via approved reporting centres or workshops to encourage all Singapore motorists to report accidents with their accident vehicles as well as have repairs carried out at approved workshops.

From June 1, 2008, the day the MCF comes into effect, motorists must exchange particulars of involved parties including name, NRIC/FIN,

telephone number, address and insurer as well as take note of the vehicle numbers.

At the same time they are strongly encouraged to take digital/MMS photographs of the accident vehicle and the accident scene.

The GIA urges that motorists avoid all unauthorised tow-truck operators or repair workshops at the scene of an accident.

The GIA said today that the new framework will benefit motorists involved in an accident. These include the fact that insurers will assist policyholders in handling repairs to the damaged vehicle, including assisting policyholders to file claims against a Third Party, if the policyholder is not liable.

And by reporting the accident within the stipulated time, motorists will not only enjoy easy and quality repair services as provided under the MCF, but will also avoid potentially higher costs from exaggerated claims.

GIA President Derek Teo explained the background to today's announcement : "Many motorists are uncertain of what to do in an event of a motor accident .They often allow their cars to be taken away to any workshop and they sign any agreement given by any unauthorised tow-truck operator.

"This leads to potentially higher costs from exaggerated claims which may lead to higher motor insurance premiums – a situation which is unacceptable to motorists and motor insurers alike."

The MCF has been welcomed by the Consumer Association of Singapore (CASE). Its executive director, Mr Seah Seng Choon said today: ""The Motor Claims Framework will provide clarity to motorists on the steps and procedures to take in the event of an accident. This will go a long way to minimising and avoiding the need to resolve claims and other disputes

between consumers and insurance companies. CASE welcomes this move and hopes that motorists will adhere to these guidelines."

Mr Teo added that the MCF would enhance Singapore motorists' experience of making a motor claim. In particular the new framework means motorists get a clear and common set of procedures on what to do in an accident.

He pledged that insurers will assist policyholders in handling repairs to the damaged vehicle at authorised workshops. They will provide a courtesy car, subject to the insurer's business model and will also help policyholders to file claims against a third party, if the policyholder is not liable.

"Motorists will get peace of mind and certainty that their vehicle repair and claims process is professionally handled," he added.

The GIA noted that all accidents must now be reported to insurers within 24 hours or the next working day with the accident vehicle, even if there is no visual damage to the vehicle, and irrespective of whether claiming from any insurers or third parties. This requirement will be incorporated via a new condition in all motor insurance policies, the GIA added.

If motorists do not comply with this new policy condition, it will be seen as being "in breach" of the policy terms and conditions and insurers can decline the claim.

The GIA added that non-compliance of this policy condition will result in a loss of motorists' No Claims Discount (NCD) upon renewal of policies.

Mr Teo said the GIA was launching a major consumer education campaign to highlight the benefits of the new MCF to Singapore motorists.

The objectives of the campaign are to explain the features and benefits of the MCF to the main target group: the 800,000 motorists in Singapore and to ensure motorists now know what to do in the event of an accident.

He added the campaign would reach out to all key stakeholders and engage them proactively. It would also deal with concerns and questions motorists may have of the new MCF and will map out clear communications plans for dealing with each of these stakeholders/groups.

Mr Teo added: “The GIA believes this framework streamlines the whole motor claims process in Singapore and will give motorists certainty, comfort and peace of mind for the first time. Every GIA member is solidly behind the initiative and we believe it will make a major contribution to boosting the efficiency of the motor claims process thereby benefiting the industry and all motorists concerned.”

Ends

For Further Information: **Contact John Lim or Edward Ion of Reputation Management Associates (RMA), corporate communications advisors to GIA, on either 98580956 or 91116871**