



Motor Claims Framework

Briefing on Code of Practice

20 May 09



AGENDA

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 - 2 Barometer of Liability
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 - 5 Code of Practice for Insurers in Handling Third Party Claims
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INTRODUCTION



INTRODUCTION

Background

- There is no consistent and standard engagement rules, protocol, service level agreement and turnaround time between insurers and authorised workshops



INTRODUCTION (cont'd)

What has been done

- GIA has adopted a Carrot and Stick approach by working out a Code of Practice for both Authorised Workshops/ Approved Reporting Centres and Insurers
- Motor players have been consulted in the process
- Code of Practice has been endorsed by the Management Committee



CODE OF PRACTICE



SCOPE OF SERVICES AND RESPONSIBILITIES

- 1.1 An Authorised Workshop / Approved Reporting Centre* shall provide full ARC facilities which include:-
- a) Accepting of accident reporting.
 - b) Assistance in completing the Singapore Accident Statement and e-filing in the GIARMC System.
 - c) Photo-taking of damaged vehicles and uploading of digital accident pictures.
 - d) Downloading/Uploading of digital pictures provided by the owners or drivers.

* As and when applicable



SCOPE OF SERVICES AND RESPONSIBILITIES (Cont'd)

- 1.2 An Authorised Workshop shall also **assist owners or drivers** of vehicles involved in any motor accidents **on the claiming of damage caused to the vehicles** (whether under own damage or 3rd party basis.).



BAROMETER OF LIABILITY

An Authorised Workshop shall **adopt, observe and apply** the guides and provisions set out in the **Barometer of Liability** (developed and introduced by GIA) at all times, in the conduct of the settlement process relating to motor vehicle accident claims.



LEGAL REPRESENTATION/ NO TOUTING

- 3.1 An Authorised Workshop / Approved Reporting Centre* **shall not tout or solicit any motor accident claim business for any solicitor or any person, company, workshop or business enterprise that is engaged in motor vehicle repair** in respect of any motor vehicle that is towed to, brought in, sent or referred to the Authorised Workshop's / Approved Reporting Centre's* premises for accident reporting, assessment of damage, and/or repairs.

* As and when applicable



LEGAL REPRESENTATION/ NO TOUTING (Cont'd)

3.2 An Authorised Workshop / Approved Reporting Centre* **shall not induce, instigate, encourage or procure any owner or driver of any motor vehicle** that is towed to, brought in, sent or referred to the Authorised Workshop's / Approved Reporting Centre's* premises for assessment of damage and/or accident reporting, **to engage the services of any solicitors** to make any 3rd party claims.

* As and when applicable



LEGAL REPRESENTATION/ NO TOUTING (Cont'd)

- 3.3 An Authorised Workshop / Approved Reporting Centre* shall not, and it shall cause its respective officers, employees and agents **not to offer or make any recommendation, referral or suggestion** whatsoever to the owner or driver of any motor vehicle that is towed to, brought in, sent or referred to the Authorised Workshop's / Approved Reporting Centre's* premises for assessment of damage and/or accident reporting, **for the repair of any motor vehicle by any person, company, workshop or business enterprise that is engaged in motor vehicle repair.**

* As and when applicable



MOTOR CLAIMS FRAMEWORK (MCF)

An Authorised Workshop / Approved Reporting Centre* shall **support the MCF** and **comply with this Code** as may be amended by GIA from time to time and will **procure all its subsidiaries and affiliates to do likewise.**

* As and when applicable



CODE OF PRACTICE FOR INSURERS IN HANDLING THIRD PARTY CLAIMS

- 5.1 Insurers to conduct survey within 2 working days upon submission of the Repair Estimates by the workshop
- 5.2 If the response time taken by insurers to conduct survey exceeds 2 working days, insurers will be liable for the additional Loss of Use (LOU) incurred

If the response time taken by insurers to conduct the survey exceeds 2 working days **for reasons within the reasonable control of the insurer**, the insurer which causes the delay, will pay for the additional Loss of Use (LOU) incurred.



CODE OF PRACTICE FOR INSURERS IN HANDLING THIRD PARTY CLAIMS (Cont'd)

5.3 Insurers to make its decision on liability for TP claims based on BOLA within 5 working days from date of survey.

For **non-standard cases**, ie insurer whose insured has not filed an accident report which should be minimal in view of MCF, this **timeframe does not apply** but insurer and workshop should exercise reasonableness to agree on timeframe and actions.



CODE OF PRACTICE FOR INSURERS IN HANDLING THIRD PARTY CLAIMS (Cont'd)

- 5.4 Insurers and repairers to finalize repair quantum: 2 weeks upon repair of vehicle

- 5.5 Insurers to pay claims within 1 month from submission of full documentation (which must include the final repair invoice and a copy of the duly executed discharge voucher) from repairers



PENALTIES TO BE IMPOSED ON AUTHORISED WORKSHOPS/ARCS FOR NON-COMPLIANCE

- After 3 warnings, workshop/ARC will be subject to suspension/termination
- Appeals can be made to the Motor Committee
- 6 member panel will decide on the actual penalties to be imposed based on severity of non-compliance



NEXT STEPS

- Members will incorporate the COP in their existing agreements with their Authorised Workshops/ Approved Reporting Centres
- Implementation date: 1 Jun 09



Q&A





Thank you

