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(including this page)

Dear Sir

LAWYERS ARE NOT RESPONSIBLE FOR EXCESSIVE MOTOR INSURANCE CLAIMS

The Law Society refers to the article titled *Motor insurance set to cost more* published on 13 March 2009 which reportedly quoted General Insurance Association (GIA) president Derek Teo as follows: "We suspect that some workshops, legal professionals and medical practitioners are working hand in glove in making these claims."

The Law Society notes that the insurance industry has made similar allegations in the press over the past 2 years. To date, these allegations have not been substantiated by evidence. Neither has the GIA approached the Law Society on its concerns. It is therefore unfair and improper for GIA to repeatedly use such unsubstantiated allegations to blame lawyers and the others for the increase in the number of claims. If GIA has suspicions about any professional acting improperly, it may lay a complaint against the professional to the regulatory bodies.

No claim is possible unless there has been an accident and lawyers cannot be responsible for any rise in the number of accidents. In fact, a lawyer has an important role in this process to ensure the claimant receives his/her rightful entitlement. The Law Society is concerned that the public may not be aware of their legal rights if they choose to settle a claim in the absence of a lawyer, particularly in injury cases where the medical problems may not be immediately detectable and the claimant is barred from any claims in the future once a settlement is struck. The Society will advise members of the public to consult a lawyer before deciding whether to settle the claim with the insurance company so as to ensure their rightful entitlement under the law.

The rise in claims has to be seen in its proper perspective. GIA, through its Motor Claims Framework, has made it compulsory for all motor accidents to be reported to the vehicle owner's insurers within 24 hours or by the next working day, no matter how trivial the damage is. Failure to comply would be considered a breach of policy terms and conditions. This stringent requirement may have resulted in an increase in claims as parties, who previously would have settled amongst themselves without alerting their insurers, would now have little choice but to make a claim. So instead of making unsubstantiated allegations against other parties, GIA should discharge its duties to the motoring public by ensuring its members' claims departments investigate accident claims fully and seriously.



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President



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