

1 September 2011

Media Release

Increased FIDREC-NIMA limit from 1 September 2011

From today onwards, under the FIDREC-NIMA scheme, non-injury motor accident claims of not more than S\$3,000 would have to be first heard by the Financial Industry Disputes Resolution Centre Ltd (FIDReC) before court proceedings can be commenced. This limit was increased from \$1,000.

The move was part of the eight recommendations put up by the Motor Insurance Taskforce in March 2010 to address the issue of escalating claims.

As the industry average amount for Third Party Property Damage (TPPD) claims is approximately \$4,000, raising the limit from \$1,000 to \$3,000 will reduce the number of disputes brought to the courts and allow more consumers access to an alternative and affordable avenue of redress.

FIDReC has increased its resources to handle the expected increase in cases in connection with the increase of the claim limit.

Mr Derek Teo, President of General Association of Singapore, welcomes the move, "GIA welcomes the increased FIDREC-NIMA limit which will further enhance the promotion of amicable and faster settlement of disputes through the mediation process."

The Motor Insurance Taskforce will follow up on the other recommendations put up earlier and urge the relevant authorities to expedite the process.

Mr Yeo Guat Kwang
Co-chairman

Mr Bernard Tay
Co-chairman