

MOTORISTS HAVE NO ADEQUATE SAFEGUARDS **AA exposes insurance system's flaws**

THERE is no light at the end of Hongkong's dark motor insurance tunnel.

The Automobile Association has been looking for ways to safeguard motorists but has found none.

The problem is that motor insurers usually stipulate that clients must tell them if they are involved in an accident.

But, through ignorance or deceit, the motorist can forget.

As long as nobody has been injured, the insurers can then hide behind this breach of policy terms.

If they receive a claim from a motorist

by

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whose car has been damaged by a client of theirs, they are quite entitled to say: "Sorry, he has not reported this incident so we are not going to pay."

Mrs Patricia Cunningham, manager of the AA, said that reputable companies usually write to their clients, saying a claim has been received and asking for their version of the incident.

But not all insurers are reputable. Some of the backdoor outfits that offer rock-bottom premiums will use every trick to avoid payment.

So motorists are left to take private legal action against the driver who damaged their car.

"And often the cost of the case will be more than the claim," said Mrs Cunningham.

Many motoring organisations around the world offer a free service to members, helping them recover claims. But Hongkong's AA, with just under 6,000 members paying only \$60, is not in a position to do this.

"It is a service I would dearly love to see us able to offer because this situation is very prevalent in Hongkong — there is no gentleman's agreement as there is in Britain.

"But I am afraid that it is just too costly and, of course, you can never be sure of success."

Mrs Cunningham said it was unrealistic to expect insurers to meet all claims, whether or not they had been reported.

This would lead to ridiculous claims and a huge increase in third party insurance premiums.

The AA advises members to report even the most minor crash to the police, but motorists who do so remain the exception rather than the rule.