

THE PUBLIC TRUSTEE PRACTICE CIRCULAR 1 OF 2004

ADMINISTRATION OF ACCIDENT COMPENSATION MONIES UNDER THE MOTOR VEHICLES (THIRD-PARTY RISKS AND COMPENSATION) ACT (CAP 189)

INTRODUCTION

1. The Public Trustee has enhanced its Motor Accident eServices by simplifying the procedures for solicitors to submit their claims for motor accident compensation monies and Solicitor and Client costs. The enhanced eServices are available at <http://www.ipito.gov.sg>.
2. This Practice Circular sets out briefly the procedures in the administration of accident compensation monies under the Motor Vehicles (Third-Party Risks and Compensation) Act, Cap 189, (the Act). This Practice Circular will take effect on 23 August 2004.

GENERAL DAMAGES OF \$5,000 OR BELOW

3. Where the General Damages settled or awarded are \$5,000 or below, such cases should not be referred to the Public Trustee. This is in accordance with ss 6 and 9 (read with s. 2) of the Act.

GENERAL DAMAGES ABOVE \$5,000

4. Pursuant to s.6(2) of the Act, all out-of-court settlements for General Damages above \$5,000 shall require the Public Trustee's approval.
5. The Public Trustee's approval of the compensation amount is not required if:
 - a) a Judgment/Order of Court has been obtained; or
 - b) a settlement has been reached between parties in Court during pre-trial or other such court based settlement conferences.

ELECTRONIC SUBMISSION OF APPLICATION FOR THE ADMINISTRATION OF MOTOR ACCIDENT COMPENSATION SETTLEMENT TO THE PUBLIC TRUSTEE

6. In all cases, **within 1 week** from extracting a Judgment or Order of Court or arriving at a settlement, solicitors acting for the injured person or claimant shall submit the Application for the Administration of Motor Accident Compensation Settlement (the Application) to the Public Trustee electronically through the enhanced **MOTOR ACCIDENT SETTLEMENT eSERVICES** provided by the Public Trustee. The

eServices and information on registration for the use of this eServices are available at <http://www.ipto.gov.sg>.

7. Solicitors should only submit the Application after all compensation settlements had been finalized or appeals to the Courts had been concluded. The Public Trustee will not administer any cases for interim payment only.
8. After submission of the Application, solicitors for the injured person/claimant should inform the Defendant/Insurer to remit the compensation monies to the Public Trustee.
9. Defendant/Insurer or their solicitors should remit the compensation monies to the Public Trustee electronically via the Direct Debit by Interbank GIRO System (IBG). Please see <http://www.ipto.gov.sg> for more details.

SUBMISSION FOR THE APPROVAL OF SOLICITOR AND CLIENT COSTS

10. After submitting the Application, if the Party and Party costs have been settled, solicitors may immediately continue to submit their Solicitor and Client costs electronically. Alternatively, the Solicitor and Client costs must be submitted **within 1 week** after parties have agreed on the Party and Party costs. The time frame required is to facilitate expeditious payment of costs and compensation.
11. Where the Public Trustee does not object to the Solicitor and Client costs, Auto-approval will be given immediately after the submission.
12. Pursuant to s.18(3) of the Act, in the absence of the Public Trustee's approval of the Solicitor and Client's costs, the costs shall be taxed.

TAXATION OF PARTY AND PARTY COSTS

13. Where Party and Party costs are to be taxed, solicitors should have the Solicitor and Client costs and the Party and Party costs taxed contemporaneously.
14. Solicitors should claim all disbursements incurred, together with the Public Trustee's administrative fees as part of Party and Party costs.

TAXATION OF SOLICITOR AND CLIENT COSTS

15. The Bill of Costs shall be served on the injured/claimant and the Public Trustee.
16. Where there are previous solicitors who have acted in the matter, the current solicitors should have all Solicitor and Client Costs taxed contemporaneously. Solicitors should apportion costs amongst themselves. One Bill of Costs for both the current and previous solicitors is recommended.

17. Where previous solicitors are involved and solicitors are unable to reach an agreement on their respective Solicitor and Client costs, the Public Trustee will not make any recommendations on their costs. The current and previous solicitors shall proceed to have their Solicitor and Client costs taxed contemporaneously.
18. The Public Trustee will not be present at the taxation proceedings unless required to do so by the Court.
19. **Within 1 week** after taxation, solicitors must forward a copy of the Registrar's Certificate to the Public Trustee.

PUBLIC TRUSTEE'S GUIDELINES ON SOLICITOR AND CLIENT COSTS IN MOTOR ACCIDENT CASES

20. The Public Trustee recommends that the Solicitor and Client costs should be no more than 15% above Party and Party costs.

FAILURE TO BEGIN PROCEEDINGS FOR TAXATION OF SOLICITOR AND CLIENT COSTS

21. Pursuant to s.18(3)(c) of the Act, if no Bill of Costs for taxation has been filed within three (3) months from the date the Public Trustee/Court approves the settlement or the date of the Judgment/Order of Court awarding compensation, the Public Trustee will determine the Solicitor and Client costs.

CASES WHERE INJURED IS A PERSON UNDER DISABILITY

22. Where an injured is an infant or a mentally disordered person, all compensation settlement must be sanctioned by the Court.
23. In the case of an infant, unless the Court orders otherwise, the Public Trustee will hold the monies in trust until the infant reaches the age of majority.
24. In the case of a mentally disordered person, the Public Trustee will pay the compensation to the Committee of Estate appointed by the High Court.

CONTACT PERSON FOR QUERIES

25. For queries regarding this Practice Circular, please contact Ms Ching Wee Ling (Manager, Trust Division) at Tel: 63251496 or by e-mail at ching_wee_ling@ipto.gov.sg

PUBLIC TRUSTEE PRACTICE CIRCULAR NO. 1 OF 2000 REVOKED

26. The Public Trustee Practice Circular No. 1 of 2000 is hereby revoked.

SARJIT SINGH
PUBLIC TRUSTEE

SINGAPORE

20 August 2004

(This Practice Circular is also available on The Insolvency & Public Trustee's Office Website at <http://www.ip.to.gov.sg>)