

28 December 2020

Your Ref : S9M019MY

Our Ref : U219212

AXA INSURANCE PTE LTD

c/o Seah Ong & Partners LLP

36 Robinson Road

#12-03 City House

Singapore 068877

Attention : Mr Tan Chee Kiong



Dear Sirs

**FIRST & FINAL REPORT
MOTOR (THIRD PARTY) CLAIM**

POLICY NO.	:	VFX/P2203857
NAME AND ADDRESS OF INSURED	:	Trans-Cab Services Pte Ltd 2 Ang Mo Kio Street 63 Singapore 569111
GST STATUS	:	GST-registered
BUSINESS	:	Taxi transport services
INSURED VEHICLE	:	Toyota Prius taxi (SHD 9516D)
THIRD PARTY	:	Gim Tian Logistics Pte Ltd 24 Loyang Crescent Loyang Industrial Estate Singapore 508987
SITUATION OF DAMAGE	:	Along Pan Island Expressway (PIE) before Eng Neo Avenue, towards Changi
TIME, DAY AND DATE OF DAMAGE	:	About 11.40 am on Sunday, 18 August 2019
TYPE OF DAMAGE	:	Damage to third party's TMA ('truck mounted attenuator'- fitted at the rear of vehicle XE 3025Z) in an accident allegedly involving another third party motorcycle (FBN 280K) & the Insured's taxi (SHD 9516D).
CLAIM	:	S\$59,741.37
PROPOSED ADJUSTMENT	:	Please see report



We refer to your instructions on 27 August 2020 and confirm having attended upon the Insured / parties concerned on a 'without prejudice' basis on 28 September 2020 at their request regarding the reported accident.

We would report as follows :-

GENERAL

The Insured, Trans-Cab Services Pte Ltd, own & operate a fleet of Trans-Cab taxis including a Toyota Prius taxi (SHD 9516D) which was reportedly involved in this accident.

At the material time, the taxi (SHD 9516D) was driven by Mr Lim Cheow Fatt (age 66) who holds a qualified driving licence in classes 3, 4 & 5 and a valid vocational taxi licence issued by LTA (Land Transport Authority).

In this instance, we are concerned with damage to a third party's TMA ('truck mounted attenuator' - fitted at the rear of vehicle XE 3025Z) in an accident allegedly involving another third party motorcycle (FBN 280K) and the Insured's taxi (SHD 9516D) along Pan Island Expressway (PIE) before Eng Neo Avenue towards Changi direction.

NATURE AND EXTENT OF DAMAGE

As a result of the accident, the third parties' TMA / motorcycle reportedly sustained the following damage:-

- truck mounted attenuator - TMA (fitted at rear of truck XE 3025Z
– belonging to Gim Tian Logistics Pte Ltd)
 - module A energy absorber (cartridge no. 52867)
 - left tail lights

The particulars of the affected third party TMA are as follows :-

make / model	:	Scorpion 10,000
TMA s/no.	:	10021
cartridge nos.	:	52867 / 52829 / 52974 (modules A/B/C)
manufacturer	:	Traffix Devices Inc. USA
year of manufacture	:	Not stated on the name plate of the said TMA (nor disclosed by the third party)

We understand the third party truck XE 3025Z (fitted with the said TMA) is insured with ERGO Insurance Pte Ltd. The Insurer for the said TMA has not been disclosed.



- motorcycle (FBN 280K – belonging to Ms Teo Lay Har)

- scratch marks on the motorcycle body

We understand the third party motorcycle (make / model : Kawasaki Ninja 400) is insured with MSIG Insurance (Singapore) Pte Ltd.

Ms Teo Lay Har reportedly suffered abrasions injury in the accident and subsequently sought treatment at a 24 hour walk-in clinic. She was given 5 days medical leave.

[* The actual extent of damage to the third party motorcycle & the actual injury suffered by Ms Teo have not been disclosed.

Apparently the said third party motorcyclist, Ms Teo did not file any claim against the Insured.]

In addition, the Insured's Toyota Prius taxi (SHD 9516D) was also damaged at its rear left bumper in the accident but we understand that this has been separately assessed by AXA's motor surveyor.

(A set of photographs is enclosed.)

CLAIM CONSIDERATION

The third party, Gim Tian Logistics Pte Ltd (through their Solicitors, Messrs Kurup & Boo) have submitted a total claim of S\$59,741.37 incl. GST where applicable (and not S\$58,741.37 due to arithmetic error) against the Insured for their losses relating to the damaged TMA as follows :-

- a) to rectify the damaged Scorpion Model 10,000 TMA (s/no. 10021) :

i) replacement part :-		
· module A energy absorber	S\$9,500.00	
ii) miscellaneous part :-		
· tail lamp with bracket	200.00	
iii) labour charges	<u>1,200.00</u>	
	S\$10,900.00	
plus : GST	<u>763.00</u>	S\$11,663.00

- b) loss of use :-

i) 114 days @ S\$400.00/day (18 August 2019 to 9 December 2019)	S\$45,600.00	
ii) 2 days loss of use, allegedly in compliance with notice for pre-repair inspection of the said vehicle (dates not stated)	<u>800.00</u>	46,400.00



c) miscellaneous expenses :-

- GIA search / report fee	S\$ 43.00	
- LTA search fee / ROC search	22.47	
- motor assessment fee (by Carlink Consultancy)	620.00	
- disbursements incl. transport & postage	92.90	
- legal cost	<u>900.00</u>	<u>1,678.37</u>
		<u>S\$59,741.37</u>

Our comments on a 'without prejudice' basis are as follows :-

Item (a) on rectification of the damaged TMA :-

Item a (i) : The replacement TMA part (module A energy) was warranted as the said part was damaged beyond satisfactory repairs to meet its stringent specifications / requirements to serve as a traffic safety device.

We understand that the said TMA replacement parts were earlier inspected / assessed by a motor assessor (Carlink Consultancy) based on the parts costings (rendered by the TMA sole authorised dealer, Inopave Group Pte Ltd).

We however are of the view that identical bare TMA part [i.e. a(i) module A energy absorber] excluding labour would cost only S\$8,000.00 (excl. GST) instead of S\$9,500.00 (excl. GST).

Despite our request, the third party declined to provide us a copy of the original purchase invoice of the said TMA which inter alia would reveal its age.

In the circumstances, a realistic depreciation factor of 50% was applied to arrive at an indemnity sum for item a(i) at S\$4,000.00 excl. GST (i.e. 50% of S\$8,000.00).

Item a (ii) : The damaged miscellaneous part (tail lamp with bracket) was replaced at a reasonable sum of S\$200.00 (excl. GST). Similarly, the indemnity sum for this item was adjusted to S\$100.00 excl. GST (i.e. 50% of S\$200.00).

Item a (iii) : The rectification works involved removal of the TMA from the vehicle to evaluate the extent of damage. The damaged TMA parts were then dismantled / removed and the replacement parts installed. The rectified TMA was finally refitted at the rear of the vehicle for use.

Based on the scope of rectification work and manhours required, the labour charge of S\$1,200.00 (excl. GST) appeared realistic.

The loss under item (a) for rectifying the damaged TMA would work out to S\$5,300.00 (excl. GST) as follows :-

item a (i) on replacement TMA module	S\$4,000.00
item a (ii) on replacement tail lamp with bracket	100.00



item a (iii) on labour charges	<u>1,200.00</u>
	<u>S\$5,300.00</u>

There was no salvage value on the damaged TMA parts.

The said TMA rectification cost appeared economical compared to the cost of around S\$40,000.00 (excl. GST) for a similar new Scorpion TMA.

Item (b) on loss of use :-

The third party are claiming loss of use of their TMA for (i) 114 days i.e. from 18 August 2019 to 9 December 2019 and (ii) 2 days for pre-repair inspection [which appeared duplicated in item (i)].

We note the third party motor assessor (Carlink Consultancy) in their survey report stated that the repair duration would be 8 working days.

Hence, the total duration of loss of use may be considered at say 10 days (ie. 8 days rectification duration plus 2 days for pre-repair survey) instead of 116 days (ie. 114 days plus 2 days) as claimed.

The third party are claiming a daily rate of S\$400.00 for loss of use but provided no supporting documents.

Our enquiries revealed that the average rental of a bare TMA is around S\$200.00 per day. Hence, the third party claim for loss of use in terms of duration and rate appeared overstated.

We understand that the third party's (Gim Tian Logistics Pte Ltd) business includes rentals of vehicles and TMAs to their clients, hence, they conceivably would own a fleet of vehicles & TMAs. We had also observed several similar TMAs belonging to Gim Tian Logistics Pte Ltd sitting idle during our survey inspection of the rectified TMA fitted on truck XE 3205Z at the Yishun Heavy Vehicle Park.

Unless the third party could demonstrate that they had rented out all their TMAs during the period in question, it is envisaged that the third party would at any one time be able to use their remaining available TMAs for use and/or rentals to their clients to mitigate their loss of use for the said damaged TMA.

If the third party had indeed suffered loss of use relating to the damaged TMA, the loss may be computed at say S\$2,000.00 (i.e. 10 days x S\$200.00/day) instead of the claim sum of S\$46,400.00.

Item (c) on miscellaneous charges :

The third party submitted a claim sum of S\$1,678.37 relating to the miscellaneous expenses (which included search fees, motor survey fee and legal cost). This amount is inclusive of a GST sum of S\$2.82 pertaining to the LTA / ROC search fees.

We leave this aspect to Insurer's discretion.



SUMMARY

Subject to Insurers' approval, the overall third party loss may be resolved at S\$8,978.37 (excl. GST where applicable) as follows :-

	<u>Claim</u>	<u>Adjustment</u>
a) rectification of TMA :-		
- replacement TMA parts	S\$9,700.00	S\$4,100.00
- labour charges	<u>1,200.00</u>	<u>1,200.00</u>
	S\$10,900.00	S\$5,300.00
<u>plus : GST</u>	<u>763.00</u>	<u>—</u>
	S\$11,663.00	S\$5,300.00
b) loss of use	46,400.00	2,000.00
c) miscellaneous expenses	<u>1,678.37</u>	<u>1,678.37</u> *
	<u>S\$59,741.37</u>	<u>S\$8,978.37</u>

(* N.B. – subject to Insurer's discretion)

Since the Insured may be considered contributorily liable for causing the accident, we leave the degree of contribution of this third party loss / claim to AXA's solicitor to argue with the respective parties involved on the percentage of blame accordingly.

The proposed adjusted figure is subject to any applicable excess under Section II of the Motor policy insuring the taxi (SHD 9516D).

We have not discussed the foregoing proposed adjustment with the parties concerned.

PROCEDURE

We submit the foregoing report for your consideration. We would be pleased to assist further, if required.

Meantime, we attach a note of our fee and expenses for your kind consideration.

Yours faithfully

TOPLIS AND HARDING (S) PTE LTD

DIRECTOR

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