

Consumers Fiji

'A Win For Motor Vehicle Accident Victims'

The Consumer Council of Fiji welcomes the establishment of the Fiji Accident Compensation Commission (FACC) which was long overdue. The Council has been vigorously lobbying for reforms in the laws and systems as far as Compulsory Third Party Insurance is concerned.

Now with the enactment of Accident Compensation Act and the establishment of the FACC, victims can actually seek compensation by lodging their own claims with the FACC. They do not have to pay for legal fees, which has always remained an expensive affair for the vulnerable victims.

What is more interesting is that the Commission will have a no-fault compensation scheme for all the motor vehicle accidents. This new no-fault scheme will be seen to replace the current third party insurance scheme. A no-fault insurance scheme is where insured's are indemnified for losses by their own insurance company, regardless of the fault in the incident generating losses.

The victims of motor vehicle accidents will be given the option of either receiving compensation or pursuing their claims through legal proceedings. At the end of the day, victims will be given the liberty to make an informed decision.

For many years, victims of motor vehicle accidents have not been given adequate and timely compensation by the insurance companies. Not to mention, there have always been limitations in the payouts, as it has been left entirely on the industry to make the decisions. The amount that a third party victim is allowed to receive under the current legislation governing third party insurance is a challenge in itself.

Under the current system, the third party victim can institute legal proceedings to get a fair claim if the claim is rejected or the amount is negligible by the insurance companies. Often the accident victims (or the deceased's family) are left wondering if justice is indeed served under the current system, policies and laws.

The FACC is a similar set up like Accident Compensation Corporation (ACC) in New Zealand. ACC provides 'no fault' injury cover for injuries sustained on the road, at work, at home or during sport or some other recreational activity. This cover extends to visitors to New Zealand as well. The main aim of ACC is to prevent injury, make sure that victims get treatment for their injuries, and help victims get back to everyday life as soon as possible.

A greater sigh of relief is that from 2018, the motor vehicle owners will be required to pay Motor Vehicle Accident Levy to the Land Transport Authority. This will be part of the registration of new motor vehicles and renewals of the existing registrations. The Levy will be administered by the Reserve Bank of Fiji and Ministry of Economy. This basically means that the insurance companies will no longer be able to make unjustified profits from the Compulsory Third Party Insurance scheme and not paying out the dues to the accident victims.

The Council strongly believes that redress for accident victims should be simple. Victims should get what they deserve simply by approaching an institution that is less adversarial and efficient.

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