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KLANG: Motorists injured in road accidents may find themselves in limbo due to lack of compensation when the new basic third party motor insurance coverage scheme for bodily injury and death is introduced on July 1.

Under the **no-fault** third party scheme, aggrieved parties cannot claim damages from insurance companies. (Under a no-fault scheme, compensation may be paid to all victims irrespective of whether they are at fault.)

Instead, financial awards will be given out by a consortium comprising several parties, and it is believed that a government body would also be represented.

Under the new scheme being drafted by Bank Negara, it is believed that awards would be capped.

An insurance agent, who declined to be named, said the worst-hit group would be those without jobs or in the lower income group.

Those who have jobs will still receive their salaries, and their medical bills will be paid by their employers while they are recuperating in hospital. It is going to be very difficult for those without jobs and those employed on a contract basis, he said.

The only way to get additional compensation would be to file civil action against the negligent party.

Lawyer Adrian Thambyraja said since most accident victims were motorcyclists who generally earned less than RM2,000 a month, filing a private suit would be beyond their means.

He said the onus was on Bank Negara to ensure that all loose ends were addressed before the new scheme was implemented.

It would be a sad turn of events if victims or those who have lost a breadwinner end up not being duly compensated, said Thambyraja, who sits on the Bar Council's general insurance committee.

Source: <http://thestar.com.my/news/story.asp?file=/2010/3/30/nation/5955420&sec=nation>