

Insurance cover for drivers aged 65 and above

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SERI KEMBANGAN: The move by the Malaysian Motor Insurance Pool (MMIP) to provide coverage for drivers above 65 years has come as a big relief to the transport industry and senior citizens.

Following complaints lodged by industry players in January, MMIP was instructed by Bank Negara Malaysia via Financial Mediation Bureau (FMB) to amend a condition which had denied insurance coverage for drivers above 65 years.

Since March 1, the new condition provides coverage for veteran drivers to operate commercial vehicles with an excess of over RM5,000.

Previously, the MMIP's policy schedule specified that, "only drivers whose ages are between 21 and 65 years on the driver's last birthday shall be permitted to drive an insured vehicle."

Under the latest clause of Warranty

W.4CV, it outlined that: "Warranted that if at a time of accident the driver of the vehicle is below 21 or over 65 years of age on the last birthday, an excess of RM5,000 over and above any excess already attaching to the policy shall be borne by the insured for Own Damage/Third Party Property Damage/Third Party Bodily Injury claim.

"However, in the event that the Pool is required by law to pay to third parties by virtue of the legislation or the agreement executed between the Minister of Transport of the government of Malaysia and the Motor Insurer's Bureau of West Malaysia on 30th March 1992 or the Agreement executed between the Minister of Finance of the Republic of Singapore and Motor Insurers' Bureau of Singapore on 22nd February 1975, you shall repay us the excess of RM5,000," the clause states.

MMIP is one of the biggest motor insurance underwriters in the country representing 33 insurance companies.

Its main aim is, "to provide motor insurance coverage to vehicles which may be considered 'high risk' or risks which will not be underwritten by any single insurance company".

The matter became an issue when a 73-year-old lorry driver, Liew Kon Yew, was involved in a crash with an MPV two years ago and was sued by the other party for repair costs of about RM15,000.

Upon checks by Liew's employer, it was found that he was not covered under MMIP policy due to the age factor and this news sent shock waves across the transport industry as there were many who are aged above 65 driving buses, lorries, taxis and other transportation vehicles.

Malaysia Heavy Construction Equipment Owners Association commercial affairs officer Lam Kok Wai said the industry can now employ drivers above 65 years without having to worry about coverage.

Balakong Assemblyman Eddie Ng Tien Chee said it was a good move.