

**THE LAW SOCIETY OF SINGAPORE**

**PRACTICE DIRECTION 4.5.1**

*[Formerly PDR 2013, para 49; Council's Practice Direction 3 of 2012]*

**PAYMENT OF CHEQUES BY DEFENDANT INSURER TO PLAINTIFF FOR  
MOTOR ACCIDENT CLAIMS**

This Practice Direction sets out the proper practice for legal practitioners where, upon settlement of a motor accident claim, the defendant insurer would be required to make payment to the plaintiff for the insurance proceeds, party-and-party costs and disbursements.

The Council is of the view that it is proper practice for a legal practitioner (A) acting for the plaintiff in a motor accident claim to, upon settlement of the claim, request the defendant insurer to issue a cheque for insurance proceeds, party-and-party costs and disbursements in favour of A's law practice, if A has instructions from the plaintiff to do so and has the authority to receive payment on behalf of the plaintiff.

Where the defendant insurer chooses to issue the cheque addressed to the plaintiff, instead of A's law practice (regardless of whether a request to issue a cheque in favour of A's law practice has been made), A may, unless otherwise instructed, request the defendant insurer to issue a replacement cheque in favour of A's law practice, or to issue separate cheques in favour of the plaintiff and A's law practice respectively. It would however be improper for A to reject outright a cheque made directly payable by the defendant insurer to the plaintiff or threaten the defendant insurer with execution.

This Practice Direction supersedes the Council's Practice Direction (PDR 1989, chap 1, para 51) on "Payment of Cheques" which has also been reproduced in the Law Society's Guide to Professional Conduct for Advocates and Solicitors (2011) at page 93.

For the avoidance of doubt, this Practice Direction is only for the reference of practising members of the Law Society and is not to be relied upon by third parties.

Date: 1 June 2018

**THE COUNCIL OF THE LAW SOCIETY OF SINGAPORE**