

**IN THE GENERAL DIVISION OF
THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

[2026] SGHC 41

District Court Appeal No 15 of 2025

Between

Lim Chai Hing

... Appellant

And

- (1) Motor Insurers' Bureau of
Singapore
- (2) Public Trustee
- (3) Liberty Insurance Pte Ltd

... Respondents

JUDGMENT

[Insurance — Motor vehicle insurance — Section 9(1) Motor Vehicles (Third Party Risks and Compensation) Act 1960]

[Insurance — Motor vehicle insurance — Recovery of unsatisfied judgment from Motor Insurers' Bureau ("MIB")]

[Legal Profession — Conflict of interest]

[Civil Procedure — Costs — Personal liability of solicitor for costs]

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Lim Chai Hing
v
Motor Insurers' Bureau of Singapore and others

[2026] SGHC 41

General Division of the High Court — District Court Appeal No 15 of 2025
Chua Lee Ming J
6 November 2025

23 February 2026

Judgment reserved.

Chua Lee Ming J:

Introduction

1 This appeal is against the decision of the District Judge (“DJ”) who dismissed the appellant’s claims: see *Lim Chai Hing v Motor Insurers’ Bureau of Singapore* [2025] SGDC 144 (“Judgment”).

2 The appellant, Mr Lim Chai Hing, was injured in a motor accident. He obtained judgment against Mr Pang Meng Hee Stephen (“Stephen”), the driver of the other car, which was a rental car (“Vehicle”). However, unknown to Stephen, the company that he had hired the Vehicle from was not the owner of the Vehicle.

3 The Vehicle was insured by the third respondent, Liberty Insurance Pte Ltd (“Liberty”). The motor insurance policy (“Policy”) covered only persons

driving on the order or with the permission of, or who hired the Vehicle from, the policyholder, *ie*, the owner of the Vehicle.

4 This appeal concerns:

(a) Liberty's liability under s 9(1) of the Motor Vehicles (Third-Party Risks and Compensation) Act 1960 (2020 Rev Ed) ("Act"); and

(b) the liability of the first respondent, the Motor Insurers' Bureau of Singapore ("MIBS"), and/or Liberty, under:

(i) an agreement dated 22 February 1975 between the MIBS and the Minister for Finance, as amended by subsequent supplemental agreements (collectively, "Principal Agreement"); and

(ii) an agreement dated 22 February 1975 between MIBS and its members (comprising motor insurers, including Liberty) as amended by subsequent supplemental agreements (collectively, "Domestic Agreement").

5 Section 9(1) of the Act requires an insurer to satisfy a judgment against an insured for death or bodily injury even if the insurer is entitled to avoid or cancel or has avoided or cancelled the policy.

6 The Principal Agreement requires MIBS to satisfy a judgment obtained against an uninsured or untraceable driver, in accordance with its terms and conditions.

7 Where a negligent driver is identified but uninsured (either because he, or the vehicle driven by him, is not covered by the policy), the Domestic

Agreement, among other things, places the responsibility of complying with the Principal Agreement on the insurer of the vehicle.

8 The PT is the assignee of the Minister for Finance's rights, benefits, interest, privileges, powers, remedies and duties under the Principal Agreement. The PT was joined as a nominal defendant to enable the appellant to sue MIB (Judgment at [87]).

9 As the facts will show, this case would likely not have reached the courts but for the rather unfortunate advice given to the appellant by his lawyer.

Facts

10 On 4 December 2015, the appellant was injured in a motor accident caused by Stephen who was driving the Vehicle. Stephen had hired the Vehicle from a car rental company called Alpha Car Leasing Pte Ltd ("Alpha") pursuant to a car rental agreement dated 4 December 2015 with Alpha ("Alpha Rental Agreement").¹

11 However, unknown to Stephen, Alpha did not own the Vehicle and did not itself obtain insurance that covered drivers who hired the Vehicle from it. The Vehicle was owned by another car rental company called Elitez Car Rental Pte Ltd ("Elitez"). Elitez was the policyholder under the Policy.² The Policy covered "[a]ny person who is driving on the Policyholder's order or with their permission or to whom the vehicle is hired."³

¹ ROA vol V(4), at pp 168–169.

² ROA vol V(4), at pp 183–202.

³ ROA vol V(4), at p 183.

12 Stephen dealt with one “Alvin” who represented Alpha and signed the Alpha Rental Agreement on behalf of Alpha. Neither Alvin nor any representative from Alpha was called as a witness at the trial. A director of Elitez, Ms Liu Sock Leng Elaine (“Elaine”), gave evidence at the trial. Elaine had no personal knowledge of the Alpha Rental Agreement. Elaine testified that Alvin was likely her ex-husband whose real name was Graceson Ang (“Graceson”). She confirmed that the contact number for Alpha on the Alpha Rental Agreement was Graceson’s mobile number and that the signature on behalf of Alpha was Graceson’s (Judgment at [35]). Elaine did not know why Alvin/Graceson used Alpha’s rental agreement for the Vehicle.

13 After the accident, Stephen had discussions with Alvin to settle the claims that would arise from the accident. Stephen signed an undated document (“Accident Agreement”) in which he agreed pay a total sum of \$11,429 comprising \$2879 being the full repair costs of the Vehicle, \$8,000 being the excess payable under the Policy (“Policy Excess”) and \$550 for loss of use of the Vehicle.⁴ However, it appears from two other documents signed by Stephen (“First Excess Agreement” and “Second Excess Agreement”)⁵ that in fact he paid a total of \$11,446,⁶ which included \$2,896 (instead of \$2,879) for the repair of the Vehicle.⁷ According to Stephen, he paid the sum of \$11,446 to Alvin in cash.⁸

⁴ ROA vol V(4), at p 172.

⁵ ROA vol V(4), at pp 170–171.

⁶ \$7,446 was paid on 7 December 2015 and \$4,000 was paid on 19 May 2016.

⁷ ROA vol V(4), at pp 170–171.

⁸ Stephen’s AEIC, at para 9 (ROA vol III, at p 48).

14 The amount of \$8,000 that Alvin asked Stephen to pay for the Policy Excess in fact exceeded the amount that Elitez itself had to pay to Liberty, which was \$5,000 (see [16] below).

15 The documents that Stephen signed bore Elitez's name instead of Alpha's. The address for Elitez in the documents was the same as the address of Alpha and the documents named Alvin as the contact person. The Accident Agreement stated that Stephen hired the Vehicle from Elitez. Alvin signed the documents on behalf of Elitez. Stephen accepted Alvin's explanation that Alpha and Elitez were the "same company".⁹

16 Separately, on 5 December 2015, Elitez notified Liberty of the accident.¹⁰ On 2 February 2016, Liberty asked Elitez for (among other things) the rental agreement for the Vehicle.¹¹ After a few reminders,¹² Elitez eventually sent the Alpha Rental Agreement to Liberty on 11 May 2016.¹³

17 On 17 May 2016, Liberty asked Elitez to pay \$5,000 for the Policy Excess; Elitez paid \$5,000 to Liberty on 20 May 2016.¹⁴

18 On 16 August 2017, Liberty received a letter of demand from the appellant's lawyers, East Asia Law Corporation ("EALC"), claiming damages

⁹ Stephen's AEIC, at para 10 (ROA vol III, at p 48).

¹⁰ ROA vol III, at pp 387–394.

¹¹ ROA vol III, at p 402.

¹² ROA vol III, at pp 398–401.

¹³ AEIC of Ranjeev Kumar Sat Pal @ Ranjeev Kumar s/o Sat Pal ("Ranjeev's AEIC"), at para 8 (ROA vol III, at p 377).

¹⁴ ROA vol III, at pp 404–406.

on behalf of the appellant in the sum of \$373,267.59.¹⁵ On 5 February 2018, Liberty asked Elitez for clarification as to why the rental agreement for the Vehicle was under Alpha's name.¹⁶ Despite several reminders, Elitez did not respond.¹⁷

19 On 29 March 2018, the appellant sued Stephen in DC/DC 938/2018 ("DC 938"). On 3 April 2018, EALC notified Liberty about the commencement of DC 938.¹⁸ On 11 July 2018, Stephen notified Liberty of the claim against him.¹⁹

20 On 21 August 2018, Liberty gave notice of repudiation of the Policy to Elitez and Stephen.²⁰ Liberty stated that Stephen had hired the Vehicle from Alpha and took the view that Elitez had leased the Vehicle to Alpha who then sublet it to Stephen. It was a term of the Policy that the hirer was not allowed to sublet the Vehicle and that subletting was not covered by the Policy and thus Stephen was not insured by the Policy.

21 On 7 January 2019, Liberty's lawyers, United Legal Alliance LLC ("ULALLC"), replied to EALC as follows ("ULALLC's 7 January Letter"):²¹

...

2. ... [Liberty] issued [the Policy] to Elitez ..., the owner of the [Vehicle] ...

¹⁵ Affidavit of Evidence-in-Chief of Ranjeev Kumar Sat Pal, at para 10 (ROA vol III, at p 377).

¹⁶ ROA vol III, at p 410.

¹⁷ Ranjeev's AEIC, at para 13 (ROA vol III, at p 379).

¹⁸ ROA vol V(4), at p 27.

¹⁹ ROA vol III, at p 414.

²⁰ ROA vol V(4), at pp 30–31.

²¹ ROA vol V(4), at pp 34–35.

3. At the material time, [Stephen] had leased the vehicle from a third-party, Alpha ... despite the Policy strictly excluding coverage for such sub-letting ... As such, there was no effective insurance in favour of [Stephen] at the time of the Accident. Any recourse [the appellant] may have ... would be dependent on the Principal Agreement ...
4. ... [the appellant] also has a direct cause of action against both Elitez and Alpha for their failure to ensure there was effective insurance coverage of [Stephen] at the material time of the Accident, as established in the case of *Monk v Warbey* [1935] 1 KB 75. Despite so, [the appellant] has failed to initiate any proceedings against Elitez and Alpha ...
5. ... [the appellant is] liable under clause 5(c) of the Principal Agreement to do as follows:

...
6. You are put on notice that if [the appellant] fails to add Elitez and Alpha as co-defendants in [DC 938] to obtain judgment against them, [the appellant] will have no recourse against [MIBS] and/or Liberty for any damages he may obtain against [Stephen], as [the appellant] would have failed to take all reasonable steps in obtaining an available remedy.

...

22 Clauses 3 and 5(1), both of which are in Part II of the Principal Agreement, state as follows:²²

3. If judgment in respect of any liability which is required to be covered by a policy of insurance under the Act is obtained against any person or persons in any Court in Singapore and either at the time of the accident giving rise to such liability there is not in force a policy of insurance as required by the Act or such policy is ineffective for any reason (including the inability of the insurer to make payment) and any such judgement is not satisfied in full within twenty-eight days from the date upon which the person or persons in whose favour such judgement was given became entitled to enforce it then the Bureau will, subject to the provisions of this Part of this Agreement, pay or cause to be paid to the person or persons in whose favour such judgement was given any sum payable or

²² ROA vol V(4), at pp 204–205 read with p 234 (which amended cll 5(1)(a) and (b)).

remaining payable thereunder in respect of the aforesaid liability ... or satisfy or cause to be satisfied such judgement.

...

5 (1) The Bureau shall not incur any liability under clause 3 of this Agreement unless—

(a) written notice of the bringing of the proceedings is given ... before or within seven days after commencement of the proceedings—

(i) to the insurer in the case where there was in force at the time the accident occurred a policy of insurance ... ; and

(ii) to the Bureau only where the Plaintiff or his solicitors have been informed that either there was no cover or that the wrong insurance company had received the written notice; ... ;

(b) a copy of any Summons or statement of claim taken out or filed by the Plaintiff is served on the insurer or the Bureau, as the case may be—

(i) and the Plaintiff does not seek to obtain judgement before the expiry of thirty days from the date the copy of such Summons or statement of claim has been served ... ; and

...

(c) if so required by the Bureau and subject to full indemnity from the Bureau as to reasonable costs, the Plaintiff shall take all reasonable steps to obtain judgement against any person against whom he may have a remedy in respect of or arising out of the injury or death giving rise to the aforesaid proceedings;

...

23 On 14 January 2019, EALC replied to ULALLC that they “[did] not have instructions” to add Elitez and Alpha as co-defendants.²³ In the trial below,

²³ ROA V(4), at p 36.

the appellant testified that he did not add Elitez and Alpha as co-defendants because EALC advised him that it was not necessary to do so.²⁴

24 On 18 January 2019, ULALLC replied to EALC, stating that as the appellant was in breach of cl 5(1)(c) of the Principal Agreement, Liberty would not satisfy any judgment that the appellant may obtain against Stephen.²⁵

25 On 10 May 2019, the appellant obtained final judgment against Stephen in DC 938.²⁶ The judgment was for general and special damages in the total sum of \$141,731.39 plus interest, costs and disbursements.

26 On 13 September 2019, ULALLC wrote to EALC, referring to the judgment against Stephen, and reiterated that as a result of the appellant's breach of cl 5(1)(c) of the Principal Agreement, Liberty would not be making payment to the appellant.²⁷

27 EALC replied to ULALLC on 1 October 2019, stating as follows (among other things):²⁸

Please state very clearly on what basis is your client persistently imposing on us to add Elitez and Alpha as Co-Defendants in DC 938/2018. If your client is of the view that this (2) two entities should be brought into this suit as parties – than (*sic*) please impress upon your client to do so as it deems fit as we do not share the same sentiment. On the contrary we are of the humble view that your client is trying their level best to make our client to initiate the said application on their behalf instead – to date we fail to comprehend any logic in such an insistence.

²⁴ Appellant's AEIC, at para 7 (ROA vol III, at p 20).

²⁵ ROA vol V(4), at p 37.

²⁶ ROA vol V(4), at p 52

²⁷ ROA vol V(4), at pp 95–96.

²⁸ ROA vol V(4), at pp 97–98.

28 On 29 November 2021, EALC sent copies of the Writ of Summons, statement of claim, default judgment and final judgment in DC 938 to MIB, saying that “[t]he insurer concerned is Liberty and [Liberty] was denying policy liability”.²⁹ On the same day, MIB replied that it was an “Insurer Concerned matter and [did] not fall within the ambit of the [Principal] Agreement”.³⁰ MIB asked EALC to direct the claim against the driver and/or insurer of the Vehicle.

29 EALC replied to MIB on 3 December 2021 stating that they “do not comprehend the contents” of MIB’s letter and reiterating that “the insurer concern (*sic*) [Liberty] has declared that the driver was not covered by [the Policy]”.³¹ MIB replied on 16 December 2021 reiterating that this was an “Insurer Concerned matter and MIB will not be involved”.³²

30 On 30 December 2021, EALC wrote to MIB complaining that “the burden should not be thrust to the [appellant]” and the “insurance entity (who has privy to all information [was] in the best position to resolve the issues between them and the leasing companies (if any)”.³³

31 On 7 March 2022, EALC wrote to the PT seeking the PT’s consent to sue MIB, failing which the PT would be added as a defendant to sustain the claim against MIB.³⁴

²⁹ ROA vol V(4), at p 69.

³⁰ ROA vol V(4), at p 77.

³¹ ROA vol V(4), at p 78.

³² ROA vol V(4), at p 79.

³³ ROA vol V(4), at pp 89–90.

³⁴ ROA vol V(4), at p 100.

32 On 31 March 2022, the appellant commenced DC 939/2022 (“DC 939”) in the State Courts.³⁵

33 On 25 April 2022, the PT replied, stating that the appellant was reasonably required to join Elitez and Alpha as co-defendants in DC 938 and that as the appellant did not appear to have complied with cl 5(1)(c) of the Principal Agreement, the PT will not be acceding to his request to commence proceedings against MIB to enforce cl 3 of the Principal Agreement.³⁶

The appellant’s claims before the DJ

34 The appellant’s pleaded claims in DC 939 were as follows:

(a) That Stephen was the insured of Liberty and accordingly, under s 9 of the Act, Liberty had to satisfy the judgment against Stephen (Judgment at [23]).

(b) If Liberty was not liable under the Act on the ground that Stephen was not covered by the Policy, MIB ought to satisfy the judgment against Stephen under the Principal Agreement (Judgment at [24]). The appellant did not breach cl 5(1)(c) of the Principal Agreement because:

(i) the appellant did not have to comply with Liberty’s request to sue Elitez and Alpha as Liberty was not a party to the Principal Agreement; and

(ii) the right to demand the appellant to sue Elitez and Alpha rested with MIB and MIB did not require the appellant to do so

³⁵ ROA vol IV, at p 4.

³⁶ ROA vol V(4), at pp 105–106.

after the appellant told MIB of its intention to enforce the judgment (against Stephen) against MIB.

(c) An order to compel the PT to enforce the Principal Agreement against MIB (Judgment at [26]).

35 In his closing submissions before the DJ, the appellant also raised waiver and estoppel. The appellant argued that:³⁷

(a) Liberty knew or ought to have known from the Alpha Rental Agreement that the term in the Policy prohibiting subletting may have been breached; and

(b) by demanding payment of the Policy Excess from Elitez (see [17] above), Liberty had waived its right to assert that the Policy was not engaged and was estopped from so asserting.

The DJ's findings in DC 939

36 The DJ found as follows:

(a) The appellant failed to establish his pleaded case that Stephen hired the Vehicle from Elitez and that Stephen was a person insured by the Policy (Judgment at [41]). The appellant's claim against Liberty under s 9(1) of the Act therefore failed (Judgment at [55]).

(b) As the insurer concerned, Liberty acted as MIB's agent for the purposes of the MIB Agreement and consequently, Liberty was entitled to require the appellant to comply with cl 5(1)(c) of the Principal Agreement (Judgment at [70] and [77]). As the appellant failed to satisfy

³⁷ Written Submissions of the Plaintiff, at paras 41–42 (ROA vol V(5), at pp 20–21).

the condition precedent in cl 5(1)(c), his claim against MIB was dismissed (Judgment at [84]–[85]).

(c) It followed that the appellant was not entitled to compel the PT to enforce the Principal Agreement against MIB (Judgment at [86]). His claim against the PT was therefore dismissed (Judgment at [88]).

(d) The appellant could not rely on waiver and estoppel and these were not pleaded (Judgment at [56]).

37 In his concluding remarks, the DJ noted that the advice by the appellant's lawyers turned out to be detrimental to the appellant's interests resulting in the dismissal of his claim under the Principal Agreement, and that the appellant may wish to consider seeking recourse against his lawyers.

38 The DJ delivered the Judgment on 11 June 2025. He gave his decision on costs on 8 July 2025. He ordered EALC to personally bear the costs of the proceedings below ("EALC Costs Order"). The DJ was of the view that such an order was fair and just because the proceedings arose from EALC's advice against suing Elitez and Alpha to the appellant's detriment and the claims were unmeritorious and unfounded from the outset.³⁸

EALC is in a position of conflict in this appeal

39 Mr Ramasamy K Chettiar of Central Chambers Law Corporation ("Mr Chettiar") was instructed as counsel for the appellant in the trial below and continues as instructed counsel for the appellant in this appeal. EALC was the appellant's solicitors on record in the proceedings below and remains so in this

³⁸ ROA vol 1, at pp 48–50 (at para 11).

appeal. Ms Manickam Kasturibai (“Ms Kasturibai”) of EALC was and is the solicitor in charge of this matter.

40 At the start of the hearing of this appeal, I expressed my concern that EALC is in a position of conflict (in continuing to represent the appellant in this appeal) in view of the following:

- (a) the appellant’s Skeletal Submissions included submissions challenging the EALC Costs Order which benefited the appellant; and
- (b) the DJ’s comment in the Judgment that the appellant may wish to consider seeking recourse against his lawyers.

41 Ms Kasturibai agreed that EALC is in a position of conflict. However, she confirmed that she had complied with rule 22(4)(a) of the Legal Profession (Professional Conduct) Rules 2015, including obtaining the appellant’s informed consent in writing to EALC continuing to act for him.³⁹ Rule 22(4)(a) states:

- (4) Where a law practice has an interest in any matter entrusted to it by its client —
 - (a) in any case where the interest is adverse to the client’s interests, the law practice must withdraw from representing the client, unless —
 - (i) the law practice makes a full and frank disclosure of the adverse interest to the client;
 - (ii) the law practice advises the client to obtain independent legal advice;
 - (iii) if the client does not obtain independent legal advice, the law practice ensures that the client is not under an impression that the law

³⁹ Transcript, 6 November 2025, at 2:14–3:1; 6:18–28.

practice is protecting the client's interests;
and

- (iv) despite sub-paragraphs (i) and (ii), the client gives the client's informed consent in writing to the law practice acting, or continuing to act, on the client's behalf; or

(b) ...

42 I proceeded with the hearing of the appeal based on the confirmation given by Ms Kasturibai.

The EALC Costs Order

43 The notice of appeal was filed on 20 June 2025. It did not mention the EALC Costs Order because the order was made later, on 8 July 2025. The Appellant's Case also did not refer to the EALC Costs Order although it was filed after the order was made.

44 However, in his Skeletal Submissions, the appellant submitted that the EALC Costs Order should not have been made because:⁴⁰

- (a) EALC's conduct of the matter was neither improper, unreasonable or negligent; and
- (b) contrary to O 59 r 8(2) of the Rules of Court (2014 Rev Ed) ("ROC 2014"), EALC was not given any opportunity to show cause why the EALC Costs Order should not be made.

45 I noted that the EALC Costs Order was in the appellant's favour and asked if the submissions in the Skeletal Submissions were included based on the appellant's instructions. Ms Kasturibai informed me that she had explained

⁴⁰ Appellant's Skeletal Submissions, at paras 19 and 21.

the EALC Costs Order to the appellant and that the appellant had agreed to appeal against the order.⁴¹

46 In my view, the EALC Costs Order is a matter between EALC and its client (the appellant). The appeal before me is an appeal by the appellant against the three respondents. The EALC Costs Order has no place in the present appeal. Although the submissions challenging the EALC Costs Order purport to be on the appellant's behalf, the reality is that these submissions are being made on EALC's own behalf.

47 Mr Chettiar conceded during oral submissions that the EALC Costs Order is a matter between EALC and the appellant.⁴² Nevertheless, he asked me to make a ruling on this to avoid any issues with EALC's insurers.⁴³ I ruled that the inclusion of the appeal against the EALC Costs Order in the present appeal was wholly inappropriate and improper. I rejected the appeal against the EALC Costs Order in its entirety for this reason.

48 Ms Kasturibai confirmed that EALC would not charge the appellant for work done on this issue. Accordingly, I did not think it necessary for me to make an express order to such effect.

49 I would add that the DJ was wrong to make the EALC Costs Order without first giving EALC an opportunity to show cause why the order should not be made, as required under O 59 r 8(2) ROC 2014. However, having read the appellant's submissions, in my view, the EALC Costs Order was justified on its merits. Costs may be ordered against a solicitor personally if the costs

⁴¹ Transcript, 6 November 2025, at 1:31–2:13.

⁴² Transcript, 6 November 2025, at 3:7–9.

⁴³ Transcript, 6 November 2025, at 5:11–17.

have been incurred unreasonably or improperly or have been wasted by failure to conduct proceedings with reasonable competence and expedition: O 59 r 8(1) ROC 2014.

50 Liberty's lawyers, ULALLC, had referred EALC to cl 5(1)(c) of the Principal Agreement. However, EALC's response to Liberty's requirement did not show any reasonable basis for refusing to comply with Liberty's requirement. ULALLC had explained to EALC that the appellant had a direct cause of action against Elitez and Alpha and provided a case authority (see [21] above). EALC did not disagree that the appellant had a cause of action against Elitez and Alpha. Instead, EALC's response was as follows (see [27] above):

(a) EALC asked Liberty's lawyers, ULALLC, for the basis for Liberty persistently imposing on it to add Elitez and Alpha as co-defendants, adding that if Liberty was of the view that they should be added as co-defendants, Liberty should "do as it deems fit"; and

(b) EALC expressed the view that Liberty was trying make the appellant make the application (to join Elitez and Alpha) on Liberty's behalf and that there was no logic in Liberty's insistence.

51 Subsequently, the appellant complained to MIB that the burden (of adding Elitez and Alpha as co-defendants) should not be thrust upon him (see [30] above).

52 The positions taken by EALC in its response to Liberty and its complaint to MIB are inexplicable. Likewise with EALC's submission before the DJ that it was for MIB (not Liberty) to require the appellant to add Elitez and Alpha as co-defendants. Under the Principal and Domestic Agreements, Liberty was clearly entitled to require the appellant to add Elitez and Alpha as co-defendants.

EALC clearly did not appreciate how the Principal and Domestic Agreements work.

53 Further, under cl 5(1)(c) of the Principal Agreement, Liberty had to provide a full indemnity as to the reasonable costs of proceeding against Elitez and Alpha. Complying with Liberty's request, at Liberty's costs, would have preserved the appellant's right to claim under the Principal Agreement. Instead, EALC's advice to the appellant exposed the appellant to the risk of not being able to claim under the Principal Agreement, without any reasonable basis for taking that risk. In my view, EALC's refusal to comply with Liberty's requirement (to add Elitez and Alpha as co-defendants) amounted to a failure to conduct the proceedings with reasonable competence.

The appellant's case in this appeal

54 In this appeal, the appellant does not challenge every finding made by the DJ. The appellant's case in this appeal is that the DJ erred in:

- (a) holding that Liberty was not liable under s 9(1) of the Act because the appellant failed to establish his pleaded case that Stephen had hired the Vehicle from Elitez;
- (b) rejecting the appellant's submissions on estoppel and waiver; and
- (c) finding that the appellant breached cl 5(1)(c) of the Principal Agreement.

Liberty's liability under s 9(1) of the Act

55 Sections 3 and 4 of the Act require users of motor vehicles, and those who permit others to use them, to obtain insurance coverage for death or bodily injury.

56 Section 9(1) of the Act requires the insurer of a motor vehicle to satisfy any judgment obtained against “any person insured by the policy ... even though the insurer may be entitled to avoid or cancel or may have avoided or cancelled the policy” where the judgment is in respect of a liability for death or bodily injury and the liability is one “covered by the terms of the policy”.

57 The DJ concluded that to succeed in his claim against Liberty under s 9(1), the appellant had to show that the Policy provided insurance coverage for Stephen (Judgment at [30]).

58 In the Appellant's Case, the appellant submits that the DJ erred in law by placing the burden on him to prove that Liberty is liable under s 9(1).⁴⁴ The appellant submits that the burden was on Liberty to prove that it is not liable under s 9(1). As stated in [20] above, Liberty had repudiated the Policy on the ground that Stephen had hired the Vehicle from Alpha and was therefore not insured by the Policy. Liberty concluded that Elitez had leased the Vehicle to Alpha who then sublet it to Stephen in breach of an express term in the Policy prohibiting subletting. The appellant submits that the burden was on Liberty to prove that Alpha had sublet the Vehicle to Stephen and therefore Stephen was not insured by the Policy.

⁴⁴ Appellant's Case, at para 25.

59 However, during oral submissions before me, the appellant accepted that he bore the burden of proving that Stephen hired the Vehicle from Elitez.⁴⁵ This must be correct. The appellant claims that Liberty is liable to him under s 9(1); it is for him to prove that the requirements under s 9(1) have been met so that liability may be imposed on Liberty. One of these requirements is that Stephen was a person insured by the Policy.

60 The appellant's pleaded case is that Stephen was insured by the Policy because Stephen hired the Vehicle from Elitez and not Alpha.⁴⁶ It is unarguable that the burden is on the appellant to prove that Stephen hired the Vehicle from Elitez. If he is not able to do so, his claim against Liberty under s 9(1) of the Act fails. Any question as to whether there was a subletting by Alpha to Stephen would not even arise in such event.

61 The DJ found that the appellant failed to establish his pleaded case that Stephen hired the Vehicle from Elitez and that Stephen was a person insured by the Policy; accordingly, the appellant's claim failed (Judgment at [41]).

62 I agree with the DJ's findings. The Alpha Rental Agreement is clear evidence that Stephen hired the Vehicle from Alpha, not Elitez. It shows Alpha's name and there is no reference to, or mention of, Elitez. Alvin signed the Alpha Rental Agreement on behalf of Alpha.

63 In my judgment, the fact that Stephen subsequently signed the Accident Agreement and the Excess Agreements (see [13] above) is not sufficient to prove that Stephen hired the Vehicle from Elitez. It is true that these documents

⁴⁵ Transcript, 6 November 2023, at 10:22–24.

⁴⁶ Statement of Claim, at para 2 (ROA vol IV, at p 32); Reply (Amendment No 2), at para 4(d) (ROA vol IV, at p 68).

show that Stephen settled the repair costs and Policy Excess for the Vehicle with Elitez. They are inconsistent with the Alpha Rental Agreement. However, that does not necessarily mean that the Alpha Rental Agreement was wrong or a mistake. The Accident Agreement and Excess Agreements may have been in Elitez's name because it was Elitez (being the owner of the Vehicle) that had to pay the repair costs and Policy Excess. Or that Alvin decided to use Elitez's name because a claim had to be made under the Policy. Further, there is no evidence as to whether the amount paid by Stephen for the rental of the Vehicle went to Alpha or Elitez. Alvin was the only person who could explain whether it was Elitez that rented the Vehicle to Stephen, and if so, why the rental agreement was in Alpha's name. However, the appellant did not call Alvin to give evidence.

64 The appellant submits that the burden was on Liberty to call Alvin as a witness.⁴⁷ This submission is based on the appellant's submission that Liberty bore the burden of proving that it is not liable under the Act. As discussed above, and accepted by the appellant, it is the appellant who bore the burden of proving that the requirements under s 9(1) are satisfied. Therefore, it was for the appellant to call Alvin as a witness to testify that Stephen had hired the Vehicle from Elitez (if at all that was the case) despite what the Alpha Rental Agreement stated, and to explain away the Alpha Rental Agreement.

Estoppel and waiver

65 As stated in [35] above, the appellant relied on waiver and estoppel in his closing submissions before the DJ. The DJ rejected the appellant's submission that Liberty was estopped from denying that the Policy covered

⁴⁷ Appellant's Case, at para 28.

Stephen or had waived its right to do so, on the ground that estoppel and waiver had not been pleaded (see [36(d)] above).

66 In this appeal, the appellant submits that the DJ was wrong to reject his submissions on waiver and estoppel.⁴⁸ The appellant first submits that he did not have to plead waiver and/or estoppel because:⁴⁹

- (a) the documents (showing that Liberty demanded and received payment of the Policy Excess from Elitez) were disclosed by Liberty only after the appellant had closed his case; and
- (b) there was no prejudice to Liberty.

67 I disagree with the appellant. The late production of the documents in question does not excuse the appellant from having to plead waiver and/or estoppel. As the DJ pointed out, it is trite that waiver and estoppel must be specifically pleaded and it was open to the appellant to seek permission to amend his pleadings (Judgment at [56]). An amendment to the appellant's statement of claim may have necessitated an adjournment of the trial (depending on the steps that the respondents would have had to take) but that too does not excuse the appellant from having to plead waiver and/or estoppel.

68 Also, it cannot be said that allowing the appellant to rely on waiver and estoppel without having pleaded the same would not have prejudiced Liberty. Elitez was asked to pay the Policy Excess in connection with a claim for property damage. The employee who had asked Elitez to pay the Policy Excess had left Liberty's employ.⁵⁰ Liberty was deprived of the opportunity to

⁴⁸ Appellant's Case, at para 36.

⁴⁹ Appellant's Case, at paras 38(a) and (b).

⁵⁰ ROA vol II, at p 260 (lines 3–16).

investigate and adduce evidence of the facts surrounding its decision to demand payment of the Policy Excess, any discussions between Liberty and Elitez, and the reasons for the demand. The alleged affirmation of the Policy by Liberty was not necessarily as unequivocal as the appellant asserted.

69 The appellant next argues that the DJ was wrong to hold that waiver and estoppel were defences for Elitez and/or Stephen, not the appellant.⁵¹ In my view, the appellant's argument is misconceived. The DJ rejected the appellant's reliance on waiver and estoppel on the ground that they were not pleaded. His decision was not based on waiver and estoppel being defences for Elitez and Stephen. The DJ merely expressed doubts as to whether the appellant could rely on waiver and estoppel when any reliance on Liberty's representation would have been made by Elitez and/or Stephen, and not the appellant (Judgment at [57]). The DJ expressly refrained from making any finding as these issues were not canvassed before him. There is therefore no finding by the DJ in this regard that the appellant can take issue with in this appeal.

70 Before me, the appellant submits that:⁵²

(a) as between Liberty and Stephen, Liberty has waived its right to assert, or is estopped from asserting, that the Policy does not provide insurance coverage for Stephen; and

(b) the appellant can rely on the waiver and estoppel as between Liberty and Stephen for the purposes of satisfying the requirement in s 9(1) of the Act that Stephen was a "person insured by the [Policy]" even though Liberty may be entitled to avoid the Policy.

⁵¹ Appellant's Case, at para 38(c).

⁵² Transcript, 6 November 2025, at 18:6–14; 20:10–13.

71 I reject the appellant's submission. It is undisputed that to rely on s 9(1) of the Act, the appellant has to prove that Stephen was a person insured by the Policy. In my view, the appellant has to prove that the waiver and/or estoppel was operative between Liberty and *himself*. Waiver and estoppel rests in the first place on the fact that an unequivocal representation has been communicated to the person seeking to rely on waiver and estoppel. In addition, estoppel requires that the person seeking to rely on it must have relied on the representation to his detriment.

72 More importantly, the appellant's submission before me put forth a case that had not been pleaded. Waiver and estoppel were simply not pleaded at all. Further, the appellant did not even make this submission (that he could rely on waiver and estoppel between Liberty and Stephen) before the DJ.

Whether the appellant breached cl 5(1)(c) of the Principal Agreement

73 Clauses 3 and 5(1)(c) of the Principal Agreement are set out in [22] above. These clauses refer to MIB but as the DJ explained, pursuant to the Domestic Agreement, MIB transferred its obligations to satisfy unpaid judgments to the relevant insurer concerned (Judgment at [70]–[73]). For present purposes, the effect of cl 5(1)(c) is that compliance with a requirement by Liberty (made pursuant to cl 5(1)(c)) is a condition precedent to Liberty's liability to satisfy the judgment obtained by the appellant against Stephen in DC 938. As stated earlier, the appellant did not comply with Liberty's requirement that he add Elitez and Alpha as co-defendants in DC 938.

74 In the trial below, the appellant argued that Liberty could not invoke cl 5(1)(c) because the right to require the appellant to sue Elitez and Alpha rested with MIB, and Liberty could not make such a demand (see [34(b)] above). The DJ held (correctly) that as the insurer concerned, Liberty acted as

MIB's agent for the purposes of the MIB Agreement and consequently, Liberty was entitled to require the appellant to comply with cl 5(1)(c) of the Principal Agreement (see [36(b)] above). I agree with the DJ's reasons, which are set out in the Judgment at [70]–[77]. During oral submissions before me, the appellant confirmed that he no longer makes this argument.⁵³

75 In this appeal, the appellant submits that Liberty cannot invoke cl 5(1)(c) because its requirement on the appellant (to add Elitez and Alpha as co-defendants) was invalid for the following reasons:

(a) Liberty had to expressly state that it was imposing the requirement on the appellant on behalf of MIB, but Liberty did not do so;⁵⁴

(b) Liberty cannot impose the requirement on the appellant until after final judgment had been entered against Stephen in DC 693;⁵⁵ and

(c) Liberty cannot impose the requirement on the appellant until after it has been decided that Liberty is not liable under s 9(1) of the Act.⁵⁶

In my view, none of the above submissions has any merit whatsoever.

76 The appellant has not provided any basis for his submission in [75(a)] above. There is nothing in cll 3 or 5(1) that requires Liberty to expressly state that it was acting on behalf of MIB. Indeed, it is clear from para 4 in the Notes

⁵³ Transcript, 6 November 2025, at 22:7–21.

⁵⁴ Transcript, 6 November 2025, at 23:12–22.

⁵⁵ Transcript, 6 November 2025, at 23:30–24:3.

⁵⁶ Transcript, 6 November 2026, at 24:25–25:7; Appellant's Case, at para 54.

to the Principal Agreement that Liberty (as the insurer concerned) was acting as MIB's agent.⁵⁷ Further, as explained in Tan Lee Meng, *Insurance Law in Singapore* (Academy Publishing, 3rd Ed, 2025) at para 24.005, where there is a policy in existence in respect of the vehicle which caused injury or death, the responsibility of complying with the arrangements made under the Principal Agreement is delegated to the insurer which issued the policy (see, also, Judgment at [73]).

77 The appellant's submission in [75(b)] above was rejected by the DJ (Judgment at [80]). The DJ was of the view that the submission was misconceived as it contradicted the express wording in cll 5(1)(a) and (b) of the Principal Agreement. Clause 5(1)(a) requires the plaintiff to give written notice of the proceedings within seven days after commencement of the proceedings. Clause 5(1)(b) requires the plaintiff to wait thirty days (after serving the summons or statement of claim on the insurer/MIB) before seeking to obtain judgment. The DJ reasoned that cll 5(a) and (b) were likely intended to give the insurer concerned or MIB time to consider the court papers and issue directions to the plaintiff in relation to the proceedings against the uninsured driver (Judgment at [81]). I agree with the DJ.

78 Before me, the appellant argues that the four requirements under cl 3 of the Principal Agreement are sequential.⁵⁸ These four requirements are that:

- (a) a judgment has been obtained;
- (b) the insurance policy is ineffective;
- (c) the judgment is not satisfied in full within 28 days; and

⁵⁷ ROA vol V(4), at p 215.

⁵⁸ Appellant's Case, at paras 51–52.

- (d) the person claiming under cl 3 has satisfied the provisions of the Principal Agreement.

According to the appellant, because these four requirements are sequential, Liberty cannot impose the requirement (to add Elitez and Alpha as co-defendants) on him until after final judgment had been obtained against Stephen in DC 693. As Liberty had imposed the requirement on the appellant on 7 January 2019 (see [21] above), it was premature since final judgment in DC 693 was obtained only on 10 May 2019 (see [25] above).

79 I disagree with the appellant's submission. There is simply no reason for the appellant's interpretation of cl 3 of the Principal Agreement. In my view, it is illogical. Where is the sense in making the insurer wait until final judgment has been obtained by an injured party [A] against the party who caused the accident [B] before requiring [A] to sue other parties who could have been added as co-defendants in the proceedings against [B]? Adding the other parties as co-defendants in the claim against [B] would be expedient. In addition, it would save costs for the insurer who, under cl 5(1)(c), has to indemnify [A] for the costs of suing the other parties.

80 Admittedly, it is possible that there may be cases in which the insurer may wish to wait until after [A]'s claim against [B] has been decided, because the insurer believes that [A]'s claim may not succeed. If [A]'s claim against [B] fails, there would be no judgment that the insurer would have to satisfy and hence no reason to require [A] to sue other parties. However, it is for the insurer to make that call. The appellant's submission takes the discretion away from the insurer.

81 The appellant's submission in [75(c)] above also rests on the appellant's argument that the requirements in cl 3 are sequential.⁵⁹ I have rejected the appellant's "sequential" argument. In addition, liability under s 9 of the Act is separate from that under cl 3 of the Principal Agreement. There is no logic in the argument that because the requirements in cl 3 are sequential, therefore the insurer cannot exercise its right under cl 5(1)(c) (to require [A] to sue other parties) until after the insurer has been found not liable under s 9.

82 Clause 3 comes into play only if the insurer is found not liable under s 9. As the insurer has to indemnify [A] for the costs of suing other parties, it may decide not to impose any requirement on [A] under cl 5(1)(c) until after its liability under s 9 has been determined. Again, that is the insurer's call. There is no basis for the appellant's submission that in principle, the insurer *must* wait until after it has been found not liable under s 9.

83 In my judgment, the DJ was correct in his finding that the appellant failed to satisfy the condition precedent in cl 5(1)(c) of the Principal Agreement.

The Public Trustee

84 In his Statement of Claim (Amendment No 2), the appellant sought an order in the alternative to compel the Public Trustee to enforce the Principal Agreement against MIB. However, in this appeal, the appellant does not seek any relief against the Public Trustee and has taken the position that the Public Trustee is only a nominal respondent.⁶⁰

⁵⁹ Appellant's Case, at paras 53 – 54; Appellant's Skeletal Submissions, at para 11.

⁶⁰ Appellant's Case, at para 55.

Conclusion

85 For all the above reasons, I dismiss the appeal.

86 Parties are to file their respective submissions on costs (maximum of 5 pages) within 14 days. As stated in [49] above, in my view, the EALC Costs Order made by the DJ was justified on its merits, although it was wrong procedurally. Likewise, there is reason to consider making the following orders pursuant to O 59 r 8(1):

- (a) an order disallowing the costs as between EALC and the appellant with respect to both the present appeal and DC 939; and
- (b) an order directing Ms Kasturibai/EALC to repay to the appellant costs which the appellant has been ordered to pay to the other parties in this appeal.

87 EALC and Ms Kasturibai are to file their written submissions (maximum of 15 pages) within 14 days to show cause why the above orders should not be made.

Chua Lee Ming
Judge of the High Court

Ramasamy s/o Karuppan Chettiar, Ho En Tian Mark (Central Chambers Law Corporation) (instructed), Manickam Kasturibai (East Asia Law Corporation) for the appellant;
Wee Anthony, Koh Keh Jang Fendrick and Kym Calista Anstey (Titanium Law Chambers LLC) for the first and third respondents;
Du Xuan and Goh Xuanlin Jasmine (Attorney-General's Chambers (Civil Division)) for the second respondent.
