



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



Thirteenth Congress
First Regular Session

HOUSE BILL NO. 3069

Introduced by Honorable Antonio V. Cuenco

EXPLANATORY NOTE

This bill seeks to require all holders of student's permit or driver's license to obtain accident and death insurance as prerequisite for application and renewal of said permit or license.

Statistics show that traffic accidents happened every hour in Metro Manila and Southern Tagalog alone. 4.4% of these accidents were fatal, 32% resulted in both slight and serious injuries, and damage to property was estimated at P8.4 billion.

This may be attributed to the fact that Filipino motorists are plagued by hazards faced by travelers everywhere: drunk driving, bad weather, heavy traffic and lack of safer highways. Traffic is characterized as a tumultuous and deadly mix of pedestrians, tricycles, public utility vehicles, ferrying loads of passengers and heavy trucks. To this mix, add lax law enforcement, a flood of inexperienced drivers, and a marked indifference to safety on the part of many motorists. Thus, the cost in human suffering as a result of this is incalculable.

Despite stricter legislation in areas such as the use of seat belts, drug testing among permit and license holders and improved training of traffic police, accidents remain inevitable.

It is in this regard that all holders of student's permit or driver's license must obtain accident and death insurance to protect themselves. It will also serve as an assurance to their families and beneficiaries that they will have sufficient amount of money to pay for hospitalization expenses, in case of accident and for proper burial expenses in case of death of the permit or license holder while he is driving his vehicle.

If a car insurance is required for its registration, with more reason that an accident or death insurance for the owner of the car is necessary.

This mandatory accident or death insurance does not only favor the insured himself but also help the government earn more revenues.

In view of the foregoing, approval of this bill is highly and earnestly recommended.



ANTONIO V. CUENCO



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AN ACT
REQUIRING ALL HOLDERS OF STUDENT'S PERMIT OR
DRIVER'S LICENSE TO OBTAIN ACCIDENT AND DEATH
INSURANCE AS PREREQUISITE FOR APPLICATION AND
RENEWAL, AND PROVIDING PENALTIES FOR VIOLATION
THEREOF.

*Be it enacted by the Senate and House of Representatives of the Philippines
in Congress assembled:*

SECTION 1. All holders of student's permit or driver's license shall be required to obtain accident and death insurance as prerequisite for permit and license application and renewal.

SEC. 2. No student's permit and driver's license shall be issued or renewed, as the case may be, without proof of insurance coverage within the effectivity or lifespan of the permit or license.

SEC. 3. The minimum insurance coverage shall be One Hundred Thousand Pesos (P100,000.00) per year; *Provided*, That the insurance firm qualified to insure must be a member of an insurance consortium duly accredited by the Insurance Commission. *Provided further*, That for the minimum coverage of One hundred thousand pesos (P100,000.00), no insurance firm shall collect or charge premium exceeding the student's permit or driver's license fees.

SEC. 4. In case of death of the holder of the student's permit or driver's license caused by accident while driving, whether or not he or she is at fault, the amount of the insurance shall be paid by the insurance firm to the claimant or beneficiary within ten (10) days from the submission of the claim. Should the insurance firm fail to pay, an automatic twenty-five percent (25%) surcharge shall accrue in favor of the claimant or beneficiary in addition to the amount of insurance coverage.

SEC. 5. Any person who falsifies or fraudulently claims the insurance shall be punished by imprisonment of ten years and shall not be eligible for parole.

SEC. 6. The Insurance Commission, in consultation with the Land Transportation Office, shall issue the necessary rules and regulations for the effective implementation of this Act.

A handwritten signature in black ink, appearing to be the initials 'AB' or a stylized 'A' followed by a 'B'.

SEC. 7. All laws, decrees, orders, rules and regulations or parts thereof inconsistent with this Act are hereby repealed or amended, accordingly.

SEC. 8. This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of general circulation in the Philippines.

Approved,

A handwritten signature in black ink, consisting of a stylized, cursive letter 'B' followed by a horizontal line.