

Republic of the Philippines
House Of Representatives
Quezon City, Metro Manila



THIRTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 4529

Introduced by Hon. Mark O. Cojuangco

EXPLANATORY NOTE

It is the policy of the State to improve the deplorable condition of passengers of public utility vehicles, deter recklessness and abuses of drivers, operators and owners of motor vehicles, ease traffic congestions and disorders, enhance public safety and convenience and upgrade the standards that should be followed in the operation of motor vehicles.

To carry out this national policy, it is imperative to provide, among others, measures increasing accountability of reckless, abusive, undisciplined and indifferent drivers, operators and owners of motor vehicles.

At present, motor vehicles are required to be covered only with a third party liability insurance (TPL) for registration and renewal of registration.

In effect, public utility vehicles are free from any liability arising from its own passengers who die or sustain bodily injuries.

Likewise, owners of damaged properties resulting from an accident involving a motor vehicle covered only with a Third Party Liability Insurance (TPL) are forced to litigate and/or suffer iniquitously .

Moreover, insurance companies are burdened with claims made to appear as hit

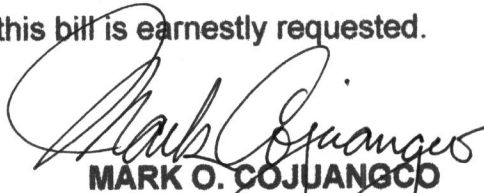
and run accidents, but in reality, involves motor vehicle against which the assured-victim can not claim. Assured-victim then is unjustly burdened with deductible and /or depreciation dues, amongst others, for the repair of his damaged vehicle.


June 1, 05

This limited insurance coverage of motor vehicles has served mainly the interest of reckless drivers and/or indifferent land transportation operators or owners of motor vehicles.

This bill seeks to mandate compulsory motor vehicle liability insurance to force operators/owners to exercise extraordinary diligence in employing drivers, deter recklessness and abuses of drivers, instill more discipline on the road, ease traffic congestions and disorders and promote public safety.

The immediate passage of this bill is earnestly requested.


MARK O. COJUANGCO
June 1, 05

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AN ACT
MANDATING COMPULSORY MOTOR VEHICLE LIABILITY INSURANCE
AND FOR OTHER PURPOSES

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

SECTION 1. Declaration of Policy - It is the policy of the State to improve the deplorable condition of passengers of public utility vehicles, deter recklessness and abuses of drivers, operators and owners of motor vehicles, ease traffic congestions and disorders, enhance public safety and convenience and upgrade the standards that should be followed in the operation of motor vehicles.

SEC. 2. Definition of Terms - For purposes of this Act, the terms hereunder shall be understood as follows:

- a. **Compulsory Motor Vehicle Liability Insurance** – includes Third Party Liability, Passenger Liability and Property Damage coverage and excludes Own Damage and Against Theft and Loss.
- b. **Motor Vehicle** – any vehicle propelled by any power other than muscular power using the public highways, but excepting road rollers, trolley cars, street-sweepers, sprinklers, lawn mowers, bulldozers, graders, fork-lifts, amphibian trucks, and cranes if not used on public highways, vehicles which run only on rails or tracks, and tractors, trailers and traction engines of all kinds used exclusively for agricultural purposes.

- c. *Third Party* – is any person other than a passenger and shall also exclude a member of the household, or a member of the family within the second degree of consanguinity or affinity, of a motor vehicle owner or land transportation operator, or his employee in respect of death or bodily injury, arising out of and in the course of employment.

SEC. 3. *Prohibitive Act* - It shall be unlawful for any land transportation operator or owner of a motor vehicle to operate the same in the public highways unless there is in force in relation thereto a policy of insurance issued to indemnify the death, bodily injury, and/or damage to property of a third-party or passenger, as the case may be, arising from the use thereof.

SEC. 4. *Rules and Regulations*. - The Department of Transportation and Communication (DOTC) shall issue the necessary rules and regulations to effectively implement the provisions of this Act within sixty (60) days from the effectivity of this Act.

SEC. 5. *Separability Clause*. - If for any reason any section or provision of this Act is declared unconstitutional, the other sections or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 6. *Repealing Clause*. - All laws, decrees, ordinances, rules and regulations, executive or administrative orders, and such other presidential issuances as are inconsistent with any of the provisions of this Act are hereby repealed, amended or otherwise modified accordingly.

SEC. 7. *Effectivity Clause*. - This Act shall take effect fifteen (15) days following its publication in at least two (2) newspapers of general circulation.

Approved,