



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



Thirteenth Congress  
Second Regular Session

House Bill No. 4644

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**Introduced by Honorable Roger G. Mercado**

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### **EXPLANATORY NOTE**

This bill seeks to require all holders of professional driver's license and owners of private and public utility vehicles to obtain personal accident and liability insurance as prerequisite for renewal of drivers license and car registration.

Accidents happen in a wink of an eye despite safety precautions being undertaken by concerned agencies. Considering the many factors like bad weather, heavy traffic, drunk driving, overloading and lack of safety measures in highways that drivers and owners of private and public utility vehicles encounter in their day to day activities, additional measures should be made to answer for urgent needs of persons involved in vehicular mishaps.

This mandatory personal accident insurance will not only favor the insured themselves but this will also serve as an assurance to families and beneficiaries of drivers and their passengers that they will have sufficient amount of money to pay for expenses in case of accidents.

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

A handwritten signature in black ink, appearing to read 'R. Mercado', with a large, stylized initial 'R' and a long, sweeping horizontal line extending to the right.

**ROGER G. MERCADO.**



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**AN ACT**  
**REQUIRING ALL HOLDERS OF PROFESSIONAL DRIVER'S**  
**LICENSE AND OWNERS OF PRIVATE OR PUBLIC UTILITY**  
**VEHICLES TO OBTAIN PERSONAL ACCIDENT AND LIABILITY**  
**INSURANCE AS PREREQUISITE FOR RENEWAL OF DRIVERS**  
**LICENSE AND CAR REGISTRATION, AND PROVIDING**  
**PENALTIES FOR VIOLATION THEREOF.**

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

SECTION 1. All holders of Professional driver's license and owners  
of private or public utility vehicles shall be required to obtain personal

accident and liability insurance as prerequisite for drivers license and car registration renewal..

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

SEC. 3. The minimum insurance coverage shall be One Hundred Fifty Thousand pesos (P150,000.00) 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 fifty thousand pesos (P150,000.00), no insurance firm shall collect or charge premium exceeding the professional driver's license fees.

SEC. 4. In case of death of the holder of the professional driver's license caused by accident while driving, whether or not license holder 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 (10) 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.

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.