



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

Fifteenth Congress  
First Regular Session

HOUSE BILL NO. 1321

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**Introduced by Representative Rodante D. Marcoleta**

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**EXPLANATORY NOTE**

This bill seeks to increase from Five Thousand Pesos (P5,000.00) to Fifty Thousand Pesos (P50,000.00) the total indemnity claim for death or serious physical injury to any passenger or third party without the necessity of proving fault or negligence.

Section 378 of the Insurance Code of the Philippines provides that any claim for death or injury to any passenger or third party shall be paid without the necessity of proving fault or negligence of any kind, in so far as the indemnity in respect of any one person does not exceed Five Thousand Pesos (P5,000.00). However, the claim which shall be collected from the insurer of the vehicle where the claimant is riding, mounting or dismounting from, should be accompanied by some sworn proofs of loss such as police report, death certificate, medical report and hospitalization receipts.

Although the law provides victims of vehicular accidents or their heirs immediate compensation, the existing Five Thousand Pesos (P5,000.00) "no-fault" indemnity is insufficient to finance hospitalization and other expenses for the damage done. This meager amount has remained unchanged for a long time and has been considered grossly disproportionate to cope with the present socio-economic realities. Further, our present tort liability system for compensating victims of such accidents has been criticized as slow, expensive and unfair.

This bill intends to increase the "no-fault" indemnity claim from Five Thousand Pesos (P5,000.00) to Fifty Thousand Pesos (P50,000.00) to provide ample protection to victims of vehicular accidents sustaining serious physical injuries or death, or their heirs, pending final determination of who

is responsible for the accident and liable for the victim's injuries or death. People from all walks of life, especially the poor, who could not afford to hire the services of a lawyer to protect their rights in court, shall primarily benefit from this proposed measure.

This bill also addresses the dilemma of victims who shall be hospitalized and shall suffer frustration and mental anguish because the insurance company either delays payment or refuses to pay the hospital bills for the injuries sustained.

In view of the foregoing, approval of this bill is urgently recommended.



**RODANTE D. MARCOLETA**



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**AN ACT**  
**INCREASING THE TOTAL INDEMNITY CLAIM FOR DEATH OR**  
**SERIOUS PHYSICAL INJURY TO ANY PASSENGER OR THIRD**  
**PARTY WITHOUT THE NECESSITY OF PROVING FAULT OR**  
**NEGLIGENCE, AMENDING FOR THE PURPOSE SECTION 378 OF**  
**THE INSURANCE CODE OF THE PHILIPPINES**

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

SECTION 1. Section 378 of Presidential Decree No. 1460, otherwise known as the "Insurance Code of 1978" is hereby amended to read as follows.

"Sec. 378. Any claim for death or serious physical injury to any passenger or third party pursuant to the provisions of this Chapter shall be paid without the necessity of proving fault or negligence of any kind; *Provided*, That for purposes of this section –

(i) The total indemnity in respect of any one person shall not exceed [five] FIFTY thousand pesos;"

x

x

x

SEC. 2. Payment claims for physical injuries which are not serious, as defined under the Revised Penal Code, of any passenger or third party pursuant to the provisions of this Chapter without the necessity of proving fault or negligence of any kind shall be maintained at Five Thousand Pesos (Php 5,000.00).

SEC. 3. This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,