



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

Fifteenth Congress
First Regular Session

HOUSE BILL NO. 4926

Introduced by **Honorable Roger G. Mercado**

EXPLANATORY NOTE

Carnappers lately are adopting a scheme whereby totally wrecked cars bought from insurance companies or similar sources are being used to camouflage carnapped vehicles thru the legitimate car registration of destroyed vehicles. Under this scheme, car thieves will snatch cars similar in make and model of totally wrecked vehicles and make it appear that the carnapped vehicles is the one that appears in its registration details. This scheme is giving the authorities a hard time apprehending stolen vehicles due to the fact that the legitimate registration of totally wrecked cars covers up the spurious registration of stolen vehicles.

To avoid this scheme from being perpetrated by car thieves, this bill seeks to cancel the registration of totally wrecked vehicles that are covered by an insurance policy. To protect the interest of vehicle owners not covered by an insurance policy, this bill does not cover totally wrecked cars which are not covered by an insurance policy.

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

A handwritten signature in dark ink, appearing to read "Roger G. Mercado", is positioned above the printed name.

ROGER GAVIOLA MERCADO



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AN ACT
MANDATING THE CANCELLATION OF REGISTRATION OF TOTALLY
WRECKED MOTOR VEHICLES COVERED BY AN INSURANCE POLICY

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

SECTION 1. *Cancellation.* It is hereby mandated that the registration of totally wrecked vehicles that are covered by an insurance policy for its replacement in case of damage or thief shall be cancelled by the Land Transportation Office or the agency tasked for its registration.

SECTION 2. *Reporting.* For purposes of implementing this Act, the insurance company that issues the insurance policy of the totally wrecked vehicle whose registration is due for cancellation shall have the duty to report to the Land Transportation Office the "totally wrecked" status of the aforementioned vehicle.

The reportorial requirements stated in Act shall not hinder the insurance companies in compensating the owners of totally wrecked vehicles of what is due in accordance with the insurance policy corresponding thereto.

SECTION 3. *Penal Clause.* Any person, natural or juridical, who will violate the provisions of this Act shall be fined an amount not less than two hundred thousand pesos (P200,000).

SECTION 4. *Repealing Clause.* Any provision of laws or regulation which is inconsistent with the provisions of this Act is hereby being repealed or amended accordingly.

SECTION 5. *Effectivity.* This Act shall take effect fifteen days after its approval and publication in a newspaper of general circulation.

Approved.