

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

FIFTEENTH CONGRESS
Second Regular Session

House Bill No. **5332**



Introduced by **Honorable Carmelo F. Lazatin**

EXPLANATORY NOTE

A COMPREHENSIVE insurance is the best assurance that a car owner could get against any kind of road accidents, with its full coverage on both the vehicle and the passengers.

Sadly, car owners with comprehensive insurance need to cope up extra money whenever they are involved in an accident because of the required participation fee stipulated under the coverage.

Participation fee is the share of the owner of the insured vehicle in the cost and repair or replacement of the parts of the damaged vehicle to be computed based on the rate of depreciation and age of vehicle.

This practice should be stopped especially if the damage sustained to the vehicle covered by a comprehensive insurance was caused by another motor vehicle. It is unjust to collect participation fee from a car owner who has no responsibility for the accident.

Moreover, comprehensive insurance should live up to its meaning and should provide the full coverage that it promises car owners and not the hassle that goes with the participation fee that they are charging.

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


CARMELO LAZATIN
First District, Pampanga

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**AN ACT PROHIBITING THE COLLECTION OF PARTICIPATION FEE
IN COMPREHENSIVE INSURANCE COVERAGE**

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

Sec. 1. Title: Section 378 of Presidential Decree 612 is amended to read as follows:

Sec. 378. Any claim for death or 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) xxx xxx xxx

(ii) xxx xxx xxx

(iii) xxx xxx xxx

OWNER OF THE DAMAGED VEHICLE WITH COMPREHENSIVE INSURANCE WILL NOT BE REQUIRED TO PAY ANY PARTICIPATION FEE FOR THE COST OF REPAIR OR THE REPLACEMENT OF PARTS THEREOF.

ANY CLAIM FOR DAMAGE SUSTAINED BY A MOTOR VEHICLE COVERED BY COMPREHENSIVE INSURANCE SHOULD BE CHARGED AGAINST THE INSURER WITHOUT PREJUDICE TO THE RIGHT OF THE PARTY PAYING THE CLAIM TO RECOVER AGAINST THE OWNER OR INSURER OF THE MOTOR VEHICLE RESPONSIBLE FOR THE ACCIDENT.

Sec. 2. Effectivity Clause. — This Act shall take effect upon its publication in at least two (2) newspapers of general circulation.

Approved,