

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



SIXTEENTH CONGRESS
First Regular Session

House Bill No. 4303

Introduced by: REPRESENTATIVE ERIC L. OLIVAREZ

EXPLANATORY NOTE

More and more people have been availing of monthly plans for their high end mobile phones and gadgets in which whether they have the phone in their possession or not, they are still liable for 24 months line rental. Hence, getting one's phone stolen, broken, destroyed or otherwise lost can be such a hassle and can cause unnecessary expenditures on the part of the user.

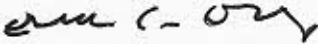
Insuring one's phone is a simple way to protect oneself against the expense and inconvenience of having to replace his or her mobile phone. A lot of countries have already required their respective carriers to offer mobile phone insurance to their customers or clientele. In our country however, little is known and heard of this kind of insurance and the benefit of which is not being emphasized enough to help mobile phone users make a well-informed decision regarding the same.

Mobile phone insurance may seem trivial at first, but considering the prevalence of snatching, robbery and theft in our country, especially in Metro Manila where almost all people own mobile phones and majority of such owner have high end models thereof, surely mobile phone insurance can be a good cost-saving solution for the public.

Records show that the National Telecommunications Commission received a total of 813 actual cases of missing cellular phones from January to November 2009. In the same year, Metro Manila registered the highest number of cases at 785. The commission said the total figure was 10 percent higher compared to the previous year. The figures do not even include yet unreported incidents of cell phone losses.

The said statistics have been constantly increasing as they years went by, reaching more than 1,500 cases of missing phones for the year 2013, with Metro Manila still being the area with the highest number of cases considering its population and the lifestyle pattern of these people.

Considering these numbers, it is quite obvious that mobile phone insurance is indeed a good mechanism to somehow alleviate the costs that the consumers or end-users must bear when they lose their electronic gadgets i.e. mobile phones and tablets.


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AN ACT MANDATING MOBILE PHONE NETWORK SERVICE PROVIDERS TO OFFER INSURANCE FOR MOBILE PHONES

SECTION 1. *Short Title.* This Act shall be known as "The Mobile Phone Insurance Act".

SECTION 2. *Coverage.* This Act shall cover the mechanical breakdown, loss and theft (including snatching, robbery and any other act of unlawful taking) of all kinds of mobile phones including tablets, ipads, and any other device capable of making and receiving calls and text messages.

SECTION 3. *Mobile Phone Insurance Must be Offered.* A person who purchases a mobile device from any carrier must be informed and offered of the mobile phone insurance policy.

SECTION 4. *Availment of Insurance Option.* Once the mobile phone buyer agreed to purchase or avail of the insurance option, his or her credit card details may then be included within the insurance scheme, if the mobile phone purchasers so desire, for purposes of automatic payment of the insurance policy. An insurance policy shall be filled up by the said buyer and the carrier company shall process the said policy and keep a record of the same.

SECTION 5. *Option to pay the Insurance Premium on installments.*

The mobile phone buyer may opt to pay the insurance premium on monthly installments in which case the cost for the insurance premium shall be included in the said installments of the mobile phone's purchase price.

SECTION 6. *Commencement of Insurance.* Provided the mobile phone buyer has agreed to purchase the insurance option, his or her mobile device is covered from the day of purchase of the said insurance policy. Cover continues on a monthly rolling basis, with the first month being free, subject to the buyer's having paid the monthly premium.

SECTION 7. *Insurance of Pre-existing Mobile Phone owners.* People who already own mobile phones, whether with prepaid or postpaid simcards may avail of the same insurance policy under this Act by going to their respective carrier company and purchasing the policy. Insurance commences from the day of purchase of the said insurance policy, subject to the carrier's inspection, assessment or adjustment of the condition of the mobile phone of the said person.

SECTION 8. *Levels of Coverage.* The carrier company, offering insurance on its own or through a tie up with an independent insurance corporation, may devise a scheme or plan regarding the levels of coverage of the mobile phone insurance as they may deem reasonable, marketable and use the same as a leverage against other competing carriers, provided the said scheme or set-up is within the limitation or regulation prescribed by the National Telecommunications Commission in coordination with the Insurance Commission.

SECTION 9. *Repair or Replacement.* Once the insurance claim of the mobile phone owner has been approved and granted, the carrier company shall offer repair or replacement of the mobile phone depending on the circumstances of each case as provided for by Section 2 of this Act.

SECTION 10. *Implementing Rules and Regulations.* The National Telecommunications Commission (NTC) in coordination with the Insurance Commission shall promulgate the Implementing Rules and Regulations to carry out the provisions of this Act. Such rules and regulations shall take effect upon their publication in three (3) newspapers of general circulation.

SECTION 11. *Repealing Clause.* – All laws, presidential decrees, letters of instructions, executive orders, rules and regulations insofar as they are inconsistent with this Act, are hereby repealed or amended as the case may be.

SECTION 12. *Separability Clause.* – In the event that any provision of this Act or any portion thereof is declared unconstitutional by a competent court, the other provisions shall not be affected thereby and shall remain valid and enforceable.

SECTION 13. *Effectivity Clause.* – This Act shall take effect after its complete publication in at least three (3) newspapers of general circulation.

APPROVED.