



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

Seventeenth Congress
First Regular Session

HOUSE BILL NO. 90

HOUSE OF REPRESENTATIVES

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Introduced by: **Congresswoman Julieta R. Cortuna,**
Representatives, **A TEACHER** Party-list

EXPLANATORY NOTE

December 30, 2000. 22 people were killed and hundreds more were injured when a car of the Light Rail Transit exploded. It was just a part of the series of explosion plotted by some terrorist groups, the Jemaah Islamiyah and the MILF. This is the Rizal Day Bombings. And this incident is truly a memorable event that deserves reckoning in Philippine history.

September of 2009. One of the locomotives of Philippine National Railways (PNR) train got derailed from its tracks while on its way to Naga City, Camarines Sur. Authorities say that it was a "minor" derailment and that the engine stopped before it went overboard due to loose wooden ties. Fortunately, no one got hurt.

And just recently, a security guard who accidentally fired his service firearm had injured seven people, most of whom were just passing by the LRT-EDSA station in Pasay City. The LRT authorities promised to extend medical assistance to the injured. The security guard now faces charges of reckless imprudence resulting to multiple physical injuries.

These are just few of the numerous accidents that happened.

Accidents are inevitable, unexpected and undesirable; such occurrences deserve our close scrutiny and serious consideration. A great percentage of our people rely on public transportation. According to the National Statistics Coordination Board, transportation "plays a vital role in the development of a country's economy. (The public) need it to go to work and goods and services will not be able to reach consumers unless they pass through channels of transportation, be it by land, water or air. It contributes to employment generation and it has a crucial role in tourism, since it links people travelling to different destinations." The contribution of the riding public to the gross average income of our country is undeniably quite substantial.

With this huge figure of public transportation users that continue to rise because of the unceasing ascent of prices in diesel and gasoline, it is appropriate that the commuters, by way of assistance and protection when fortuitous events do occur while they are inside the premises of a particular public transport.

This Bill aims to give focus to the security of the commuters who use the Philippine National Railways, the Metro Rail Transit (Metrostar/MRT3), Light Rail Transit (LRT1) and the Megatren (LRT2). The public railway transportation moves myriads of people. The railway systems of the Philippines alone transport approximately 346 million people (National Statistics Coordination Board, as of 2007). In 2007, the government revenues grossed to about 4.6 Billion Pesos (NSCB, 2007). Imagine how many commuters use the public railways as of 2010 and how much the government earned from then on.

In this regard, it is just apt and fitting for the government to give the public railway users the insurance that they deserve.

Insurance is a means of guaranteeing protection of safety. It is a promise to pay you or your beneficiaries in the event of loss. A person purchases insurance primarily because life has risks. Risks and accidents are things that we cannot gauge and presume. We cannot conclude and say that it is safer to use the public trains than the private vehicles, or vice versa. The numbers and statistics are not the sole speakers of this contention because as mentioned at the beginning of this piece, trains are never devoid of accidents and risks. Accidents do not choose which one is the better target.

It is not enough that the government promises to shoulder the expenses of the unfortunate victims of accidents inside train/railway premises. It is better to make the public to feel secure knowing that they are insured in case something happens to them. And this insurance should be mandated. This insurance system should become a right and not a privilege. Everyone deserves protection, and this policy on giving insurance, if directed properly, would bring forth hope to the good public that the government really cares for.



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**AN ACT REQUIRING ACCIDENT AND LIFE INSURANCE COVERAGE FOR
RAILWAY TRANSIT PASSENGERS**

SECTION 1. Short Title – This Act shall be known as the “Insurance for Railway Passengers Act”

SECTION 2. Definition of Terms – For purposes of this Act, the term:

“Passenger” shall mean any person who has paid a fare to be transported from one place to another using any public railway transportation;

“Railway Transit System” shall mean any transportation system designed to allow passenger travel within or throughout rural and/or urban area, usually employing surface, elevated, or underground railway systems or some combination of these. Railway transit systems are generally considered to be mass transit systems, capable of moving large numbers of passengers in a single train;

“Licensed Private Insurance Company” shall mean any insurance company duly registered under the Philippine laws and under the Securities and Exchange Commission and doing business in the Philippines;

“Fortuitous Event” shall mean an event of natural or human origin that could not have been reasonably foreseen or expected and is out of the control of the persons concerned;

“Force Majeure” shall mean an event that is a result of the elements of nature, as opposed to one caused by human behavior;

“Beneficiaries” are the spouse until he or she remarries and the legitimate, legitimated or legally adopted and illegitimate children, who shall be the primary beneficiaries of the member. Provided, that the illegitimate children shall be entitled to fifty percent (50%) of the share of the legitimate, legitimated or legally adopted children: Provided, further, that in the absence of the legitimate, legitimated children of the member, his/her dependent illegitimate children shall be entitled to one hundred percent (100%) of the benefits. In their absence, the parents who shall be the secondary beneficiaries of the member. In the absence of all the foregoing, any other person designated by the member as his/her secondary beneficiary;

“DOTC” is the Department of Transportation and Communication;

“BIR” is the Bureau of Internal Revenue.

SECTION 3. Commencement and Termination of Coverage – The insurable interest, pursuant to Chapter 1 Title 3 of Presidential Decree No. 612, otherwise known as the Insurance Code of the Philippines, shall commence from the time the passenger has procured the ticket with the intent to board the train, and shall end at the time such passenger shall have alighted the train and leaves the station up to 10 meter radius of the premises.

SECTION 4. Liability / Non-Liability of the Insurance Company –

4.1 Accident and life insurance shall cover death and physical injuries suffered by the passenger, to wit:

- a. Malicious and/or negligent acts of another person including but not limited to, the railway officers, employees, passengers, and other persons not considered passenger or employee of the railway transit;
- b. By defective trains, cars, construction, articles, parts or amenities of the railway transit;
- c. Fortuitous events;
- d. Force majeure.

4.2 When the insurance company is not liable:

No proceeds from the insurance company shall be payable if the passenger dies or suffers injury due to:

- a. Suicide or attempted suicide by him;
- b. Self-inflicted injury;
- c. His own criminal act;
- d. Any act committed by him in a state of intoxication or insanity;
- e. Any natural cause or disease or medical or surgical treatment unless such treatment becomes necessary due to injury caused by the said untoward incident.

SECTION 5. Administration of the Insurance Policy – shall be by a licensed private insurance company duly organized under Philippine laws and awarded by the DOTC upon public bidding duly called for such purpose.

SECTION 6. Payment of Premium – The insurance premium shall be paid by the railway company. Such payment will come from their gross income and it shall be considered as a tax credit in favor of the railway company’s corporate income tax liabilities for the following fiscal year.

SECTION 7. Benefits – Notwithstanding any benefits provided by any institution to the insured, the insured shall be entitled to the following benefits:

Death Benefits – The amount of TWO HUNDRED THOUSAND PESOS (P200,000) shall be awarded to the beneficiaries in case the passenger victim died.

Hospitalization Benefits – An amount not exceeding ONE THOUSAND FIVE HUNDRED PESOS (P1,500) per day of hospitalization bills and other medical expenses shall be awarded to the insured or the beneficiaries. Provided however that the total amount shall not exceed ONE HUNDRED FIFTY THOUSAND (P150,000). Provided further that if the passenger died and the cause of the death is the incident and have been receiving hospitalization benefits, his/her beneficiaries shall be entitled to receive TWO HUNDRED THOUSAND PESOS (P200,000) death benefit.

SECTION 8. Implementing Rules and Regulations – Within sixty (60) days from the approval of this Act, the DOTC and the BIR, in coordination with other government agencies concerned, shall issue the rules and regulations to effectively implement the provisions of this Act. Any violation of this section shall render the concerned official(s) liable under Republic Act No. 6713, otherwise known as the “Code of Conduct and Ethical Standards for Public Officials and Employees” and other existing administrative and/or criminal laws.

SECTION 9. Repealing Clause – All laws, rules and regulations that may be inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SECTION 10. Separability Clause – If any of the sections or provisions of this Act is adjudged invalid, all its other provisions not affected thereby shall remain in force.

SECTION 11. Effectivity – This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in at least two (2) newspapers of general circulation, whichever comes earlier.

Approved.