

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SEVENTEENTH CONGRESS
Second Regular Session



HOUSE BILL NO. 6680

Introduced by Hon. HARLIN NEIL J. ABAYON, III

EXPLANATORY NOTE

The many incidents resulting to injuries and deaths along our country's light rails and railways highlight the need for the provision of insurance coverage meant to make sure all victims are properly compensated and the government is also protected as to liability costs.

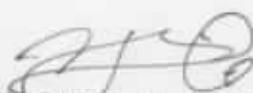
The Department of Transportation (DOTr) cannot keep on drawing money from its discretionary funds to pay for hospitalization and recovery expenses of victims. Considering how frequent the accidents and failure incidents are happening, that would be unwise management of public funds. Insurance is the appropriate long-term solution.

While DOTr is still working out their solutions to MRT, PNR, and LRT woes, the viable way to respond to passenger injuries and deaths should include insurance solutions. No man-made system can ever be perfect or 100 percent efficient. There will be incidents and accidents (two different things) and that is why there must be insurance.

There are different ways to go about this. One way is via microinsurance on a per passenger per trip basis. Another way is for the different rail firms to get insurance covering their entire networks. Yet another approach is for the rail firms to require their maintenance and operations service providers to get the insurance coverage.

Bottom line is the cost to the riding public and the government must be reasonably minimal or hardly felt. Higher fare rates must not be the result of the insurance coverage for these incidents.

Swift passage of this bill is earnestly sought.



HARLIN NEIL J. ABAYON III
Representative, AANGAT TAYO Party-list

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AN ACT
REQUIRING ALL OPERATORS, FRANCHISE HOLDERS, AND
SERVICE PROVIDERS OF MASS TRANSPORT PASSENGER TRAINS
AND LIGHT RAIL SERVICES TO ACQUIRE COMPREHENSIVE THIRD-
PARTY LIABILITY INSURANCE COVERAGE
FOR THE WELFARE OF THE RIDING PUBLIC

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

Section 1. **Short Title.** - This Act shall be known as the "*Comprehensive Third-Party Liability Insurance for Rail and Light Rail Mass Transport Act*".

Section 2. **Third Party Liability Insurance Coverage.** All operators, franchise holders, and service providers of mass transport passenger trains and light rail, whether public or private-owned or managed, are hereby required to have comprehensive third-party liability insurance (CTPLI) for the protection and welfare of the riding public.

Section 3. **Implementing Rules and Regulations.** The Insurance Commission, Government Service Insurance System, Social Security System, Bangko Sentral ng Pilipinas, and Department of Transportation shall jointly formulate and promulgate, in consultation with the insurance industry, the implementing rules, regulations, and insurance mechanisms to implement this Act.

The insurance mechanisms may involve one or a combination of different insurance solutions: (1) microinsurance per passenger per trip; (2) insurance for entire or components of rail networks; (3) insurance coverage borne by service

providers; and (4) insurance that includes coverage for calamities and other fortuitous events.

Section 4. **Separability.** - If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected shall continue to be in full force and effect.

Section 5. **Repealing Clause.** - All laws, executive orders, and administrative orders or parts thereof inconsistent with any provision of this Act are hereby repealed or amended accordingly.

Section 6. **Effectivity Clause.** - This Act shall take effect fifteen (15) days after its publication in the online version of the *Official Gazette* or in two (2) newspapers of general circulation or with established internet website presence.

Approved.