

[MIA MEMORANDUM CIRCULAR NO. 40, August 21, 1987]

COMPULSORY PASSENGER INSURANCE COVERAGE

Please be informed that in its meeting on 21 August 1987, the Board approved the following set of guidelines governing the implementation of a compulsory insurance requirement for interisland passenger shipping operation, as follows:

1. *General Rule* — No Certificate of Public Convenience (CPC) shall be issued nor renewed unless and until a satisfactory passenger insurance coverage is submitted to the Maritime Industry Authority (MARINA); Provided, however, that those operators which have valid and existing CPCs are hereby given two (2) months from date of effectivity hereof within which to submit a satisfactory passenger insurance coverage, failing which their franchise shall, after due notice and hearing, be suspended or cancelled.

2. *Exception* — Those operators who, through no fault of their own cannot secure a satisfactory insurance cover shall have the option of posting with MARINA a satisfactory cash deposit or surety bond or any other form of security in accordance with separate guidelines to be issued governing the same. This option can only be availed of, however, upon proof presented to MARINA that no insurance company is willing to take risk at reasonable premium rate.

3. *Satisfactory Passenger Insurance* — Passenger Insurance cover is deemed satisfactory if it meets the following basic/minimum requirements:

a. **Issuing company** — The policy is one issued by an insurance company or pool/group of insurance companies authorized to do business as such by the Insurance Commission and accredited by the MARINA.

b. **Minimum amount of cover/aggregate limit of liability** —

1. per passenger — P20,000^[*] minimum

2. aggregate limit of liability — the maximum allowable passenger capacity of the carrying vessel or the passenger manifest, whichever is lower.

c. **Period of Cover** — The insurance should attach from the time the passenger sets foot on the boarding gangway or ladder leading to the deck, continues during the entire course of the voyage covered by the passenger ticket or coupon until

the passenger shall have left the disembarking gangway or ladder at the port of destination.

It is understood that the insurance shall continue during the time the vessel calls on designated or intermediate ports provided the passenger stays on board. Should any passenger in transit disembark at such designated or Intermediate port not his destination, the insurance shall be deemed suspended as of the moment the passenger leaves the ladder or disembarking gangway and shall remain suspended whilst on land. The cover for such passenger is restored as of the moment he sets foot on the gangway or ladder to board the vessel.

If the passenger continues to stay on board the vessel beyond the port of destination designated in his passenger ticket or coupon without leave from the vessel authorities, then the insurance shall cease, insofar as such passenger is concerned, as at the moment the vessel's anchor is to commence the voyage beyond the passengers destination.

In addition, if the vessel, whilst at sea, sinks or has to be abandoned because of fire, stranding, agrounding, or capsizing or other perils at sea, the insurance shall remain in full force until the passengers reach or are safely brought to the nearest port of refuge or safety.

d. **Risks insurance against** — Death or bodily injury due to accidental causes, occurring during the period of cover as defined in paragraph c hereof. "Death" shall cover burial and funeral expenses while "bodily injury" shall cover permanent disability and medical/hospitalization expenses in accordance with the Schedule of Indemnities set forth below:

e. **Schedule of indemnities**

<i>Description of Disablement</i>	<i>Percentage on the amount of Coverage</i>
Loss of two limbs Loss of both hands, or all fingers and both thumbs Total loss of sight of both eyes Total paralysis Loss of both feet Injuries resulting in being permanently bedridden	100% 70%
Any other injury causing permanent total disablement	50% 50%