

**[ LTFRB MEMORANDUM CIRCULAR NO. 2005-030,  
September 14, 2005 ]**

**AMENDMENT OF MC NO. 2004-004**

**A. BACKGROUND:**

Due to the cancellation of the accreditation of Special Alliance Management, Inc. (SAMI) under Board Resolution No. 4, dated May 4, 2005, the Board ordered the Insurance Monitoring and Review Committee (IMRC) to conduct an accreditation process for a new Management Group, Lead Insurance and Insurance Consortia to undertake the passenger personal insurance for public land transport services in order to ensure the objectives of the Passenger Personal Accident Insurance Program (PPAIP) in the establishment of a "Two-Group, Odd-Even System"

On May 4, 2005, the accreditation of the second management group of the PPAIP was cancelled due to various violations of Memorandum Circular No. 2004-004.

The IMRC set policies and guidelines for the accreditation process, and thereafter published in a newspaper of general circulation the invitation to bid for the accreditation of the second management group, which was participated by six (6) proponents.

On the scheduled date for the submission of the sealed proposals, which was set on July 4, 2005, the IMRC received only two (2) proposals among the six (6) proponents.

Based on the criteria and point system adopted, the IMRC came up with a report dated July 8, 2005, wherein it unanimously agreed and recommended to the Board, that the proposal submitted by UNIVERSAL TRANSPORT ACCIDENT SOLUTIONS, INC. (UNITRANS) is the most beneficial and advantageous proposal for the PPAIP. Thus, Board Resolution No. 6, dated September 12, 2005, Re: ACCREDITATION OF NEW MANAGEMENT GROUP, was issued, approving the recommendation of the IMRC, and accrediting UNITRANS as the new management group that will form part of the "Two Management Group: Odd- Even System" together with PASSENGER ACCIDENT MANAGERS, INC. (PAMI).

The Board on one hand, the Commissioner of the Insurance Commission (IC) and the accredited management groups on the other, all agreed to implement the following:

- 1) Philippine Accident Managers, Inc. (PAMI) and Universal Transport Accident Solutions, Inc. (UNITRANS) are the two (2) Insurance Management Groups accredited by the Board, subject to accreditation/registration/license by the Insurance Commission (IC), as provided under Section 299 of the Insurance Code of the Philippines.

2) The Insurance Commission shall invite all insurance companies to participate in the PPAIP and shall be responsible in determining the actual composition and equal distribution of the insurance companies joining the said two management groups, including establishment of guidelines in determining duties, responsibilities, obligations and appropriate risk-premium sharing schemes, in addition to that prescribed by the Board.

3) LTFRB shall maintain its function in terms of monitoring and evaluation of the management groups. A multilateral Memorandum of Agreement (MOA) shall be signed among LTFRB, IC and the two management groups (PAMI and UNITRANS) including its lead companies. Said MOA shall be the basis for monitoring and evaluation.

4) Insurance companies and management groups shall not file any case, be it civil, criminal, administrative or otherwise, against LTFRB or any of its officials and personnel relative to PPAIP.

## IMPLEMENTING GUIDELINES

### 1. "Two Management Group: Odd-Even System"

The LTFRB revitalized Passenger Personal Accident Insurance Program (PPAIP) shall adopt the "Two Management Group: Odd-Even System" composed of the

PASSENGER ACCIDENT MANAGERS, INC. (PAMI) led by UCPB General Insurance Co. Inc. and the UNIVERSAL TRANSPORT ACCIDENT SOLUTIONS, INC. (UNITRANS) led by Stronghold Insurance Co., Inc.. However, each management group has the option to rotate its lead company within a minimum period of six (6) months and a maximum of one (1) year with 15 days prior notice given to the Board before its effectivity and shall be subject to Board approval.

The middle number of the LTO issued plate numbers shall determine the odd-even scheme assignment. The LTFRB confirmation MUST be secured PRIOR to LTO registration. The details are as follows:

- a) All covered PUV(s) with LTO license plates having EVEN Middle Numbers shall be assigned to UNITRANS.
- b) All covered PUV(s) with LTO license plates having ODD Middle Numbers shall be assigned to PAMI.
- c) The Odd-Even Scheme may be interchanged in the middle of the contract term, first year being from 16 September 2005 to 15 September 2006, second year being 16 September 2006 to 15 September 2007, and the third year being 16 September 2007 to 15 September 2008, fourth year being 16 September 2008 to 15 September 2009, and the fifth year being 16 September 2009 to 15

September 2010, subject to the evaluation and approval of the Board in order to ensure equitable and fair distribution of clients.

2. All public utility vehicles, such as those listed below, are hereby required to secure an "All Risk-No Fault" passenger personal accident insurance with the following covered benefits:

#### 2.1 Death Benefits.

	No. of Persons Benefits (incl. Driver)	Death
Buses/Mini Buses	all (actual cap. not to exceed 56)	P 3,360,000.00
Jitneys	all (actual cap. no to Exceed 15)	900,000.00
AUV's /Vans	all (9)	540,000.00
Sedan	all (5)	300,000.00
Trucks for Hire	all (3)	180,000.00

#### 2.2 Medical Benefits

	No. of Persons Benefits (incl. Driver)	Death
Buses/Mini Buses	all (actual cap. not to exceed 56)	P700,000.00
Jitneys	all (actual cap. no to Exceed 15)	187,000.00
AUV's /Vans	all (9)	112,500.00
Sedan	all (5)	62,500.00
Trucks for Hire	all (3)	37,000.00

Automatic Medical Benefits for injuries shall be P500.00 without Official Receipt.

2.3 Benefits and Remuneration. The insurance remuneration for each covered passenger is as follows:

<i>Benefits</i>	<i>Maximum Amount per Passenger</i>
a. Accidental Death	P 60,000.00
b. Loss of two or more limbs	P 60,000.00
c. Total of irrecoverable loss of sight in both eyes	P 60,000.00
d. Loss of both hands or above fingers and both thumbs	P 30,300.00
e. Dismemberment in one limb	P 30,000.00
f. Total and irrecoverable loss of sight in one eye	P 30,000.00
g. Loss of arm, at or above elbow	42,000.00
h. Loss of arm between elbow and wrist	30,000.00
i. Loss of hand	25,500.00
j. Loss of 4 fingers	25,500.00
k. Loss of 1 thumb	18,000.00
l. Loss of index finger	9,000.00
m. Loss of middle finger	6,000.00