

[LTFRB MEMORANDUM CIRCULAR NUMBER 2011-013, December 07, 2011]

GUIDELINES IMPLEMENTING THE NEW PERSONAL PASSENGER ACCIDENT INSURANCE PROGRAM (PPAIP)

SUBJECT GUIDELINES IMPLEMENTING THE NEW PERSONAL PASSENGER
: ACCIDENT INSURANCE PROGRAM (PPAIP)

Section 5(k) of Commonwealth Act No. 146, as amended by Executive Order No. 202, grants the LTFRB the power "*to formulate, promulgate, administer, implement and enforce rules and regulations on land transportation public utilities, * * **" and consistent with the National Government's policy to ensure that public interest is upheld at all times, it has formulated rules and regulations for the provision of an efficient, proactive, prompt and timely insurance scheme for public transport commuters in times of distress and accidents, without prejudice to credible transport processes.

This mandate was strengthened by the Supreme Court in the case of "*Eastern Assurance and Surety Corp. (EASCO) vs. LTFRB, et al.*" (G.R. No. 149717), when it upheld the validity, legality and propriety of LTFRB MC No. 2001-010 relative to its authority to prescribe and require the "Passenger Personal Accident Insurance Program" (PPAIP) for PUV operations nationwide.

After conducting, the accreditation process, the Board entered into a Memorandum of Agreement (MOA) on November 17, 2011 with two insurance groups for a period of two (2) years. Hence, by virtue of said MOA, the Board hereby adopts the following guidelines for the implementation of the PPAIP:

1. Accredited Management Companies:

- PASSENGER ACCIDENT MANAGEMENT AND INSURANCE AGENCY, INC. (PAMI)
- SCCI MANAGEMENT AND INSURANCE AGENCY, CORPORATION (SCCI)

2. Accredited Lead Insurance Agencies:

- UCPB GENERAL INSURANCE COMPANY, INC. (FOR PAMI)
- ALLIEDBANKERS INSURANCE CORPORATION (FOR SCCI)

3. Approved Premiums and Benefits:

The premium for each type of vehicle, based on the recommendation of the Insurance Commission, shall be as follows:

VEHICLE TYPE	AMOUNT
Provincial Buses/Mini-Buses	Php 1,200.00
Metro City Buses/Mini-Buses	Php

	1,070.00
School Buses/Shuttle Buses	Php
	1,070.00
Jeepneys	Php
	841.00
AUVs Vans and other vehicles with similar Seating Capacity	Php
	918.00
Sedans	Php
	725.00
Trucks	Php
	419.00

The premium rates should be inclusive of all charges, and no additional charges shall be added without authority from the Insurance Commission.

The insurance remuneration for each covered passenger shall not be less than the following:

BENEFITS	AMOUNT PER PASSENGER
a. Death	Php 75,000.00
b. Loss of two or more limbs	Php 75,000.00
c. Total and irrecoverable loss of sight in both eyes	Php 75,000.00
d. Dismemberment of one limb	Php 30,000.00
e. Total and irrecoverable loss of sight in one eye	Php 30,000.00
f. Medical Treatment (without need of receipts)	Php 5,000.00
g. Max. Medical Treatment (receipts needed, except items a-e)	Php 15,000.00
h. Bail Bond	Php 25,000.00 (per policy)

4. The accredited insurance groups shall be **allowed to offer other premium options** providing additional benefits, subject to prior approval of the Insurance Commission and the Board. In case the accredited insurance groups offer other options, the premiums and benefits herein specified should still be made available to PUV Operators.
5. The LTFRB shall allow public utility operators to secure the Compulsory Third Party Liability (CTPL) from the PPAIP accredited insurance management companies on a "personal choice (voluntary) basis". To this effect, PUV Operators may likewise secure CTPL from other licensed insurance companies offering CTPL.
6. The accredited groups are hereby mandated to: