

BOARD RESOLUTION NO. 076 Series of 2018

(RE: PERSONAL PASSENGER ACCIDENT INSURANCE
PROGRAM INCREASE IN BENEFITS AND PREMIUM RATES)

WHEREAS, 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, standards of measurements and/or design , and rules and regulations requiring operators of any public land transportation service to equip, install and provide in their utilities and in their stations such as devices, equipment facilities and operating procedures and techniques as may promote safety, protection, comfort and convenience to persons and property in their charges as well as the safety of persons and property within their areas of operations."

WHEREAS, on February 28, 2001, the Board issued Memorandum Circular No. 2001-010 prescribing and requiring the "Passenger Accident Insurance Program "(PPAIP) for Public Utility Vehicles (PUVs) nationwide.

WHEREAS, Memorandum Circular 2014-002 dated January 23, 2014 was issued by the Board, Re: Guidelines for Implementing the 2013-2015 Enhanced Personal Passenger Accident Insurance Program (PPAIP) and For Other Purposes;

WHEREAS, 1-Utak has sent a letter to the Insurance Commissioner requesting to review and re-evaluate the current benefits under the 2016-2018 Enhanced Passenger Personal Accident Insurance Program, and proposed for the increased of benefits to make it responsive to the situation;

WHEREAS, consultations with the insurance providers, and the public as well has been conducted by the Insurance Commission, and it was the final consensus that the proposal for the increase in benefits be considered subject to the increase of basic premium rates;

WHEREAS, the Insurance Commission has evaluated the proposed increase in premium rates vis-à-vis proposed increase in benefits and found the same in order considering the historical number of losses settled and paid for the years 2015 to June 2017, and the same was forwarded by the Commission to the Board for the latter's consideration being the government agency tasked to implement the said program;

WHEREAS, upon instruction of the Board, the Chief of the Technical Division of the LTFRB submitted a Briefing Memorandum dated 09 January 2018 recommending to the Board the conduct of final review and consideration by the same of the agreed proposal on the increase in premium rates and discuss the same in a consultation meeting between the Board, PAMI and SSCI;

WHEREAS, the Department of Transportation (DOTr) issued Department Order No. 2018-020 (Re: Guidelines on Mandatory Insurance Policies for Motor Vehicles and Personal Passenger Accident Insurance for Public Utility Vehicles) signed by

Undersecretary Felipe A. Judan for Secretary Arthur P. Tugade, wherein the DOTr ordered that the determination, assessment and evaluation of the qualifications and requirements of insurance companies, joint ventures, or consortiums that are willing and capable to issue the Insurance Policies shall be under the sole and exclusive authority of the Insurance Commission (IC);

WHEREAS, the Board has carefully reviewed and evaluated the proposed increase in premium rates vis-à-vis proposed increase in benefits and likewise found the same in order, and shall redound to the benefit of the stakeholders and the public in general;

NOW THEREFORE, the Land Transportation Franchising and Regulatory Board adopts the following increase in benefits and premium rates under the PPAI Program subject to the following:

1. The new schedule of PPAI benefits are as follows:

I. BENEFITS

Benefits Per Passenger	New Coverage	Present Coverage
1. Accidental Death and Dismemberment		
a. Accidental Death	400,000.00	200,000.00
b. Permanent Total Disability	200,000.00	100,000.00
c. Loss of two (2) or more limbs	200,000.00	100,000.00
d. Total and irrevocable loss of sight in both eyes	200,000.00	100,000.00
e. Dismemberment in one limb	80,000.00	40,000.00
f. Total and irrevocable loss of sight in one eye	80,000.00	40,000.00
g. Medical treatment (without need of receipts)	-	5,000.00
h. Maximum medical treatment (receipts needed, except items a-e)	-	20,000.00
i. Loss of arm, at or above elbow	100,000.00	50,000.00
j. Loss of both hands or all fingers and both thumbs	150,000.00	75,000.00
k. Loss of arm between elbow and wrist	100,000.00	50,000.00
l. Loss of hand	80,000.00	40,000.00
m. Loss of four (4) fingers	60,000.00	30,000.00
n. Loss of one (1) thumb	40,000.00	20,000.00
o. Loss of index finger	30,000.00	15,000.00
p. Loss of middle finger	20,000.00	10,000.00
q. Loss of ring finger	12,000.00	6,000.00

r. Loss of little finger	12,000.00	6,000.00
s. Loss of metacarpals		4,000.00
1 st of 2 nd additional	6,000.00	3,000.00
3 rd , 4 th , and 5 th	6,000.00	3,000.00
t. Loss of leg above knee	90,000.00	45,000.00
u. Loss of leg below knee	80,000.00	40,000.00
v. Loss of one (1) foot	80,000.00	40,000.00
w. Loss of big toe	10,000.00	5,000.00
x. Loss of all toes in one foot	24,000.00	12,000.00
y. Loss of any toe other than the big toe	2,000.00	1,000.00
z. Loss of hearing for both ears	80,000.00	40,000.00
aa. Loss of hearing for one (1) ear	30,000.00	15,000.00
ab. Burial assistance for enrolled driver	15,000.00	15,000.00
ac. Burial assistance for enrolled conductor	15,000.00	15,000.00
ad. One time educational assistance for one child of deceased driver	10,000.00	10,000.00
ae. One time educational assistance for one child of deceased conductor	10,000.00	10,000.00
af. Casket for the driver	10,000.00	10,000.00
ag. Casket for the conductor	10,000.00	10,000.00
ah. Ambulance assistance	7,500.00	7,500.00
2. Bail bond	45,000.00	45,000.00
3. Legal Assistance Services	15,000.00	15,000.00
4. Medical Implant	20,000.00	20,000.00
Burial and Interment	Included in the Death Benefit	Included in the Death Benefit
Family allowance		
While in the hospital	30,000.00	30,000.00
During interment	7,000.00	7,000.00

2. The above benefits are subject to the following increase in basic premium rates as negotiated with the insurance providers:

SEGMENT	CURRENT BASIS PREMIUM	PROPOSED BASIC PREMIUM	% INCREASE
AUV	P1,369.85	P2,739.70	100%
BUS-Metro Mla.	P2,133.00	P4,799.25	125%
-Provincial	P2,524.50	P6,311.25	150%
JEEP	P1,320.93	P2,641.86	100%
SEDAN	P1,125.24	P2,250.48	100%
TRUCK	P709.39	P1,418.78	100%

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3. The IC shall determine and evaluate the qualifications of the identified insurance providers as mandated under D.O. No. 2018-020.
4. The insurance company shall not be liable to pay the benefits intended for the driver if he/she is under the influence of alcohol or prohibited drugs or substance;
5. The insurance company shall not be liable to pay the driver, conductor or passenger if the acts giving rise to claim is due to malicious intention or acts of such person/s.
6. This Board Resolution shall take effect immediately.

APPROVED AND SIGNED by the undersigned Chairman and Members of the Board, this 21st day of September 2018 at Quezon City, Philippines.

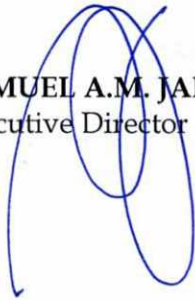
ON LEAVE

ATTY. MARTIN B. DELGRA III
Chairman


ENGR. RONALDO F. CORPUS
Board Member


ATTY. AILEEN LOURDES A. LIZADA
Board Member

Attested by:


ATTY. SAMUEL A.M. JARDIN
Executive Director