

**[ LTO MEMORANDUM CIRCULAR NO. VPT-2011-1631, February 08, 2012 ]**

**REVISED GUIDELINES ON THE HANDLING AND REGISTRATION OF MOTOR VEHICLES AND ITS COMPONENTS THAT HAVE BEEN PAID INSURANCE CLAIMS UNDER THE TOTAL LOSS CATEGORY**

These revised guidelines shall govern the handling and registration of motor vehicles and its component/s after the same shall have been reported by the Insurance Commission as having been paid their insurance claims under the total loss category of the motor vehicles insurance contract.

**I. DEFINITION OF TERMS**

**ACTUAL Total Loss** - that provision in the insurance contract that pertains to physical or material loss, or such that occurs when the motor vehicle is totally destroyed, or is rendered useless for its purpose.

**CONSTRUCTIVE Total Loss** - that provision in the insurance contract that pertains to commercial loss, or such loss to an extent that the property is beyond economical repair when the cost of restoring it exceeds its insured value.

**II. STATEMENT OF POLICY**

Only motor vehicles and/or its component/s against which insurance claims for CONSTRUCTIVE Total Loss were granted will be allowed registration.

**III. REPORT OF MOTOR VEHICLES THAT HAVE BEEN PAID INSURANCE CLAIMS UNDER THE TOTAL LOSS CATEGORY**

The Insurance Commission, shall submit a report to the LTO Law Enforcement Service (LES), on a monthly basis, of all motor vehicles that have been paid insurance claims under the Total Loss Category, containing the following:

- a. Photographs of the motor vehicle (front, rear, left side, right side)
- b. Motor Vehicle Number Plates;
- c. Original Certificate of Registration; and
- d. Latest Official Receipt of payment of registration fees.

#### **IV. ALARM**

The report from the Insurance Commission shall serve as the basis for the alarm in the IT system under Alarm Type "CTL-Constructive Total Loss".

In the meantime that the Alarm Type "CTL= Constructive Total Loss" is not yet available in the LTO IT System, the designated personnel of the LES shall encode under Alarm Tupe "CR=CRIME" the file, plate, engine, and chassis numbers of the motor vehicles described in the report, within two (2) hours from receipt thereof. A screenshot of the alarm details shall thereafter be forwarded to the Central Office Operations Division (CO OD) for retrieval of records from the district office that initially registered the motor vehicle.

#### **V. RETRIEVAL OF INITIAL REGISTRATION RECORDS**

Upon receipt of the screen shot, the CO OD shall require the district office that initially registered the motor vehicle to forward certified true copies of all records of registration of the said motor vehicle for evaluation by the said Division.

#### **VI. LIFTING OF ALARM**

The applicant shall secure Lifting of Alarm Form (LOA Form) from Operations Division and proceed to the District Office nearest to the Reginal Office and present the motor vehicle for inspection. For Regional Offices with Motor Vehicle Inspection Centers (MVIC), the motor vehicle shall be presented to the MVIC, except in the National Capital Region where inspection for this purpose shall be at the North Motor Vehicle Inspection Center (NMVIC).

The MV Inspector who cill conduct ocular inspection on the motor vehicle place under alarm due to CONstructive Total Loss shall counter - check the stencils of the engine and chassis indicated in the Motor Vehicle Inspection Report (MVIR) Form as against the actual stencil of the engine and chassis number of the motor vehicle. Further, he must properly accomplish the remarks portion of the Lifting of Alarm (LOA Form).

Documentary Requirements:

- a. Proof of ownership;
- b. Request for lifting of alarm;
- c. Printed screenshot of alarm details;
- d. Copy of the insurance commission report where the motor vehicle applying for lifting of alarm is included; and