

**[ LTFRB MEMORANDUM CIRCULAR NO. 99-011,  
June 22, 1999 ]**

**PASSENGER ACCIDENT INSURANCE REQUIREMENT FOR PUV  
OPERATORS**

Presidential Decree 1460, otherwise known as the Insurance Code of the Philippines, provided: "It shall be unlawful for any land transportation operator or owner of a motor vehicle to operate the same in the public highway unless there is a force in relation thereto a policy insurance or guaranty in cash or surety bond issued in accordance with the provisions of this chapter to indemnify the death or bodily injury of a third-party or passenger, as the case may be, arising from the use thereof." (Section 374, PD 1460)

Pursuant thereto, the LTFRB passed Memorandum Circular No. 90-002 dated January 22, 1990 requiring all Metro Manila PUB, PUJ and Taxi applications to have, as one of their supporting documents, a Passenger Insurance Coverage in the amount of P40,000.00 per passenger. (LTFRB Memorandum Circular No. 90-002 dated January 22, 1990)

A review of some of the existing insurance policies for public utility vehicles only cover third party liability. There is no coverage whatsoever for passengers who die or who are injured in an accident. If at all, in some motor vehicle insurance policies that carry passenger insurance coverage, the maximum liability of the insurer is quite small, i.e. P50,000.00 per accident. Said amount is insufficient to compensate families of passenger-victims.

LTFRB records would show that year in and year out numerous accidents occur where either injuries or death of passengers are involved. This happens not only in Metro Manila but also in the provinces.

In view of the foregoing, all public utility vehicles, such as those listed below, are hereby required to secure a passenger/ personal accident insurance with the following minimum coverage, to wit:

Type of Vehicle	Minimum Coverage Death Benefits	Per Accident Medical Benefits
Buses/Mini-Buses	P1,250,000.00	P312,500.00
Jeepneys	500,000.00	125,000.00
AUVs, Vans, FX and Other vehicles of similar Seating Capacity	250,000.00	62,500.00
Sedan	125,000.00	31,250.00
Trucks	75,000.00	18,750.00