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SENATE
S.B. No. 2905

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Introduced by Senator **JINGGOY EJERCITO ESTRADA**

EXPLANATORY NOTE

The Philippines consists of 7,107 islands and is surrounded by many of Southeast Asia's main water bodies namely the South China Sea, Philippine Sea, Sulu Sea, Celebes Sea and Luzon Strait.

Filipinos use the seas and waterways to travel between islands on everything from massive steel-hulled ferries to wooden dugouts with outriggers. Unfortunately, with a history of bad weather particularly during the typhoon season, lax maritime safety enforcement, aging boats and ferries, this heavy reliance on ferries for transportation has often met disaster. The most frequent causes of sea accidents are overloading and non-compliance by vessels with safety measures. Thousands of passengers have passed away because of sea accidents and the families of these victims have not recovered their claims from insurance companies. The odds are out for the victims of sea tragedies because policies seem to favor ship owners and insurance companies.

This bill seeks to implement a "no risk, no fault" insurance policy that would compel ship owners to pay the claims of all victims of sea tragedies whether they are listed in the manifest or not. This insurance will help lower costs by avoiding expensive litigation over the causes of accidents while providing quick payments for victims of sea tragedies. In view of the foregoing, approval of this bill is sought.

HON. JINGGOY EJERCITO ESTRADA
Senator



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AN ACT
AMENDING CHAPTER V, SECTION 14 OF REPUBLIC ACT NO. 9295, OTHERWISE
KNOWN AS "THE DOMESTIC SHIPPING DEVELOPMENT ACT OF 2004"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 14, Chapter V of Republic Act No. 9295, otherwise known as "The Domestic Shipping Development Act of 2004," shall be amended as follows:

" Section 14. Compulsory Insurance Coverage for Passenger and Cargo. - To meet its financial responsibility for any liability which a domestic ship operator may incur for any breach of the contract of carriage, every domestic ship operators shall be required to submit annually the following:

1. Adequate insurance coverage for each passenger in an amount to be computed in accordance with existing laws, rules and regulations, and the total amount of such coverage shall be equivalent to the total number of passenger accommodations being offered by the vessel, PROVIDED THAT SUCH INSURANCE COVERAGE SHALL INDICATE A

"NO RISK, NO FAULT" CLAUSE AND SHALL
COVER SHIP PASSENGERS WHETHER OR
NOT APPEARING IN THE SHIP'S MANIFEST;

x x x "

SEC. 2. Repealing Clause. - All laws, decrees, orders, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 3. Separability Clause. - If, for any reason, any provision of this Act is declared to be unconstitutional or invalid, the other sections or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 4. Effectivity Clause. - This Act shall take effect after fifteen (15) days following its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,