

FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Third Regular Session)

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SENATE
S.B. No. 3523



Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

The Passenger Vehicle Loss Disclosure Act would require insurance companies to publicly disclose the vehicle engine and chassis numbers, the date the vehicle is declared "total loss," the odometer reading on the date of the declaration of total loss, and a statement explaining why the vehicle is declared total loss.

The Land Transportation Office will regulate and require that all insurers and self-insurers disclose this information to the public in a "commercially reasonable, electronically accessible manner." Hence, the information will be available to consumers via the Internet and e-mail.

This measure is especially important after Ondoy and Pepeng. Thousands of vehicles damaged by these typhoons could be sold across the country as used cars that have been cosmetically altered to appear almost new.


MIRIAM DEFENSOR SANTIAGO

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S.B. No. **3523**

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1 AN ACT
2 TO IMPROVE CONSUMER ACCESS TO PASSENGER VEHICLE LOSS DATA
3 HELD BY INSURERS

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

4 SECTION 1. *Short Title.* – This Act shall be known as the “Passenger Vehicle
5 Loss Disclosure Act of 2009”.

6 SEC. 2. *Definition of Terms.* – As used in this Act, the term

7 (A) “Office” refers to the Land Transportation Office;

8 (B) “Passenger motor vehicle” means a motor vehicle with motive power
9 designed for carrying 10 or fewer persons, including multipurpose passenger
10 vehicles, light trucks, and motorcycles, but not including trailers; and

11 (C) “Self-insurer” means a person that retains all or part of the risk of loss with
12 respect to passenger motor vehicles it owns instead of using an insurer.

13 SEC. 3. *Disclosure of Loss Data for Passenger Motor Vehicles.* – The Office shall
14 by regulation require all insurers and self-insurers of passenger motor vehicles to disclose
15 to the public in a commercially reasonable, electronically accessible manner the
16 following information for every passenger motor vehicle that has been declared a total
17 loss by such an insurer or determined to be a total loss by such a self-insurer:

18 (A) The engine and chassis numbers of the vehicle;

19 (B) The date of declaration or determination of the total loss.

20 (C) The odometer reading on the date of the declaration or determination of total
21 loss.

1 (D) A statement as to whether the primary reason for the declaration or
2 determination of total loss is –

- 3 (i) flood or water damage;
- 4 (ii) collision or fire damage;
- 5 (iii) theft and recovery; or
- 6 (iv) some other reason.

7 (E) A statement as to whether, as a result of the incident that prompted the
8 declaration or determination of total loss, 1 or more airbags were deployed.

9 SEC. 4. *Time for Disclosure.* – The Office shall require the disclosure to be made
10 not later than. –

11 (A) the date on which the insurer terminates coverage on the vehicle due to the
12 total loss of the vehicle; or

13 (B) the date on which the self-insurer determines the vehicle to be a total loss.

14 SEC. 5. *Vehicles to which Disclosure Requirement Applies.* – Section 3 shall
15 apply to:

16 (A) *Insurers.* – To a declaration of total loss by an insurer for any passenger
17 motor vehicle with respect to which:

18 (i) the insurer obtains from an insured pursuant to a settlement resulting
19 in the termination of the current coverage by the insurer for that
20 vehicle;

21 (ii) the insurer permits the insured to retain pursuant to a settlement
22 resulting in the termination of the current coverage by the insurer for
23 that vehicle; or

24 (iii) the insurer terminates coverage following the theft of, damage to, or
25 other circumstances that adversely affect the fair market value of that
26 vehicle.

1 (B) *Self-Insurers.* – To a determination of total loss by a self-insurer for any
2 passenger motor vehicle that the self-insurer determines has sustained
3 sufficient damage to be a total loss.

4 This Act shall still apply even if the insurer or self-insurer disposes of or receives
5 proceeds from the disposition of a passenger motor vehicle upon termination of coverage
6 following the theft of, damage to, or other circumstances that adversely affect the fair
7 market value of that vehicle.

8 SEC. 6. *Use of Private Sector Resources.* – The Office shall rely on the private
9 sector to collect, aggregate, and disclose to the public the data required to be disclosed
10 under this subsection. The Office shall also ensure that all disclosed total loss data is
11 accessible by engine or chassis number.

12 SEC. 7. *Liability Protection for Public Disclosure.* – Any person performing any
13 activity related to the public disclosure of the data under this Act in good faith and with
14 the reasonable belief that such activity was in accordance with this Act shall be immune
15 from any civil action respecting such activity seeking money damages or equitable relief
16 in any court.

17 SEC. 8. *Implementing Rules and Regulations.* – The Office shall promulgate the
18 rules and regulations not later than six months after the effectivity of this Act.

19 SEC. 9. *Separability Clause.* – If any provision or part hereof, is held invalid or
20 unconstitutional, the remainder of the Act or the provision not otherwise affected shall
21 remain valid and subsisting.

22 SEC. 10. *Repealing Clause.* – Any law, presidential decree or issuance, executive
23 order, letter of instruction, administrative order, rule or regulation contrary to, or
24 inconsistent with the provisions of this Act is hereby repealed, modified or amended
25 accordingly.

1 SEC. 11. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its
2 publication in at least two (2) newspapers of general circulation.

Approved,

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