

THIRTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
Second Regular Session

5 OCT -3 P2:42

P.S. Res. No. 346RECEIVED BY: 

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Introduced by Sen. Juan Ponce Enrile

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**A RESOLUTION**

**EXPRESSING THE SENATE'S SERIOUS CONCERN OVER ANOMALIES IN THE COMPULSORY THIRD PARTY LIABILITY (CTPL) INSURANCE BUSINESS, SUPPORTING THE EFFORTS OF THE INSURANCE COMMISSIONER TO STRICTLY ENFORCE THE INSURANCE LAWS OF THE LAND, CURB ANOMALIES AND TO INSTITUTE REFORMS IN THE SYSTEM AND URGING THE SENATE TO IMMEDIATELY CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE PRESENT STATE OF THE ENTIRE INSURANCE INDUSTRY**

**WHEREAS**, the business of Compulsory Third Party Liability (CTPL) insurance for motor vehicles is beset with a proliferation of fake insurance policies, peddled to unsuspecting motor vehicle registrants by a mafia of industry rogues, in conspiracy with "colorum" agents and corrupt officials of the Land Transportation Office;

**WHEREAS**, this brisk and lucrative pursuit, encouraged by an erstwhile lack of resolve on the part of the Government, has spawned fly-by-night insurance companies, or companies which, though chronically deficient in capital and other legal requirements, have managed to thrive through the support, connivance and other illegal manipulations of powerful individuals;

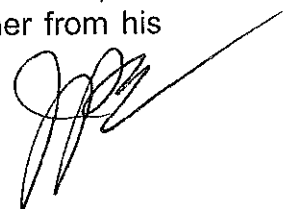
**WHEREAS**, the proliferation of these fictitious insurance policies has rendered accident victims and other claimants without recourse to compensation and indemnification, thereby negating the very purpose for which the CTPL Law was enacted in the first place;

**WHEREAS**, as an incident to all these, the government has been deprived of a huge amount of revenues running to billions of Pesos annually;

**WHEREAS**, the Office of the Insurance Commissioner under Commissioner Benjamin S. Santos has taken bold steps to apply full legal sanctions against erring insurance companies, including the issuance of cease-and-desist orders and non-renewal of concerned Certificates Of Authority against those in breach of statutory and regulatory provisions;

**WHEREAS**, the Insurance Commissioner, through pertinent circulars and the conduct of continuing dialogues with legitimate industry players, has directed the creation of consortiums whereby non-life insurance companies, collectively and in the exercise of self-regulation, shall themselves manage the CTPL business by formulating a common insurance policy form which, in combination with computerized controls and safeguards, will render counterfeiting virtually impossible; ensuring the timely remittance to the government of all requisite taxes; and, guaranteeing the prompt payment of all accident claims;

**WHEREAS**, these actions on the part of the Insurance Commissioner have predictably been met with strong resistance by those whose illegal activities stand to be displaced by the institution of such drastic reforms, and who, in shameless defiance, are now engaged in a campaign to oust the incumbent Insurance Commissioner from his position;



**WHEREAS**, efforts of the Office of the Insurance Commissioner to strictly enforce the insurance laws of the land in order to protect the public should be encouraged;

**WHEREAS**, the Senate should not allow the much-needed and much-belated reforms in the insurance industry to be defeated by those who seek to perpetuate their illegal designs and activities within the present system;

**WHEREAS**, it is in the public interest that the Senate immediately inquire into the problems besetting the entire insurance industry not only to inquire into the anomalies prevailing in our insurance system but, likewise, to craft the appropriate legislation to address weaknesses in existing laws governing the industry and their implementation;

**NOW THEREFORE, be it:**

**RESOLVED, AS IT IS HEREBY RESOLVED**, that the Senate of the Republic of the Philippines express serious concern over the deplorable state of the non-life insurance business in the country today, particularly over the existence of well-entrenched interest groups victimizing the insuring motorists with spurious CTPL insurance policies;

**RESOLVED FURTHER**, that the Senate support efforts to strictly enforce the insurance laws of the land and to institute reforms and initiatives in the non-life business sector, specifically a CTPL program that would recognize the capability of the insurance industry itself to manage and regulate the CTPL business under terms and conditions that will eliminate the commission of fraud and other illegal practices;

**RESOLVED FINALLY**, that the Senate immediately conduct an inquiry, in aid of legislation, into the present state of the entire insurance industry in order to address the weaknesses and deficiencies of existing laws governing the entire insurance industry and their implementation.

*Adopted* ,

A handwritten signature in black ink, appearing to read "Domingo", written in a cursive style with a long horizontal stroke extending to the left.