

15th CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

10 JUL 26 P1 21

RECEIVED BY: 

SENATE

S.B. No. 2001

Introduced by Senator Ramon Bong Revilla, Jr.

EXPLANATORY NOTE

According to the National Disaster Coordinating Council, a total of 880,175 families/4,320,699 persons were affected in 1,902 barangays, 155 municipalities, 32 cities of 25 provinces in Regions I, II, III, IV-A, IV-B, V, VI, IX, XII, ARMM, CAR and NCR by typhoon "ONDOY". Estimated cost of damage is PhP10.450 Billion.

As a consequence, insurance claims from flood-damaged motor vehicles reached billions of pesos. Regrettably, some insurance companies purposely resort to "Acts of God" clause in their insurance policy to avoid payments to comprehensive insurance plan holders, saying that without the "Acts of God" provision, such would be beyond the scope of their insurance plan.

This bill seeks to address this appalling development by proposing an amendment to the Insurance Code so as to deter insurance companies from their stringent but misleading comprehensive car insurance policies that do not indemnify owners of motor vehicles damaged or destroyed by typhoons.

Immediate passage of this bill is highly needed.


RAMON BONG REVILLA, JR.
Senator

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OFFICE OF THE SECRETARY

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AN ACT AMENDING SECTION 385 OF PRESIDENTIAL DECREE NO. 1460, AS AMENDED BY PRESIDENTIAL DECREE 1455, OTHERWISE KNOWN AS THE INSURANCE CODE OF THE PHILIPPINES

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

SECTION 1. Section 385 of Presidential Decree 1460 otherwise known as the Insurance Code, as amended by Presidential Decree 1455, is hereby amended to read as follows:

"Section 385. The insurance company concerned shall forthwith ascertain the truth and extent of the claim and make payment within five working days after reaching, an agreement. If no agreement is reached, the insurance company shall pay only the "no fault" indemnity provided in section three hundred seventy-eight without prejudice to the claimant from pursuing his claim further, in which case, he shall not be required or compelled by the insurance company to execute any quit-claim or document releasing it from liability under the policy or insurance or surety bond issued.

IN CASE OF A COMPREHENSIVE MOTOR VEHICLE INSURANCE, NO POLICY SHALL BE ISSUED AND DELIVERED IN THE PHILIPPINES UNLESS IT CONTAINS IN SUBSTANCE, THE PROVISION THAT COMPREHENSIVE MOTOR VEHICLE INSURANCE SHALL COVER ALL FORTUITOUS EVENTS, SUCH AS FLOODS, LANDSLIDES, TYPHOON, VOLCANIC ERUPTIONS, EARTHQUAKES, AND OTHER RELATED NATURAL CALAMITIES, PROVIDED THAT THE ACCIDENT, LOSS, DAMAGE OR LIABILITY IS DIRECTLY OR INDIRECTLY, PROXIMATELY OR REMOTELY OCCASIONED BY, CONTRIBUTED TO BY OR TRACEABLE TO, ARISING OUT OF, OR IN CONNECTION WITH THE AFOREMENTIONED NATURAL EVENTS.

SUCH INCLUSION OF FORTUITOUS EVENTS IN THE COMPREHENSIVE MOTOR VEHICLE INSURANCE SHALL BE SUBJECT TO ADDITIONAL FEES, AS MAY BE PRESCRIBED BY THE INSURANCE COMMISSION.

In case of any dispute in the enforcement of the provisions of any policy issued pursuant to this Chapter, the adjudication of such dispute shall be within the original and exclusive jurisdiction of the Commissioner, subject to limitations provided in section four hundred sixteen."

SECTION 2. Repealing Clause - All laws, executive orders, rules and regulations or any part thereof inconsistent herewith are deemed repealed, modified or amended accordingly.

SECTION 3. Separability Clause. - In case any provision of this Act is declared unconstitutional or invalid, the other provisions hereof which are not affected thereby shall continue in full force and effect.

SECTION 4. Effectivity. - This Act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation.

Approved,