

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

Office of the Secretary

15 JUL 15 P2:45

SENATE
S. No. 2855

RECEIVED BY: 

Introduced by Senator Miriam Defensor Santiago

AN ACT
TO DIRECT THE LAND TRANSPORTATION OFFICE TO REQUIRE THE
DISCLOSURE OF INFORMATION RELATING TO THE FAIR MARKET VALUE
AND SAFETY OF DAMAGED MOTOR VEHICLES

EXPLANATORY NOTE

Aside from the massive losses to agriculture, fisheries and infrastructure, there is yet another threat remaining from the devastating typhoons that ravage the country with increasing frequency. Thousands of cars and trucks that had been submerged under several feet of water have now dried out and are, in many cases, finding their way onto the used car market. For buyers, these cars may seem like any other used car offering once they have been cleaned up, but the threat of future problems is great with a machine that was never intended to be underwater. Many of these vehicles might be offered in faraway provinces with no seeming connection to the flooding, so unsuspecting customers need to be extra alert to spot possible damage.

Hence, this bill seeks to ensure that totaled and flood-damaged vehicles are flagged forever so that consumers and auto retailers can make more informed decisions about the safety and fair market value of used cars. The bill would only require a permanent red flag affixed to the vehicle's record. Insurance companies would have to make available information about a totaled vehicle's engine and chassis numbers, the

reason for it being written off, mileage when it happened and whether the airbags deployed.¹

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO
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¹ This bill was originally filed in the Fourteenth Congress, Third Regular Session.

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

1 SECTION 1. *Short Title.* – This Act shall be known as the “Damaged Vehicle
2 Information Act.”

3 SECTION 2. *Definition of Terms.* – As used in this Act, the term “person”
4 includes any individual, company, corporation, association, firm, partnership, society, or
5 any other entity, but does not include any governmental agency.

6 SECTION 3. *Disclosure of Vehicle Damage Information.* – Not later than three
7 months after the effectivity of this Act, the Land Transportation Office (LTO), shall issue
8 a regulation requiring all owners of motor vehicles which have been subjected to flood,
9 collision, fire, theft and recovery, or any other circumstance that adversely affects the fair
10 market value of such motor vehicle, to disclose to the public in a commercially
11 reasonable, electronically accessible manner the following information for every motor
12 vehicle that has been identified in such contract:

- 13 1. The engine and chassis numbers of the motor vehicle;
- 14 2. The date of the termination of the contract;
- 15 3. The odometer reading of the motor vehicle at the time of damage;

1 4. Whether, as a result of the incident resulting to the damage of the motor
2 vehicle, one or more airbags in the motor vehicle were deployed;

3 5. The cause of the damage, including whether such was through flood, collision,
4 fire, theft and recovery, or another cause;

5 The LTO shall rely on the private sector to collect, aggregate, and disclose to the
6 public the fair market value and safety information, and all such information shall be
7 accessible by engine or chassis number.

8 SECTION 4. *Separability Clause.* – If any provision of this Act is held invalid or
9 unconstitutional, the same shall not affect the validity and effectivity of the other
10 provisions hereof.

11 SECTION 5. *Repealing Clause.* – All laws, decrees, orders, and issuances, or
12 portions thereof, which are inconsistent with the provisions of this Act, are hereby
13 repealed, amended or modified accordingly.

14 SECTION 6. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after
15 its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved,

/rapt8July2015