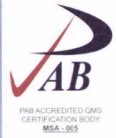




Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



Legal Opinion (LO) No.:	2020 - 06
Date:	07 August 2020

MR. LIONEL C. CORTINA

No. 39 Sampaguita St., Sta. Quiteria Village,
Caloocan City

SUBJECT: Request for Legal Opinion on the Certificate of No Claim Requirement for Third-Party Property Damage Claims in Motor Insurance

Dear **Mr. Cortina:**

This refers to your letter received by the Insurance Commission on 04 February 2020 requesting for the issuance of a legal opinion on the propriety of the insurer of the guilty party requiring the submission of a Certificate of No Claim from the third-party claimant in the event of a motor insurance claim arising from third-party property damage. More specifically, you seek clarification with regard to the following questions:

- “1. Is the submission/compliance of this requirement “CERTIFICATE OF NO CLAIM” legally binding on the part of the 3rd party that non-submission/compliance would cause undue delay and to a certain extend denial of the claim,
2. Is the Insurer of the guilty party LEGALLY RIGHT to impose suspension/denial of the claim unless and until the certificate of no claim requirement is complied with.”

Anent the first question, please be informed that the Insurance Code, as amended by Republic Act No. 10607 does not enumerate the requirements for the filing of a motor insurance claim by a third party in relation to third-party property damage. Nevertheless, the submission of Certificate of No Claim is typically required by insurers as part of the claims process.

Please note that upon the insurer’s receipt of the claim, an adjuster is assigned to investigate the validity and compensation of such claim. This investigation includes the assessment of relevant documents submitted by the claimant, as may be required by the insurer as part of the claims process. As such, failure to submit the documents required by the insurer for the processing of the third-party property damage claim can delay the claims process.

In the case of third-party property damage claims, insurers typically require the submission of a Certificate of No Claim to prevent double claims. Simply put, the Certificate of No Claim is a document certifying that the third party has not made any claims from their own insurance, thereby preventing them from filing a double claim in the future. This measure is taken by insurance companies to prevent situations wherein the third party who has already been indemnified under his own motor insurance policy likewise seeks to be indemnified for third-party property damage under the guilty party's motor insurance policy. The Certificate of No Claim being essential in the assessment of the validity and compensation of the third-party property damage claim, **the insurer may thus validly require the insured in a motor car insurance policy to submit a Certificate of No Claim secured from the third-party insurer in relation to such claim. In the same vein, the failure to submit a Certificate of No Claim can delay the claims process.**

As regards the second question, it must be emphasized that the insured has the duty to cooperate with the insurer whenever there are claims made against the insurance policy. This duty encompasses compliance with the claims process and submission of necessary documents for the processing of claims. **As such, in the event that the Certificate of No Claim requirement is not complied with, the insurer of the guilty party may validly suspend the processing of, or if warranted after investigation, deny, the claim for third-party property damage.**

Please note that the opinion rendered by this Commission is based solely on the particular facts disclosed in the query and relevant solely to the particular issues raised therein, and shall not be used, in any manner, in the nature of a standing rule binding upon the Commission in other cases whether for similar or dissimilar circumstances.

Please be guided accordingly.

Very truly yours,



DENNIS B. FUNA
Insurance Commissioner

