



Legal Opinion (LO) No.:	2021 - 10
Date:	23 June 2021

Ms. MAREYCA SADANG
 cremasadang@gmail.com

SUBJECT: Query on Motor Insurance

Dear Ms. Sadang,

We write in reply to your query which is quoted in full, as follows:

"I read your article in the Business Mirror on Comprehensive Motor Insurance.

May I take the liberty of asking for clarification?

If the car owner already has a Comprehensive Insurance Policy that also covers VTPL for property damage and VTPL for personal injury for P500K each, is there still a need for a CTPL? And if yes, why?

Thank you and more power!"

The above query is in relation to the Business Mirror Article on Comprehensive Motor Insurance which was published last September 4, 2018.

At the onset, please note that a Comprehensive Motor Insurance Policy provides cover for:

- a) liability to the public (death or injury in the maximum amount of Php 100,000.00);
- b) no-fault indemnity;
- c) loss or damage; and
- d) excess liability insurance.

The first two items are commonly known as the Compulsory Third Party Liability (CTPL) coverage while the last item includes: a) excess bodily injury, also known as Voluntary Third-Party Liability or VTPL-Bodily Injury; and b) third-party property damage or VTPL-

Property Damage. The VTPL covers expenses in excess of the CTPL's coverage limit. In some instances, additional coverages for auto personal accident and acts of God are likewise included subject to payment of additional premium. Further, a stand-alone product for CTPL can also be sold separately.

Considering the foregoing, it would be advisable to review your insurance policy and policy schedule if all of the above-mentioned benefits are covered in order to address your concern.

If all the above benefits are already provided in the policy schedule, CTPL is already covered which would therefore no longer necessitate a separate cover for CTPL.

On the other hand, if the policy schedule of your motor policy only provides coverage for items (c) for loss and damage and (d) for VTPL, CTPL is still necessary so that your car can be registered with the Land Transportation Office and this will also serve as the primary basis in the initial payment for any liability arising thereof. The benefits for VTPL, especially for bodily injury, will only answer the benefits which are in excess of what is covered by the CTPL provisions.

We hope we have sufficiently addressed your concern.

Please be guided accordingly.

Thank you.

Very truly yours,

DENNIS B. FUNA
Insurance Commissioner

