



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



Legal Opinion (LO) No.:	2022-05
Date:	24 February 2022

MR. WERHNER V. PAREL
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MAA General Assurance Phils., Inc.
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Subject: **Tractor Head and Trailer Insurance
Coverage**

Dear **Mr. Parel:**

This refers to your request for clarification and guidance in relation to IC Legal Opinion No. 2019-08 dated 18 June 2019 and IC Legal Opinion No. 2019-08-A dated 19 June 2019. Per your letter dated 08 October 2021, the pertinent facts are as follows:

"At the time of accident, the Tractor Head was towing a tri-axle flatbed trailer separately owned by another entity. While enroute to destination, the left side rearmost tire and hub of the trailer detached and hit a closed van which was coming from the opposite direction, and thereafter the tire and hub also hit a second vehicle, a truck which was trailing the Articulated Vehicle.

The driver of the Tractor Head was completely unaware of the detached tire and hub until he reached the destination and found out about the missing tire and hub of the trailer. Several days later the registered owner of the Tractor Head was notified by the third-party claimants of the incident.

Extensive damages were sustained by both third-party vehicles. The driver of the closed van sustained physical injury, and was brought to the nearest hospital for treatment."

Relative to the foregoing, and in view of LO No. 2019-08 and LO No. 2019-08-A, you seek confirmation as to the following allocation of insurance settlements:

1. Damages to the two (2) third-party vehicles	The Sec. IV(b) Third-Party Property Damage (TPPD) insurance cover of the Tractor Head
2. Injury sustained by the closed-van driver	The Sec. I (Liability to the Public) and Sec. IV(a) Excess Bodily Injury (BI) insurance cover of the Trailer

Upon careful evaluation of your query and the facts presented, please find the findings of the Insurance Commission below.

With respect to the application of the Liability to the Public, No Fault Indemnity and Excess Liability provisions under a standard comprehensive insurance policy, LO No. 2019-08 and LO No. 2019-08-A are instructive, to wit:

“x x x it is evident that with regard to Liability to the Public, No Fault Indemnity and Excess Liability Provisions under a standard Comprehensive Insurance, having a separate Comprehensive Insurance for the tractor head and the trailer is not material. **While the trailer is attached to and is being towed by the tractor head, it is the tractor head's driver who has direct control of the movement of both the tractor head and the trailer attached to it. Thus, any injury or death to any third party by reason thereof is directly attributable to said driver.** Being a Comprehensive Insurance, in most cases, the proximate cause of damage, bodily injury and/or death is attributable to the driver of the tractor head. As such, **the Comprehensive Insurance of the tractor head shall be held liable for third party liability arising from death, bodily injury or third party property damage.**

The exception, however, is if the proximate cause of the injury or death is directly attributable to the trailer. For example, **when the injury or death is specifically attributable to the defects of the trailer's equipment such as its wheel/s, bearing/s, lock/s, etc.** In this case, **the insurance policy of the trailer, if any, should be held liable for death or bodily injury to third party.** The comprehensive insurance of the tractor is not answerable in this instance.” (Emphasis supplied.)

Based on the foregoing, the general rule is that insofar as third-party liability arising from death, bodily injury or third-party property damage is concerned, it is not material whether the tractor head and the trailer are covered by separate comprehensive insurance policies. While the trailer is attached to and is being towed by the tractor head, it is the tractor head's driver who has direct control of the movement of both the tractor head and the trailer. Hence, the presumption is that the death, bodily injury or third-party property damage is attributable to the

driver of the tractor head and, therefore, the insurance policy of the tractor head is liable for both the third-party property damage and the third-party bodily injury.

Nevertheless, the foregoing general rule is subject to an exception, that is, if the proximate cause of the injury or death is directly attributable to the trailer, as in the case of defects of the trailer's equipment. If the proximate cause of the death, bodily injury, or third-party property damage is specifically attributable to the trailer, then it is the insurance policy of the trailer that shall be answerable for both the third-party property damage and the third-party bodily injury.

Based on the facts presented, it cannot be determined whether the proximate cause of the third-party property damage and the third-party bodily injury is directly attributable to the tractor head or the trailer. **Absent showing that the proximate cause of the third-party liability is attributable to the trailer, the general rule is that the tractor head shall answer for both the damages to the two (2) third-party vehicles and the injury sustained by the closed van driver. However, should there be determination that the proximate cause of the third-party property damage and the third-party bodily injury is due to defects of the trailer's equipment, then the insurance policy of the trailer shall be answerable.**

Please note that the above 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.

For your information and guidance.

Very truly yours,

DENNIS B. FUNA
Insurance Commissioner

