



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



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INSURANCE COMMISSION SUPPORTS CLAMOR TO INCREASE PUV PASSENGERS' INSURANCE

The Insurance Commission (IC) expressed its support for the proposal to increase the insurance benefits for passengers of public utility vehicles (PUVs) under the Personal Passenger Accident Insurance (PPAI) Program.

Insurance Commissioner Dennis B. Funa said that the IC referred to the Land Transportation Franchising and Regulatory Board (LTFRB) the proposal from 1-United Transport Koalisyon (1-Utak) to increase the insurance benefits under the mandatory insurance cover for passengers of PUVs prescribed under LTFRB Memorandum Number 2015-028 after it had conducted a public consultation with all the stakeholders and the transport groups.

According to Commissioner Funa, "As the public transportation in the country continues to evolve, it has become very important for all PUVs to have sufficient insurance coverage for the protection of the riding public in the event of accidents."

He added, "Based on the reports submitted to the IC, particularly the amount of insurance claims paid and settled under the PPAI Program and the prompt release of insurance benefits, the PPAI Program proves to be an effective tool in providing immediate assistance to the riding public and their families. Thus, any proposal to increase the insurance benefits should always be considered and evaluated."

Prior to referring the said proposal to the LTFRB, the IC referred the matter to the insurance industry particularly to the LTFRB-accredited insurance companies through their respective management companies, Passenger Accident Management and Insurance Agency, Inc. (PAMI) and SCCI Management and Insurance Agency Corporation (SCCI), as well as to the Philippine Insurers and Reinsurers Association, Inc. (PIRA).

"Based on the study conducted by the PIRA, the umbrella organization of all non-life insurance companies and an IC-accredited rating organization, the existing premium rates, using the historical numbers and actual insurance claims paid and settled for the period from 2015 to June 2017, could no longer sustain the proposed increase in benefits. Thus, it proposed that the premium rates be increased," said Commissioner Funa.