



Legal Opinion (LO) No:	2023-07
Date:	31 January 2023

**MR. JIMMY A. ROBLES**

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**SUBJECT: Request for Legal Opinion on Motor Vehicle Liability Insurance**

Dear **Mr. Robles and Ms. Bautista:**

The Insurance Commission (Commission) writes in reply to your letter, requesting a legal opinion on the following questions:

- “1. Whether or not the Company is liable to damages to the insured vehicle due to rat bites.
2. Whether or not soil erosion is considered an act of nature for a particular claim with AON coverage or still covered under Own Damage. While the insured truck was parked/dumped its load, one of its tires went to a soft portion of the road, an allege soil erosion resulting the truck to tilt and fell to the ground.
3. The tractor head and trailer [both with insurance coverage] towed by it figure in an accident that led to the trailer damage another vehicle and injuries to its occupants. Which policy would respond to the claim? With the same facts of accident, but the trailer has no insurance, will the assured has to shoulder the 50% share on the third party or bodily injury claim?”

After a thorough consideration, the Commission resolves as follows:

*As to the first question.* A standard motor vehicle liability insurance policy has a loss or damage section, which provides:

1. The Insurer will, subject to the Limits of Liability, indemnify the Insured/Assured against loss of or damage to the Covered Vehicle and its accessories and spare parts while thereon:-

(a) by accidental collision or overturning, or collision or overturning consequent upon mechanical breakdown or consequent upon wear and tear;

(b) by fire, external explosion, self-ignition or lightning or burglary, housebreaking or carnapping, or any unlawful taking of the car accessories or any part while thereon, but excluding those committed by an employee of the insured/assured or any person or persons to whom the covered vehicle has been entrusted;

(c) by malicious act; or

(d) while in transit (including the processes of loading and unloading) incidental to such transit by road, rail, inland waterway, lift or elevator.

From the foregoing, and due to lack of factual circumstances to rule otherwise, the Commission finds that the damage due to rat bites cannot be considered compensable because such peril does not fall among any of the perils insured against in (a) to (d).

*As to the second question.* In like manner, soil erosion does not qualify in any of the enumerated perils under the loss or damage section. The facts neither show a malicious act nor did it reveal that the soil erosion happened while the insured truck was in transit. For a policy with an act of nature coverage, the standard motor vehicle liability insurance policy considers "act of nature" "any accident, loss, damage or liability directly or indirectly, proximately or remotely occasioned by, contributed to by or traceable to, or arising out of, or in connection with flood, typhoon, hurricane, volcanic eruption, earthquake or other convulsion of nature." The enumeration does not explicitly include soil erosion unless it will fall under the term "other convulsion of nature."

Under the *ejusdem generis* principle, where a general word or phrase follows an enumeration of particular and specific words of the same class, the general word or phrase is to be construed to include – or to be restricted to – things akin to or resembling, or of the same kind or class as, those specifically mentioned.<sup>1</sup> Here, the "other convulsion of nature" was preceded by earthquake, volcanic eruption, hurricane, and typhoon. Examining the list, the Commission finds that soil erosion is not akin to, resembles, or of the same kind or class as, those specifically mentioned perils.

Moreover, the Commission finds no factual characterization of the alleged soil erosion as to include it in the term "other convulsion of nature," which requires an abrupt or violent disturbance.<sup>2</sup> Neither is there a showing that the proximate cause of the soil erosion arises from any of the mentioned perils. Hence, soil erosion, in this case, cannot be considered an "act of nature."

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<sup>1</sup> Liwag v. Happy Glen Loop Homeowners Association, Inc., G.R. No. 189755, 04 July 2012.

<sup>2</sup> Merriam-Webster. (n.d.). Convulsion. In *Merriam-Webster.com dictionary*. Retrieved January 24, 2023, from <https://www.merriam-webster.com/dictionary/convulsion>.

As to the third question. In LO 2022-05, in relation to LOs 2019-08 and 2019-08-A, the Commission laid down the following rule:

"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." (*Emphases supplied*)

As narrated, the trailer figured in the accident while being towed by the tractor head. Applying the foregoing rule, therefore, the insurance policy covering the tractor head, in either case, should answer the claim.

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

