



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



Advisory No. :	RS-2025-013
Classification:	Regulatory and Supervisory Advisory
Date:	27 June 2025

INSURANCE COMMISSION ADVISORY

TO : THE PUBLIC

**SUBJECT : DRAFT CIRCULAR LETTER ON THE REVISED
COMPULSORY MOTOR VEHICLE LIABILITY INSURANCE
(CMVLI) COVERAGE**

The Insurance Commission (IC) shall issue the revised schedule of premiums and benefit coverages for the CMVLI.

Relative thereto, we would like to solicit your comments, suggestions, and recommendations on the draft Circular Letter and its annexes (see attached).

Comments/feedback shall be submitted to the IC – Office of the Insurance Commissioner at ocom@insurance.gov.ph within fourteen (14) calendar days after the issuance of this Advisory.

Thank you.


REYNALDO A. REGALADO
Insurance Commissioner





Circular Letter (CL) No.:	
Date:	
Supersedes:	IMC No. 4-2006, IMC No. 2024-01

CIRCULAR LETTER

TO : ALL NON-LIFE INSURANCE COMPANIES

SUBJECT : Revised Compulsory Motor Vehicle Liability Insurance Coverage

WHEREAS, the Insurance Commission provided for the Limits of Liability, Schedule of Indemnities for Bodily Injury and/or Death, and Premium Rates through Insurance Memorandum Circular (IMC) No. 4-2006;

WHEREAS, the Limits of Liability was doubled in 2024 through IMC No. 2024-01 increasing the benefit to P200,000.00. The Commission is set to further raise the benefits consistent with the President's recent pronouncement;

WHEREAS, in consonance with the President's commitment to improve coverage for victims of road traffic incidents, increasing the Compulsory Motor Vehicle Liability Insurance (CMVLI) benefits aligns with the national policy of ensuring accessible and adequate financial protection;

WHEREAS, the primordial purpose of the CMVLI is to guarantee and ensure that the owners and/or operators of motor vehicles have the means and resources to indemnify, as far as applicable, the death and/or bodily injury of third parties or passengers arising from the operation of their motor vehicles;

WHEREAS, CMVLI aims to ensure that victims and/or its dependents can access immediate financial assistance regardless of at-fault party's ability to pay;

WHEREAS, Chapter VI of the Amended Insurance Code provides the standards and general guidelines on CMVLI policies;

WHEREAS, pursuant to Section 367 of the Amended Insurance Code, the Commission determined that there is a need to review the adequacy of rates corresponding to the increase in the benefits of CMVLI;

WHEREAS, pursuant to Section 361 of the Amended Insurance Code, the Philippine Insurers and Reinsurers Association (PIRA), Inc. submitted its proposed schedule of benefits and premium rates for each vehicle classification which the Commission thoroughly reviewed in accordance with Section 363 of the Amended Insurance Code;

NOW, THEREFORE, in the interest of the public and pursuant to the authority vested in me by the provisions of Section 437 of the Insurance Code of the Philippines, as amended, the following guidelines on the appropriate rates for CMVLI vis-à-vis benefits shall be observed as follows:

I. APPLICABILITY

The Circular shall be applicable to all non-life insurance companies offering CMVLI.

II. SCHEDULE OF BENEFITS

The Schedule of Benefits, in the attached **Annex A**, shall be observed in the settlement of claims for death, bodily injuries, professional fees and hospital charges for services rendered to traffic incident victims under the CMVLI policy.

III. LIMITS OF LIABILITY

Notwithstanding the benefits provided in Section II, the limit for third party liability for all CMVLI coverage shall be Four Hundred Thousand Pesos (P400,000.00) per incident for all types of motor vehicles.

IV. CMVLI RATES

The premium rates for one-year and three-year CMVLI coverage are as follows:

VEHICLE CLASSIFICATION	BASIC PREMIUM	DST 12.50%	EVAT 12.00%	LGT* 0.75%	TOTAL PREMIUM
For One-Year CMVLI Coverage					
1. AC/Tourist Cars	905.79	113.22	108.69	6.79	1,134.49
2. Taxi/ PUJ/ Minibus	1,346.43	168.30	161.57	10.10	1,686.40
3. PUB/Tourist Bus	1,303.21	162.90	156.39	9.77	1,632.27
4. Motorcycle/Trailers/Tricycle	199.6	24.95	23.95	1.50	250.00
5. Private Car	447.11	55.89	53.65	3.35	560.00
6. Commercial Vehicle - Light & Medium	487.03	60.88	58.44	3.65	610.00
7. Commercial Vehicle - Heavy	958.08	119.76	114.97	7.19	1,200.00

VEHICLE CLASSIFICATION	BASIC PREMIUM	DST 12.50%	EVAT 12.00%	LGT* 0.75%	TOTAL PREMIUM
For Three-Year CMVLI Coverage					
1. AC/Tourist Cars	2,594.94	324.37	311.39	19.46	3,250.16
2. Taxi/ PUJ/ Minibus	3,855.70	481.96	462.68	28.92	4,829.26
3. PUB/Tourist Bus	3,729.86	466.23	447.58	27.97	4,671.64
4. Motorcycle/Trailers/Tricycle	574.85	71.86	68.98	4.31	720.00
5. Private Car	1,285.43	160.68	154.25	9.64	1,610.00
6. Commercial Vehicle - Light & Medium	1,397.21	174.65	167.67	10.48	1,750.00
7. Commercial Vehicle - Heavy	2,746.51	343.31	329.58	20.60	3,440.00

Figures may not add up due to rounding

**Taxes may vary per Local Government Unit*

V. PRODUCT APPROVAL

All non-life insurance companies shall, within three (3) months from the effectivity of this Circular, secure approval of the Commission prior to the issuance of all CMVLI policies reflecting the benefits provided in this Circular.

VI. SUBMISSION OF REPORTS

All non-life insurance companies duly approved by this Commission to provide CMVLI shall submit quarterly reports, using the prescribed templates, thru the IC online uploading portal. The quarterly report submission shall be every 15th day of the month of the succeeding quarter.

The online users are required to register by submitting an application form together with the supporting documents to rating@insurance.gov.ph within two (2) weeks from the approval of the product.

Reporting Templates

A. Premium and Risk Register Report (Annex B)

The premium and risk register report shall include the policy number, period of insurance coverage, details of the motor vehicle unit, premium received, and taxes collected. All policies issued within the quarter shall be reported in the premium and risk register for that quarter.

B. Claims Register Report (Annex C)

The claims register report shall include the policy number, pertinent dates of the claim, status of the claim, and benefit amounts. All claims received as of the end of the quarter, and accumulated claims received from the effective date of the policy, shall be reported in the claims register for that quarter.

C. Summary of Motor Car Accounts (Annex D)

The summary of motor car accounts shall include the premiums earned, losses incurred, commissions and other underwriting expenses. All income and expenses incurred for the quarter shall be reported in the summary of motor car accounts.

Failure to submit the reports on or before the deadline shall be subject to a penalty of Php5,000.00 for each day of delay.

VII. TRANSITORY PROVISION

Upon effectivity of this Circular, the said increase in benefits shall automatically be in force and effect on all existing and subsisting CMVLI covers, without the need to amend said contracts nor provide supplementary documents to enforce this Circular.

VIII. REVIEW OF RATES AND BENEFITS

The rates and benefits shall be subject for review after one year upon data collection set forth in Section VI of this Circular.

IX. REPEALING CLAUSE

All other provisions of existing and effective issuances by this Commission inconsistent herewith are hereby amended or repealed accordingly.

X. EFFECTIVITY

This Circular shall take effect immediately.

REYNALDO A. REGALADO
Insurance Commissioner

SCHEDULE OF BENEFITS

A. Death Indemnity

Including Burial and Funeral Expenses

₱ 400,000.00

B. Permanent Disablement

The total benefits payable in respect of any one incident resulting in loss(es) shall be Php400,000.00 per incident.

	Existing	New
Loss Of or Loss Of Use Of:		
Two Limbs	50,000.00	200,000.00
Both Hands, or All Fingers & Both Thumbs	50,000.00	200,000.00
Both Feet	50,000.00	200,000.00
One Hand and One Foot	50,000.00	200,000.00
Sight Of Both Eyes	50,000.00	200,000.00
Injuries Resulting in Being Permanently Bedridden	50,000.00	200,000.00
Any Other Injury Causing Permanent Total Disablement	50,000.00	200,000.00
Arm At or Above Elbow	20,000.00	80,000.00
Arm Between Elbow and Wrist	15,000.00	60,000.00
Hand	15,000.00	60,000.00
Four Fingers and Thumb of One Hand	15,000.00	60,000.00
Four Fingers	12,000.00	48,000.00
Leg At or Above Knee	20,000.00	80,000.00
Leg Below the Knee	15,000.00	60,000.00
One Foot	15,000.00	60,000.00
All Toes of One Foot	10,000.00	40,000.00
Thumb	8,000.00	32,000.00
Index Finger	6,000.00	24,000.00
Sight Of One Eye	20,000.00	80,000.00
Hearing – Both Ears	30,000.00	120,000.00
Hearing – One Ear	15,000.00	60,000.00

C. Bodily Injuries and Fractures

Types of Accommodation or Professional Attendance Extended	Services Rendered	Maximum Reimbursable Fees and/or Charges	
		Existing	New
1. Hospital Rooms	Max of 45 days per accident	₱ 500.00 /day	2,000.00 /day
	Laboratory examination, fees, x-rays	2,000.00	8,000.00
2. Surgical expense	Major Operation	7,500.00	30,000.00
	Medium Operation	5,000.00	20,000.00
	Minor Operation	1,500.00	6,000.00
3. Anesthesiologist's fees	Major Operation	2,500.00	10,000.00
	Medium Operation	2,000.00	8,000.00
	Minor Operation	500.00	2,000.00
4. Operating room	Major Operation	1,500.00	6,000.00
	Medium Operation	1,000.00	4,000.00
	Minor Operation	500.00	2,000.00
5. Medical expenses	For daily visits of Practitioner or specialists	400.00 /day	1,600.00 /day
	The total amount of medical expenses must not exceed (For a single period of confinement)	5,000.00	20,000.00
6. Drugs and Medicines	Actual value of drugs and medicines used but not to exceed	20,000.00	80,000.00
7. Ambulance Assistance	Actual value of drugs and medicines used but not to exceed	1,500.00	6,000.00

D. OTHER INCIDENTAL EXPENSES

The Insurer will pay all pertinent and reasonable expenses incurred in connection with the accident not provided under this Schedule of Benefits, subject to a maximum amount of Ten Thousand Pesos (P10,000.00) but in no case shall the Insurer's aggregate payment exceed the overall Limits of Liability under Sections II and III.

E. NO FAULT INDEMNITY

Any claim for death or bodily injuries sustained by a passenger or third party shall be paid without necessity of proving fault or negligence of any kind provided the total indemnity in respect of any person shall be Sixty Thousand Pesos (P60,000.00) for all motor vehicles.