SALE OF MOTOR VEHICLES ACQUIRED BY INSURANCE COMPANIES AFTER PAYMENT OF TOTAL LOSS CLAIM

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For the proper implementation of IC Circular Letter No. 18-99 — prescribing procedures to check the unscrupulous practice of legitimizing the registration of carnapped or illegally obtained vehicles, the following rules and regulations are hereby issued:

1. Without exception, whenever a total loss claim for loss or damage to a motor vehicle is paid, the insurance company insuring the vehicle should submit a report in the attached form entitled "Description of Motor Vehicle Paid for Total Loss" to the Insurance Commission within seven (7) days from the date of the payment of the claim.

2. If the vehicle acquired by the insurance company after payment of a total loss is sold (as a whole or only its parts) together with the vehicle's registration certificate, the insurance company should submit a report in the attached form entitled "Description of Motor Vehicle Paid for as Total Loss and Subsequently Sold (whole unit or parts)" to the Insurance Commission within seven (7) days from the date of the sale.

3. If the motor vehicle which is the subject of a Total Loss Claim is no longer serviceable, considered totally wrecked or junk, the insurance company should submit the Registration Certificate of the vehicle to the LTO for cancellation. Within seven (7) days after the date of cancellation of the Registration Certificate of the vehicle, the insurance company should submit a report in the attached form entitled "Description of Motor Vehicle Paid for as Total Loss and Subsequently Sold (whole unit or parts)" to the Insurance Commission.

4. If only some parts, particularly the motor or chassis, are sold, the company should not transfer the Registration Certificate of the vehicle, but instead surrender it to the LTO for cancellation.

All vehicles acquired from January 1999 up to April 2000 through payment of Total Loss claims, should be reported to the Insurance Commission not later than 30 May 2000 using the applicable forms as described above. For subsequent acquisitions, reporting should be made within the 7-day prescribed period.

All concerned should be guided accordingly.

Adopted: 02 May 2000

(SGD.) EDUARDO T. MALINIS
Insurance Commissioner

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