

CLEARANCES REQUIRED FROM INSURANCE COMPANIES

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This Office has received reports that some enterprising and unscrupulous agents of insurance companies, though duly registered as such by the Insurance Commission and accredited by the Insurance and Surety Association of the Philippines (ISAP), have issued questionable Compulsory Third Party Liability insurance policies with Certificates of Cover for motor vehicles purportedly in compliance with the provisions of Presidential Decree No. 612, as amended, and Letter of Instruction No. 1071.

Accordingly, pending comprehensive inquiry and study on the matter with the view of identifying fly-by-night and unauthorized insurance providers as well as to give protection to owners of motor vehicles and the general public, it is hereby directed starting 15 March 2002 that the Land Transportation Office shall only accept Compulsory Third Party Liability insurance coverage for a motor vehicle if the concerned insurer shall have been issued a clearance certificate by the LTO Assistant Secretary certifying that the insurer has submitted, in addition to existing requirements, the following up-to-date clearances from the:

1. Bureau of Internal Revenue (BIR)
2. Social Security System (SSS)
3. Securities & Exchange Commission (SEC)
4. Department of Labor and Employment (DOLE), and
5. Regional Trial Court (RTC)

The required clearance from the court, for this purpose, refers to the court of the place where the main office of the insurance company is located and the clearance will attest only to the fact that there is no final and/or executory judgment against the said insurance company.

All other issuances or parts thereof which are inconsistent herewith are therefore correspondingly modified or superseded.

This circular shall take effect fifteen (15) days after the filing of three (3) copies thereof with the UP Law Center pursuant to Presidential Memorandum Circular No. 11 dated 09 October 1992.

Adopted: 7 January 2002

(SGD.) EDGARDO M. ABENINA
Brig. Gen. AFP (Ret.) Assistant Secretary

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